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DEBATES

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HOUSE OF COMMONS

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DOMINION OF CANADA

SECOND SESSION—THIRTEENTH PARLIAMENT

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COMPRISING THE PERIOD FROM THE SIXTH DAY OF JUNE TO THE TWENTY-FOURTH DAY OF JUNE, 1919, INCLUSIVE



OTTAWA
J. DE LABROQUERIE TACHÉ
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

CANADA

House of Commons Debates

OFFICIAL REPORT

Friday, June 6, 1919.

The House met at Three o'clock.

SEDITION AND SEDITIOUS PROPAGANDA.

DAY FIXED TO DISCUSS REPORT OF SPECIAL COMMITTEE.

Hon. HUGH GUTHRIE (Solicitor General) presented report of Special Committee appointed to consider and report on laws relating to sedition and seditious propaganda.

SENATE BILL.

FIRST READING.

Bill No. 124 (from the Senate) for the relief of Andrew Pepper.—Mr. Campbell.

RESIGNATION OF HON. T. A. CRERAR.

LETTER FROM MINISTER OF AGRICULTURE TO THE PRIME MINISTER AND THE PRIME MINISTER'S REPLY.

On the Orders of the Day:

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): Mr. Speaker, I have the permission of His Excellency the Governor General to communicate to the House the correspondence respecting the resignation of the Minister of Agriculture:

Ottawa, June 4, 1919.

The Right Honourable
Sir Robert Borden, G.C.M.G.,
Prime Minister of Canada,
Ottawa.

My Dear Sir Robert,—The Government, in its consideration of the Budget to be placed before Parliament to-morrow, has reached, I take it, definite and final conclusions as to the form it will take. As you are aware, I am not in accord with it and therefore cannot support it, either in the House or in the country. Having reached this decision, there is only one course for me to follow, and I therefore tender you herewith my resignation as a member of the Government. The reason for my decision shall be given more fully when the subject is under discussion in the House.

In view of the fact that the military business of the war, through demobilization, is not yet completed, permit me to say that only strong conviction upon this issue, reached after earnest consideration, impels me to take this course.

I cannot refrain from expressing my appreciation of the heavy worries and responsibilities you have so courageously faced during the war, and particularly in the last year—worries and responsibilities which I venture to say the people of Canada do not yet fully understand; and also the fine manner in which you have represented Canada overseas in the delicate and difficult negotiations preliminary to the signing of Peace.

Let me also thank you very sincerely indeed for the many courtesies and kindnesses you have shown during the past eighteen months, to one quite inexperienced in Parliamentary work and in the very intricate and difficult problems of Government in this country.

I am,
Yours truly,
(Sgd.) T. A. Crerar.

To which the following reply was given on the same day:

Ottawa, June 4, 1919.

My dear Mr. Crerar,—I have received with deep and unfeigned regret your resignation as a member of the Government; but I entirely appreciate and respect the sincerity of the convictions which have impelled you to take that course.

It will be my immediate duty to acquaint His Excellency the Governor General with your decision and to request his authority for the acceptance of your resignation.

During the period of nearly two years in which you have been one of my colleagues your high sense of public duty, your fine ability and your indefatigable energy have made your service to the country especially valuable. Within that period problems of an exceptionally difficult character have continually presented themselves and I am most grateful to you, and to all my colleagues, for the loyal assistance and earnest effort which on all such occasions have been of invaluable assistance to me in the consideration of such questions.

My association with you as one of my colleagues will always be to me a happy memory; and I know that I may express this to you on behalf of all the members of the Government.

I am very grateful for your kind words in respect to my own part in public affairs since it has been my privilege to have you as one of my colleagues.

With every good wish, believe me, dear Mr. Crerar,

Yours faithfully,
(Sgd.) R. L. Borden.

Hon. T. A. Crerar, M.P.,
Ottawa.

The resignation has been accepted informally, as appears from the correspondence, and it will be accepted in the usual formal manner by Order in Council to-morrow.

STRIKING POSTAL EMPLOYEES.

On the Orders of the Day:

Mr. D. D. McKENZIE (Leader of the Opposition): I received a telegram yesterday from Calgary which I handed to the Acting Minister of Trade and Commerce (Mr. Maclean), thinking he might be able to give some reply in regard to it to-day. I did not show it to the Prime Minister, as I thought the Acting Minister of Trade and Commerce would be present, but he is not in his seat just now. This telegram, which has reference to post office matters in the city of Calgary, reads as follows:

> With the exception of one, the entire staff of Calgary post office withdrew from duty on May twenty-sixth, and Government states men cannot return. These employees belong to an organization officially recognized by Government and their constitution includes strike weapon, which has never been objected to. Government's action cannot be construed as anything but an attack on labour—

Mr. SPEAKER: Order. I would ask the hon. gentleman to be good enough to summarize his question, because the telegram he is reading in the nature of things, involves an attack on the Government, and that is not in order on the Orders of the Day.

Mr. McKENZIE: I have read all the bad there is in the telegram. It goes on:

> Unless immediately reconsidered, grave consequences must necessarily ensue.

The telegram is to the effect that the Government knew the men belonged to this organization, with a provision that they could go out on strike. Now the men are shut out because they went on strike.

Sir ROBERT BORDEN (Prime Minister): I have received communications of a similar character, and I have made replies to them which I would have been very glad to bring down to the House had I known my hon. friend intended to ask this question to-day.

The situation so far as the postal employees are concerned, whether at Winnipeg or elsewhere, is very simple. In Winnipeg they went out on a sympathetic strike although they had no grievance of their own and they were given a period of between two and three days within which to return to their duty. They were distinctly and emphatically informed that if they did not return to their duty by Monday noon, the 26th of May, they must regard themselves as permanently retired from the public service. I understand that a very considerable number of them were disposed to return, and seventy of them did return. The others were deterred, I understand, by the assertion made to them by interested people that the Government was "bluffing" and would not dare to carry out its proposal in regard to the men who had thus deserted their duty in the public service. A very distinct intimation was sent by telegram to Calgary, to Edmonton, and to every other western city in which strikes had not then taken place, but where there seemed a possibility that the employees in the public service would go out on a sympathetic strike. That telegram has already been communicated to the House, and will be found at page 2957 of the unrevised Hansard of the 27th of May, 1919. I need not read it again.

It was a distinct and emphatic intimation to the postal employees that if they undertook to go out on a sympathetic strike, disregard their public duty, accept the direction of another authority than the Government, dislocate the public service of this country, and occasion widespread public inconvenience, they must regard themselves as permanently retired from the public service of this country.

I have had a great many communications on the subject since, and I have sent replies. I do not think it is worth while reading them to the House, but I am perfectly prepared to do so at any time if my hon. friend so desires. I can only say that the Government, having taken this position, and taken it, I think, with good cause, would render no good service to the public interest by withdrawing from it. There was the most plain and positive intimation to all these employees as to the result of the course which they proposed to take, and having given that warning I do not think they are at liberty to blame the Government of this country. They have no one to blame but themselves and those who induced them to engage in this sympathetic strike. I greatly regret that they find themselves in their present position.

CONFERENCE BETWEEN EMPLOYERS AND EMPLOYED SUGGESTED.

On the Orders of the Day:

Mr. E. LAPOINTE (Kamouraska): I desire to communicate the contents of a tele-

gram I received yesterday, and to ask a question with regard thereto. The telegram is as follows:

Prince Albert, Sask., June 4, 1919.

E. Lapointe,
Ottawa, Ont.

Mass meeting of strikers held here this morning endorse your actions and are heartily in sympathy with proposal to hold conference of all concerned. Immediate action necessary to prevent further trouble.

(Sgd) Davis.

As this telegram indicates that labour representatives will be agreeable to the summoning of a large industrial conference of employers and employees, as has been suggested in this House, would the Prime Minister state whether the Government is considering calling such a conference?

Sir ROBERT BORDEN (Prime Minister): I can answer my hon. friend at once. I delayed giving any definite statement on the subject until I had had opportunity of conferring with the Minister of Labour (Mr. Robertson). Immediately on his return from Winnipeg I took the matter up with him and he informed me, as I have already stated in the House, that during the past winter and spring he has had many conferences both with employers and employed, and it was because of the suggestion received by him from the employers on the one hand, and from the employed on the other, that he suggested the appointment by Government of the Industrial Commission which is now engaged in investigating these questions in different parts of Canada. Suggestions both as to the scope of the commission and as to its personnel were presented to him by the employers and by the employed. He took all those suggestions into consideration, and I think he gave to both employers and employed the representation which they themselves had proposed. That commission will report, I hope, in a few days. It is understood that immediately on their return on the 15th of June they will make a brief report, to be followed at an early date by a fuller report. The Minister of Labour has the view, which I share, that pending the reception of that report and the information which it will afford, it would be unwise to call the general conference proposed.

There is much, however, which commends itself to my judgment in the suggestion for a general conference, and I can assure my hon. friend that immediately the work of that commission has been completed, and the results of their labours communicated to the Government, most attentive consideration, and I am inclined to think favourable consideration will be given to the suggestion contained in the telegram my hon. friend has just read.

PURCHASING OF DEPARTMENTAL AND OTHER SUPPLIES.

Hon. N. W. ROWELL (President of the Privy Council) moved the second reading of Bill No. 46, respecting the purchasing of departmental and other supplies and materials for His Majesty.

Mr. JACQUES BUREAU (Three Rivers and St. Maurice): This is a very important Bill and a good many hon. members have expressed a desire to speak on it. With so many members away on a Friday, I think it is a bad day to take up the Bill. Many hon. members are engaged in law business, and this is the last month before vacation.

If it were possible for the minister to put it off until Monday or Tuesday it would meet the wishes of members on this side of the House.

Mr. ROWELL: This Order has been on the Paper for some time. My suggestion would be that we go on with the second reading and I will leave the Bill in the committee, leaving the clause that relates to the salaries of the commissioners open; in fact, I must do that because the resolution covering salaries must be passed before that can be dealt with. Under these circumstances, any discussion that members may wish to have upon it may be had on that section. We can go on with the Bill this afternoon and get through with the rest of it.

Mr. BUREAU: Is it understood that the principle of the Bill can be discussed on that particular section? I have been informed by a good many members that they desired to speak on the question.

Sir ROBERT BORDEN: It is rather inconvenient to discuss the principle of a Bill in Committee. Are there many gentlemen away this afternoon?

Mr BUREAU: A good many of them.

Sir ROBERT BORDEN: Why are they not here?

Mr. BUREAU: I will tell my right hon. friend why. We are in a rather difficult position. We have to attend a little bit to our business. We have not obstructed the business of the House very much so far. It is known that Friday is an off day. We are practically all from the province

of Quebec on this side and we have some little work to do in the courts before the long vacation sets in.

Sir ROBERT BORDEN: We will go on, and later we will endeavour to give an opportunity to hon. gentlemen to discuss the matter.

Mr. BUREAU: If that is understood it is all right.

Sir ROBERT BORDEN: Indeed, if there is any clause that is passed and there is a desire to reconsider it I do not think there would be any objection to going back to it even if it were formally passed.

Mr. McKENZIE: Perhaps the minister would explain the Bill a little more?

Mr. ROWELL: The object of this Bill is to continue the work which has been carried on during the greater part of the war period by the War Purchasing Commission. The intention of the Government is to make sure that in future the purchase of all supplies required by the various departments of the Government shall be made through a purchasing commission of business men with tenders called for from the business men of the country and wholly apart from personal or political influences. The members will recall that in May, 1915, an Order in Council was passed creating what was known as the War Purchasing Commission. The Order in Council provides that:

> All purchases of clothing, equipment, arms, guns, ammunition, horses, munitions and materials of war and supplies of every kind, and all contracts for such purposes, and all contracts for transportation, payable out of the funds appropriated by the War Appropriation Act, 1915, or out of the funds appropriated by any other Act for the purpose enumerated in the War Appropriation Act, 1915, shall be made by the commission or made under its direction and control, and the commission is hereby empowered on behalf of the Government to make such purchases and to enter into or direct and control the making of such contracts.

Under that Order in Council Sir Edward Kemp, Mr., afterwards Sir, Hormisdas Laporte, and Mr. George Frederick Galt, of Winnipeg, were appointed members of this commission. The commission carried on its work of purchasing all war supplies and all supplies purchased out of the War Appropriation Fund, until the autumn of 1917, without any change in personnel. Sir Edward Kemp, upon being appointed Overseas Minister of Militia, resigned the chairmanship of the War Purchasing Commission and also resigned his membership in it. Sir Hormisdas Laporte was appointed chairman, and

Mr. W. P. Gundy, of Toronto, succeeded Sir Edward Kemp on the commission. The commission as reconstituted conducted its work under this original Order in Council without substantial change until the spring of 1918. In the month of February, 1918, the powers of the commission were enlarged so as to cover the purchasing in all departments of the Government, with the single exception of that of Government railways. An Order in Council was passed on the 6th February, 1918. The recital gives the reasons not only for the Order in Council, but also for the present legislation, so that I may be permitted to read one or two clauses from it:

> And whereas the Prime Minister is of the opinion that the provisions of the above mentioned Orders in Council and the functions of the War Purchasing Commission might with advantage be extended to all purchases by the several departments of the Government for any purpose, whether connected with the prosecution of the war or otherwise, subject to the provisions hereinafter set forth:
>
> And whereas the Prime Minister observes that the establishment of the War Purchasing Commission has resulted in a very great saving of public moneys, as well as in the abolition of patronage in respect of purchases for the war and it is important to extend this system as widely as possible, pending consideration of permanent provision for that purpose after fuller study and consideration of the problems involved.

Under the original Order in Council it was provided that purchases should be made by or under the direction and control of the commission. In carrying on the work the commission have acted under the latter part of this clause, viz.: the purchases have been made under the direction and control of the commission, with the results outlined by the Prime Minister in the recital to the Order in Council of February, 1918.

This commission was appointed for the period of the war and the members served in an honorary capacity. They have all given their services to the country without any compensation whatever, and I am sure the members of the House will feel that the House owes an expression of appreciation to those public-spirited business men for the faithful and efficient service they have given to the country in this important branch of the public service. It is a matter of great regret to the Government, as I am sure it will be to the House, that one of the members of the commission, Mr. Gundy, of Toronto, died very unexpectedly some ten days ago, while in the service of the country, and the commission has lost the benefit of his valuable services. He was deeply interested in the work of the com-

mission, and gave unstintedly of his splendid business ability in its service. So great was his devotion to his country and to his country's cause in the war, that I am sure if he had had the opportunity to choose the circumstances under which he would pass away, he would have chosen to die in the service of the country he loved and while working in the cause which lay so near to his heart.

The Bill provides for the creation of a Central Purchasing Commission under which in future the purchase of all supplies for the Government will be made. As I have pointed out, under the existing Orders in Council purchases were made under the direction and control of the commission and each department continued its existing purchasing staff. The commission did not consider it desirable to disturb the existing staffs, as the War Purchasing Commission was of a temporary character, and when it was formed they thought that probably when the war was over pre-war conditions would again prevail. But now that it has been decided to make the War Purchasing Commission a permanent organization, there is no longer any reason for maintaining the existing staffs of all the departments, and the object of the Bill is to centralize the purchasing for all the branches of the Government in one purchasing commission. The members of the House know that all great business concerns of the present day have long since centralized their purchasing in order to obtain the very best results for the moneys expended. Some of the benefits that will result from centralized purchasing in such a business body as this will be, first, that instead of purchasing a certain quantity of supplies for one department, this Purchasing Commission will ascertain from all the departments the total quantities of supplies of any given article which they require and will thus be able in one purchase to secure all the articles of any given class which all the branches of the Government may require. In purchasing under these conditions the commission should, and no doubt will, obtain in many cases all the desired supplies at a lower price than would be possible in the purchase of smaller quantities by different departments. There will be an advantage in having a body of men devoting their whole attention to the business of purchasing Government supplies. Purchasing to-day has become almost a science in the large business concerns of the country. Men of the highest ability are appointed to this responsible task in order that the institutions with which they are connected may obtain the benefit of their skill and ability. In making purchases in this way the Government will have the benefit of a thoroughly efficient organization. I am sure that members of the House will be interested to know what the total purchases of the Government amount to from year to year. During the past two or three years purchases have, of course, been enormous. Purchasing under normal conditions would not be on as large a scale as during the war years. But it must also be borne in mind that during the war years the purchase of supplies for many departments has been on a very limited scale. Some departments have been keeping the purchase of supplies down to the lowest limit and when normal conditions return the volume of supplies required by these branches of the Government will be substantially larger than the volume required during the period of the war. The estimate of the commission is that the annual purchases for the Government will be not less than $40,000,000. They have been much more than that during the war period.

Mr. PARDEE: Why is the Railway Department excepted?

Mr. ROWELL: It is not. Only the Canadian National railways are excepted. As a railway organization, including the Canadian Northern, they have their own purchasing branch, but the Railway Department comes under this Bill, as do all other departments.

Hon. Mr. FIELDING: Can the minister give us any reason why the Railway Department is excepted? The Railway Department is a department of the public service of Canada. The people pay its bills and why should a distinction be made between it and any other?

Mr. ROWELL: The hon. member must have misunderstood me. The Railway Department does come under this Bill, but the Canadian National Railways do not.

Mr. FIELDING: Well, are not the Canadian National railways a part of the public service of Canada? Wherein do they differ from any other branch of the public service?

Mr. ROWELL: They do not differ from any other branch of the public service so far as relates to the desirability of purchasing supplies at the best possible price and on a purely business basis. But the opinion of the War Purchasing Commission, who were requested by the Gov-

ernment to look into and report upon this matter, was that the national railways constituted such a distinct and important branch of the public service and had such an efficient purchasing organization in operation that no public interest would be served by taking it over. The Order in Council of February, 1918, authorized the War Purchasing Commission to make an investigation and report on the matter, and that was the report they made.

I was referring to the purchase of supplies. Last year there was purchased under the direction of the War Purchasing Commission, apart from certain supplies which I shall mention presently, $48,718,537 worth of supplies. In addition, contracts were made for the supply of provisions and other commodities for the military camps and other public services, the contracts being made on a certain basis as to price for the supplies required for two, three or four months as the case might be. The commission has no record of the amounts supplied to the various branches of the public service under these contracts, but the total would be several million dollars. The commission during the past year has handled on the average about 100 distinct transactions a day, or a total of about 30,000 for the year. This gives some idea of the volume of business which has come before the commission and which has been presonally supervised by the members of the commission.

Mr. BURNHAM: Does this cut out local buying?

Mr. ROWELL: No, it does not cut out local buying but simply provides that purchases shall be made by this commission. The question of where purchases should be made is a matter with which the commission deals. Provision is made in the Bill, as is necessary, that certain supplies may be purchased by the departments in small quantities or in case of emergency, which might arise in any section of the country. Just as in every well organized business where there is a central purchasing department, there must be a certain amount of latitude given to officials on the ground in the making of small or emergency purchases, so provision is made for such purchases in this Bill. The Bill provides for the appointment of three commissioners to hold office for a period of ten years, and they shall cease to hold office on reaching the age of 70 years. As I have already intimated, the salaries are left blank, and that clause must stand until the resolution is submitted to the committee authorizing this expenditure. The main clause of the Bill defining the powers of the commission is section 6, which reads:

> (1) The commission shall have the exclusive power and right to purchase, contract for, inspect and accept supplies for the public service. Provided, however, that the commission, when it deems it advisable, may, subject to such conditions as may be prescribed by regulation or by the commission, authorize any portion of the public service to purchase, contract for, inspect or accept supplies.

Members will see that the commission can make no purchase except upon requisition of the various departments. Under section 12 the departments must present requisitions showing the kind and quantity of supplies they require. The commission have no authority to change any such requisition, but if they feel that the requisition is not one which they should comply with or that for any other reason the attention of the Government should be drawn to it, they may communicate to the Prime Minister their observations on that requisition for such action as the Government may see fit to take in the premises.

Section 13, it will be seen, provides that estimates of the supplies required shall be made on or before such dates as may be prescribed by regulation and sent to the commission. This will enable the commission to purchase at one time for several departments and in large quantities.

Section 16 requires that the purchases shall be by tender.

Section 17 provides that the commission shall keep full records and make such reports to the Prime Minister as he shall from time to time require.

In brief outline I have set forth the main provisions of the Bill, and I can only close as I opened: The object of the Bill is to secure the benefit of the purchase on a business basis, through one central organization, of all supplies required by the Government for public purposes, wholly free from party patronage or political influence, so that the Government will receive for every dollar expended a dollar's worth in return. Every citizen of Canada is interested in securing this result, and this Bill marks a great step in advance over the pre-war and early-war conditions.

Sir SAM HUGHES: Will the minister kindly explain how he proposes to have the commission free from influence?

Mr. ROWELL: Free from political influence?

Sir SAM HUGHES: The minister mentioned about a dozen elements of influence.

No commission in the history of Canada has been so subject to influence as the War Purchasing Commission.

Mr. ROWELL: I have no knowledge of the work of the commission prior to the last year and a half; but during this latter period, so far as I have been able to discover, the commission has discharged its duties fairly and impartially, with a high degree of efficiency, and in a manner that has given satisfaction to the business people of this country, and I believe the same may be said of the commission during the whole period of its existence.

Sir SAM HUGHES: But not without personal influence.

Mr. ROWELL: And I believe without any personal influence.

Sir SAM HUGHES: No, not at all.

Mr. ROWELL: I have never heard of any personal influence that operated upon the members of the commission.

Mr. J. H. SINCLAIR: Was this commission responsible for the purchase of the materials used during the war in the construction of ships?

Mr. ROWELL: Up to February 5, 1918, the commission was responsible for recommending the acceptance of tenders for all supplies purchased under the war vote since that date for the purchase of supplies for all departments.

Mr. J. H. SINCLAIR: It appeared from a certain investigation before the Public Accounts Committee that extortionate prices were paid for material, and if the commission was responsible for those purchases, I do not think there is any good reason why it should be continued.

Mr. ROWELL: I have no knowledge of the particular transaction my hon. friend refers to. But I do know the commission has been at great pains to ascertain that the tenders accepted represented good value for the prices paid. Of course, it cannot make tenders come in; all it can do is to require that tenders shall be presented, and it proceeds on the basis of accepting the lowest tender. There may have been some cases where the commission called for further tenders or endeavoured to get lower prices by reason of the first tender being excessive. I am sure that any member who looks into the work of the commission will be satisfied that it has rendered a very conspicuous piece of public service ever since it was inaugurated.

Mr. W. F. COCKSHUTT (Brantford): Is it the intention that local buying in all the towns and cities of Canada is to be entirely cut out? For instance, if half a dozen brooms are required in Peterborough, Brantford and Hamilton, are those to be shipped from Ottawa, or are they to be bought on the spot, where no freight charges will be payable and no time lost in getting them? It appears to me the Bill is not very clear in that regard.

Mr. ROWELL: The Bill does not affect that question at all. It provides for the purchasing through one central commission.

Mr. COCKSHUTT: By tender?

Mr. ROWELL: And the principal of tender will apply. Does my hon. friend object to that principle?

Mr. COCKSHUTT: For very small quantities.

Sir SAM HUGHES: To whom is this commission to be responsible?

Mr. ROWELL: Just a moment while I answer one question at a time.

Mr. COCKSHUTT: I think tenders for a small number of brooms or anything of that kind is entirely unnecessary.

Mr. ROWELL: I have already explained that. Under the powers given by this Bill there is authority in the commission to authorize—and the War Purchasing Commission has authorized in the past, and the new commission will undoubtedly authorize in the future—the purchase of small quantities of local supplies by the person in charge, just as any purchasing agent in any organization would do.

Mr. BURNHAM: Will the minister compare this system with the old system? Because if that is all there is in it we will be able to understand it better.

Mr. ROWELL: The great bulk of the purchasing for the various departments is not covered by the small local purchases to which my hon. friend refers; that is a very small percentage of the total purchases. The main difference will be that instead of the purchasing being done by all the departments, it will be done by this one central commission. My hon. friend from Victoria (Sir Sam Hughes) asked who was responsible. The commission reports direct to the Prime Minister.

Sir SAM HUGHES: They will be directly under the Prime Minister?

Mr. ROWELL: They will report direct to the Prime Minister.

Sir SAM HUGHES: They will not be under the control of any minister of the Crown?

Mr. ROWELL: No, only so far as they must report to the Prime Minister.

Sir SAM HUGHES: How far would the minister of a department have authority to deal with this commission?

Mr. SPEAKER: I must remind the House that we are not in Committee. This is a debate on a second reading, on which it is competent for each hon. member to speak but once in discussing the principle of the Bill. It is not in order to go into details at this stage in the same manner as in Committee.

Mr. A. E. FRIPP (Ottawa): Has the minister made any investigation of the working of the commission which has been in operation during the last three or four years as compared with the purchasing by the departments separately through their purchasing agents?

Sir SAM HUGHES: Hear, hear.

Mr. SPEAKER: Order. If the hon. gentleman wishes to ask a question he may do so; but if he purposes to make a speech, that is quite another matter.

Mr. FRIPP: I purpose to make a speech, Mr. Speaker.

Mr. SPEAKER: It is understood that the minister has spoken.

Mr. FRIPP: I will withdraw that statement, Mr. Speaker. I do not purpose to make a speech, but I purpose to offer one or two observations. I am informed not only by merchants who have had dealings with the War Purchasing Commission, but also by purchasing agents of the different departments, that the operation of this War Purchasing Commission has not been a success. For example, I am informed that they ask for tenders for certain commodities, returnable on a certain day, but that they do not order the goods until three or four months afterwards. That is to say, no time is stated within which the goods must be delivered if the tender is accepted. The result is that it is impossible for intending tenderers to give the better price, because they do not know the date of delivery, and for that reason the War Purchasing Commission has been paying much larger prices for goods than would be paid if the purchasing was done upon a more business-like basis. In fact, I am told that the business of the War Purchasing Commission has been managed by one or two clerks, and that business men who have dealings with them find the commission very unsatisfactory as to prices, date of delivery, and general quantities required. On the other hand, I am informed by purchasing agents of the departments—perhaps more or less in confidence—that they were able to purchase more advantageously for the Government when they purchased solely for their own departments; that they got better delivery and better prices, and that the goods were superior. I am also informed that local purchasing is practically cut out; that the War Purchasing Commission have been buying largely in the United States and that they refuse to recognize local agents for the supplying of goods manufactured in the United States. The result is that a large number of mercantile agents have been unable to do business with this commission. I bring these matters to the attention of the House because I think that before we embark upon a scheme which means a large expenditure of public money in the payment of large salaries to members of this commission and its staff, we should investigate the matter more carefully and see whether the system is any improvement over the one that was in vogue prior to the creation of the War Purchasing Commission.

Mr. JOHN HAROLD (Brant): Mr. Speaker, before the Bill goes into Committee I should like to make a few observations dealing with the principles of this measure. You will agree that this is one of the most important subjects from the business standpoint that has been brought before the House this session. I think we should concern ourselves more about the soundness of the principles which underlie this Bill than about the question whether some of the details in connection with the manner in which we have been purchasing recently are an improvement on the methods of the past.

We are departing, by this Bill, from the procedure that has been adopted by the War Purchasing Commission, in that a new organization is being set up. We are combining in one department the experts and others who have been looking after the purchasing in the different departments, in order that these specialists may devote their attention and abilities to work which will benefit all departments. Let me illustrate.

During the fiscal year ended March 31, 1919, provisions were purchased in fifteen departments, dry goods in sixteen, hardware in eighteen, mechanical goods in eighteen, drugs, chemicals and scientific articles in sixteen. This Bill proposes that men shall be engaged as specialists in these different branches of purchasing. One man, for instance, will be an expert on groceries and provisions. It will be his duty to

4 p.m. study the markets, to know the goods, to find out when it will be most favourable for those who are able to tender to supply the goods to the Government. He will select articles as standards that are most generally used, in order to permit a larger number to submit tenders for the supplying of those goods.

Another thing we should consider is that the goods themselves must be carefully inspected; tests and analyses of certain articles will be necessary. This commission can better employ these experts and get much better general results in that respect. I know of an instance where a manufacturer was asked to tender for a certain article. He tendered at a wholesale price to the War Purchasing Department, but they purchased the goods from a jobber at a higher price. Now, the Purchasing Department were led to believe that the goods they were purchasing represented better value than those which the manufacturer in question offered to supply; but it turned out that the goods were the same as those bid on by the manufacturer. I do not blame the War Purchasing Commission for that, but under the new system that difficulty would be overcome.

Sir SAM HUGHES: How would it be overcome?

Mr. HAROLD: If a man deceived the department, it would be known to all departments, whereas if he was dealing separately with different departments it might be known only to one. Under this system the standard of the goods will be set down, samples will have to be submitted, and if the commission does its duty—and I believe it will; if it does not, it is for the House to see that it does—they will see that if goods bid on are claimed to be superior, those goods must be proved to be superior. I think, therefore, that the arguments advanced with regard to certain defects in the purchasing system will really tend to strengthen this Bill in the estimation of the House.

The people are looking to the Government to set an example of efficiency and justice in the conduct of the business of the country. We are undertaking responsibilities in a business way which we never thought would be necessary. We have undertaken the operation of great railroad systems, and if this Government does not adopt a sound, honest, and efficient policy with regard to such business as the purchasing for the different departments, the country will not have confidence in its ability even to direct, through its officials, the National Railway System.

I have had some experience in connection with the organization of just such a department as this. A large business which was organized some twenty years ago and which controls a number of amalgamated factories, saw the advisability of uniting the purchasing branches of the various departments in a central head office. Accordingly, they adopted that system, continued it ever since, and have found it most successful. The point brought out by the President of the Council (Hon. Mr. Rowell) with regard to the desirability of buying in quantities was one of the advantages which commended itself to the firm.

Moreover, the requirements of the different departments are varied, and considerable loss will result to the country unless there is some method of transferring goods from one department to another in the case of there being a surplus stock on hand. It is the duty of this commission to know the stocks of goods in the various departments, and to see that goods are transferred from one department to another if it is to the advantage of the country that that should be done.

This is an opportune time for this question to come before the House. Yesterday the Budget was presented by our able Finance Minister (Sir Thomas White) in a masterly way. He advised us to produce and to save; and in adopting, the day following the Budget, a system of purchasing which, in my opinion, will save this country millions of dollars, is establishing a very good object lesson.

I had the privilege a short time ago of calling at the offices of the War Purchasing Commission where I had an interview with Mr. W. P. Gundy and I wish to endorse the words uttered by the President of the Privy Council (Mr. Rowell) with regard to the services of the late Mr. Gundy to Canada and also with regard to the services of the other gentlemen who gave their time untiringly to the work of this commission.

I was told that when the commission first asked for prices on typewriters, they received from all the companies the same price based upon the price for a quantity of ten. The commission protested against this and said that as the Government was a very large purchaser it was entitled to a further discount, and the commission were given a further discount of ten per cent which represents a very substantial saving. I was also informed that in their purchases of Kraft paper which are very large, they were able to buy it at ten per cent less than any one else.

With regard to boots, since the establishment of the War Purchasing Commission in May, 1915, over two and a quarter million pairs of boots have been purchased. When tenders were called in 1918, the boot manufacturers blamed the tanners of leather because prices had advanced so much, and they in turn, blamed trade conditions. By co-operation with the War Trade Board, a fair price for leather was arranged with the tanners; a fair price for boots was then arranged with the makers, and I give the House these figures as an instance of the work of the War Purchasing Commission in this large item which is much more important than some of the smaller ones to which they could not give the same attention. The United States' boots cost $6.45 per pair as against our price of $5.40 for Canadian pattern, and as regards British War Office pattern, the United States' price ranged from $7.15 to $9.05 per pair according to size as against our price of $6 for all sizes. That demonstrates that the War Purchasing Commission have done a most useful service to Canada during the past few years.

Purchases amounting to $200,000,000 were made or supervised by this commission, and the work they did must have taxed their time both night and day. From May 4, 1915, to May 31, 1918, the commission held 672 sessions, and they passed upon items which were entered on minutes, the minutes of those meetings numbering 22,610. From April 1, 1918, to the third week of February, 1919, they held 277 sessions, and they passed 15,000 minutes. The increase during the past year was due to the fact that there was placed upon the commission the additional labour of supervising purchases of all other departments of Government.

They were entrusted with making adjustments on $8,000,000 worth of salmon that the Government took over, and they were successful in arranging a satisfactory price between the canners and the British Food Minister. They were also entrusted with adjusting the cancellations of $8,000,000 worth of orders after the armistice, and they were successful in adjusting these cancellations on a compensation of less than ten per cent. They also had in hand the sale of surplus stores of the Department of Militia and Defence and the Department of the Naval Service. These articles which were left over after the armistice were disposed of by the commission, I believe, in a fair and a reasonable way. The commission also had charge of arranging the rates for the transportation of troops by rail. The first-class rate was arranged at one and one-half cents per mile where there were over 350 troops in the same train or being transported at the same time, and when there were less than 350, the rate was two cents per mile. The commission also arranged for the transportation of officers and men from overseas; the rate for officers averaging $61, and for men $35.

If any hon. member has any doubt as to the desire of the commission to carry out, in a businesslike, just and fair way, the policy of calling for tenders, he should visit the offices of the War Purchasing Commission and make personal investigations. I had an opportunity of looking over their files in which their tenders were recorded, the books and files showing clearly what each company bid, which tender was accepted and the reason for such acceptance. I have here, without any names, some facts that will demonstrate how this policy was carried out.

For example, this is a purchase of 200 sanitary flat-top desks of a certain adopted pattern. Twenty-four firms were asked to tender; eighteen replied, of whom fourteen quoted, the tenders ranging from $9,900 to $6,300, and the lowest tender was accepted.

This is a purchase of medical supplies. Sixteen firms quoted, the total of the highest tenders was $1,969.50, and the accepted tenders totalled $1,281.

This is a purchase of surgical supplies. Fourteen firms quoted, the total of the highest tender being $2,098.30, and the accepted tenders totalled $765.80.

Of another purchase of medical supplies seventeen tenders were received, the highest bids totalling $4,069.68, and the accepted tenders totalled $2,916.88.

On a purchase of drugs, seventeen tenders were received, the highest bids totalling $7,598.85, and the accepted tenders totalled $5,014.21.

On another purchase of medical supplies, the highest tenders totalled $940.80, and the accepted tenders totalled $611.94.

On a further purchase of medical supplies, the highest tenders totalled $4,046.54, and the accepted tenders totalled $2,701.44.

Those figures should demonstrate to the House the necessity for having this business handled by men who are experts in the different lines, and also of having this business open to the free tender of any Canadian citizen who thinks he is in a position to bid for the business. I do not see how it is going to be possible for the country to get a proper system of purchasing except by adopting the policy laid down in this Bill. Probably some modifications will have to be made to the Bill, but I believe the general principles of it are absolutely sound and will commend themselves to the good judgment of the members of the House as well as to the general public. It will give the people of Canada a square deal, and they are certainly entitled to a square deal from the public servants in charge of the country's business.

This is the first occasion on which I have had the honour of addressing you, Sir, and I feel it a great privilege to be able to say a few words of congratulation on the Government's action in this respect. I believe this measure will help to demonstrate to the people of Canada that this Government desires to do the right thing in its administration.

Mr. J. H. BURNHAM (West Peterborough): I should like to draw the attention of the minister to a little incident which will serve as an illustration of something that has happened very frequently, and may happen much more frequently, very much to the detriment of the member for a constituency. Under the old system it used to be known that tenders for coal were required. Now this Bill does not apply to the whole system of tendering. Consequently, there is just as much room for inefficiency and for doing evil that there was before. There is no way under Heaven by which business can be properly done if you cannot rely on the honesty of the people doing it. Let me give an instance. Instructions were sent to a janitor to find out how much coal was required, and what the price would be. He did so, but instead of asking several people what their tenders would be, he asked only one man, and he sent that man's tender to Ottawa. It was accepted, and then the people rose up on their hind legs and said "What sort of a member of Parliament are you to allow such work as this to go on?" I said "I did not do it." "Oh, yes, they said, that won't go here. You are the member for this constituency and must watch the Government in everything. You must look into this matter." So having ascertained the facts, I communicated with the Minister of Public Works, and in due time he communicated with the officer he had employed at Peterborough, one of his own officers, and found I had stated the matter correctly. I said to the Minister of Public Works "What are you going to do about it? This man is perfectly honest. I do not think he intended to do anything wrong, but the efficiency of your system is now on trial. What are you going to do?" He replied "I will have to fine him five dollars." So the Minister of Public Works fined his own agent in Peterborough for inefficiency in a transaction under this brand-new system which the member had nothing to do with, but which he will have to watch very carefully.

Mr. MICHAEL CLARK (Red Deer): If I may be permitted to do so, I should like to offer my congratulations to my hon. friend for Brant (Mr. Harold) upon the easy fluency which characterized what he informed us was his maiden speech to this House. I do that more sincerely because I regret to add that his speech did not succeed in removing some distrust which I have of this legislation. Indeed, some of the facts to which he referred rather increased than allayed that distrust. He made some references and gave us copious figures regarding certain purchases which we made in war time that would have been a good justification of this legislation in war time, but I understand that the object of the Bill is to perpetuate in times of peace the machinery which was found necessary during the war.

In my opinion, one of the most fundamental principles which the Government need to observe, if they are going to be a successful Government now, is to make as rapid a transition in their thought from war time to peace time as is consistent with the situation. There are a good many things we had to do in war time which I think we shall be glad to discontinue, and be compelled to discontinue, in times of peace.

My hon. friend for Brant referred to the great success this commission had had in purchasing salmon, but I do not apprehend that the Government of Canada are going to be perpetually in the fish-dealing business. They had to purchase the salmon,

I presume, to feed the men at the front, and the same remarks apply to a great many of the other figures which my hon. friend gave. That was all right for a Government in war time, but I have, I repeat, very grave distrust of continuing that system in time of peace. The creation of this commission seems to be the shifting of governmental responsibility. We have been a country in Canada for some time now, and the various departments of the Government have had their experts making purchases for their departments. Their duties would be to study the needs of their own particular department, and if they were connected with the department and studied its needs it would appear to me on the surface, at any rate, that they would be better qualified for purchasing for that department than a commission would which had surveillance of all the departments of the Government. Furthermore, I think the creation of this commission will be associated with an increase in expense. I do not know what the minister's view would be on that point, but if he would assure me that it would lessen the expense he would remove one of my objections, and no doubt score a point in favour of this legislation.

Mr. ROWELL: If you consolidate the purchasing that is now carried on by ten or fifteen different departments into one, I believe it will very greatly reduce the expense.

Sir SAM HUGHES: The effect has been nearly to double it.

Mr MICHAEL CLARK: It could only decrease the expense if it reduced the number of public servants in the various departments, and I venture to say that short as the minister's ministerial experience has been, it has brought home to him the very great difficulty of reducing the public service. His belief—because it is only a matter of faith with him; he has told me he believes it would reduce the expense—partakes of the nature of a prophecy, and as I have said before, the only thing you can do with a prophet is to disbelieve him, especially when he prophesies something that is contrary to one's own experience. I have very grave doubts that it would not increase the expense. It certainly increases the machinery of government, and if my hon. friend can increase the machinery of government and reduce the expense he will certainly be something of a miracle worker, because our universal experience is that with an increase in the machinery there inevitably follows an increase in the expense of government. These are the reasons why I do not accept the belief of my hon. friend on the subject. I have very grave doubts about this being a departure for the better, and I shall be glad if those doubts can be removed. It is no pleasure for me to oppose any legislation introduced by the ministry, and I would be very glad if the doubts that I entertain could be removed. But they exist in my mind and I would not be doing my duty if I did not express them.

Sir SAM HUGHES: I had considerable experience in war purchasing both under a responsible minister and under an irresponsible War Purchasing Commission. The great objection to this commission business is that there is no one responsible. The commissioners are responsible to no minister directly. The War Purchasing Commission has been run by two or three clerks, engineered by the commission and fortunes have been built up for the favourites of the commissioners, contracts have gone almost invariably in the right direction, and I have no hesitation in saying that if the facts were made known as to the way in which the War Purchasing Commission conducted its business they would startle the people of Canada. They would be astonished at the tremendously high prices that have been paid. This whole system of Government has been running away from responsibility. I went into the war to overthrow autocracy and bring about responsible government in so far as we possibly could in Germany, in other countries and above all in Canada. This is a departure from responsible government, and it places in the hands of a commission the spending of $40,000,000 a year. If you will give me the management of that business, under the terms of this Bill, I will undertake to put any party in power at the next general election. If you have a purchasing agent for the department, the minister is responsible, he feels his responsibility, and he takes pains to see that the work is done in an efficient manner. I had to do with that business and I do not think there are anything like the irregularities going on that the general public claim there are in reference to these matters. I found that contractors were anxious to do the best they could, although there was an odd one here and there that had to be watched. I found the officers in almost all the departments the keenest men alive. I have seen instances where contractors who had succeeded in bluffing the War Purchasing Commission tried to put the same bluff over

the purchasing agent of the department and failed, with the result that the department was able to purchase cheaper than the War Purchasing Commission did. When an analysis was made it was found that the prices paid by the War Purchasing Commission were for almost all commodities, higher. I know instances where local men were asked to give a quotation and their quotations were fifty per cent under the price that the War Purchasing Commission was furnishing to the department. I know of the manipulations that went on by the War Purchasing Commission to see that contracts were landed in the right centre. There will be under this system no direct responsibility and we must have responsibility when we are dealing with the administration of such large sums as this. I agree with the objection which has been pointed out by my hon. friend from Red Deer (Mr. Clark) on the question of responsibility. The minister of the department for which the purchases are made is not responsible and no one will care except the young purchasing agents who will make their millions out of it if they are permitted to go on long enough. One of the presidents of a large American railway corporation said: I would rather be president of the Inter-State Commerce Commission than president of the United States at $750,000 a year. The gentleman who will get the management of this commission will consider himself one of the most successful operators in the Dominion of Canada. The whole thing is an attempt to get this Government away from its responsibility to the House, to the members and to the people and that is one of the things that I want to fight against. Let the members be responsible to the people who elect them and let the people hold the members responsible. I am not afraid of that responsibility in my county, I never have been afraid and I never had a bit of trouble with any one in connection with this matter. Let the members, for once in the history of Canada, hold the ministers responsible.

Mr. E. W. NESBITT (Oxford North): I am sorry I was not in the House when the minister who has charge of the Bill (Mr. Rowell) gave his explanation of the measure. I have been reading the Bill and I cannot understand the necessity for three commissioners to purchase the supplies for the departments of this Government. I will guarantee to supply them with a man who, if he is furnished with a good, clever stenographer and one or two inspectors, will purchase all the supplies that the Government will require in a year and who, even then will not be any busier than the purchaser for any large institution in this country. Referring to clause 5, I find that the Governor in Council may appoint an officer to be called the director of the Purchasing Commission for Canada. What is he going to do? Is he going to direct the commission how to purchase? As I understand it, the deputy minister, or some other head of a department, may put in a request for supplies and the commission will purchase them. I suppose this director will direct them how to purchase the supplies.

Sir SAM HUGHES: And where.

Mr. NESBITT: And where. I do not know what else it can mean. I believe that under the present system there is a waste in purchasing for the Government departments. This will mean not merely three commissioners; a whole department will be built up with forty or fifty clerks, stenographers and so on. It will run into a department and a very expensive one. We want to economize. That is what we were told to do yesterday, and by the looks of the financial statement, it is necessary not only as a people but as a Government. I see no economy in this Bill as introduced. I am sorry I did not hear the minister's explanation for it. There may be a reason for it. I understand there is a great deal of waste in the purchasing of supplies by the different departments. This new department will require, I suppose, a lot of typewriters. There are plenty of typewriters in the different departments that are not in use, but this new department will not have any old typewriters; they will insist on having new typewriters, new furniture, new stationery, almost everything new, and they will not under any possibility gather up equipment that might have been used by commissions and departments that have been abolished. There is no necessity for waste in purchasing if it is properly conducted. Why we want three commissioners to do the purchasing when one man could easily do it, is more than I can comprehend; besides which there is to be another man who is to be called the Director of the Commission. I see no sense in the Bill at all.

Mr. G. B. NICHOLSON (Algoma): With the details of this Bill I shall not presume to deal at this stage, but dealing with the principle underlying the Bill, if I understand it correctly, it means the employment by the Government of a competent pur-

chasing agent or agents. I do not see how any one having any business experience can disagree. Any ordinary business man, or small firm that is purchasing goods up to $100,000, without going into the millions, will find it to their advantage to pay a salary to a man who understands how to purchase, who knows where to get the right kind of goods, as has been pointed out by the hon. member for Brandon (Mr. Whidden), and who knows what the goods are when he sees them. How does any large corporation, such as a departmental store, for example, do its purchasing? Does it leave it to the head of each department or employ an expert thoroughly conversant with the whole question of buying?

Mr. FRIPP: Is the hon. member aware that there is an expert purchasing agent in every department?

Mr. G. B. NICHOLSON: There may be a purchasing agent in every department, but whether he is expert or not I do not know. If there is a purchasing agent in every department, the hon. member's question seems to imply that he would prefer to have a purchasing agent in every government department. But this Bill would eliminate separate purchasing agencies and concentrate the business under one department. We can amend the details of the Bill, but at the present moment we are dealing with principles. Take the Canadian Pacific Railway Company, whose system is divided into departments from coast to coast. There is not a department, from the Atlantic to the Pacific, that can buy a single dollar's worth of material without going through the purchasing department, because the men at the heads of the various departments are not purchasers and do not understand that business. They are managers and devote their attention to the conduct of the business of their particular departments. But they leave to experts the question of purchases and allow them to buy the goods they require. It has been objected that by employing a purchasing agency the Government is getting rid of its responsibility. If the Government concentrates the whole purchasing for the Dominion in one agency, is that evading responsibility to any greater degree than if it distributes the responsibility throughout a multitude of agencies? From the information that we have now, each head of a department purchases the supplies for that particular department in his own way. If this work is all concentrated in one purchasing department for which the Government is directly responsible, does the Government thereby lessen its responsibility to the country? In my judgment it would only narrow the business down to a point where it would be controllable. As things stand now, it is uncontrollable and unwieldly. My hon. friend from Red Deer, with whom I always try to agree, has laid down the principle that you cannot effect economy unless you reduce the number of employees. If there is one man in each department to-day charged with purchasing for that department, and if he is capable of doing the work with which he is charged, he cannot be of very much use for anything else. Therefore, taking that phase of the argument alone, if you bring all these men under one head and employ one purchasing agent or agency, you will have eliminated a certain number of employees. I presume, without having any figures before me, that this Government purchases millions of dollars' worth of goods every year and, I have no doubt, will continue to purchase equally large amounts annually from all sources. Is it not conceivable that by reducing the cost at which these goods are purchased and improving the character and quality of the goods and obtaining the best materials that can be put into each particular article, just as any ordinary business man would do, a saving could be effected? A large departmental store could not carry on business for six months if it permitted the heads of the various selling departments to act as purchasers at the same time. No large organization producing goods in this country could successfully operate on such a basis. A lumber firm could not carry on business if the man who had charge of the work in the woods had to purchase the goods required in connection with the conduct of the business. In principle, I think the Government is starting out along the right lines. I have not read the details of the Bill. They may not be right, and the idea of a purchasing commission may be wrong. If, as the hon. member for North Oxford (Mr. Nesbitt) says, it is going to involve the employment of a commission and then a director, that would seem to me to be a case of overlapping, and if it is going to mean the employment of a large establishment, that again is entirely unnecessary. But with the principle of concentrating the whole business of purchasing the country's goods and placing it under the head of an expert or a small group of experts, I am entirely in accord, and contend that it will bear

analysis by any business man who wants to study it and ascertain what he would do if he were in the same position as the Government. I venture to say that if hon. members who have spoken were carrying on business for themselves, they would not even attempt to operate on any other basis than that outlined in the chief principle of this Bill, namely, the employing of experts to do work that necessarily calls for expert knowledge and a thorough acquaintance with a particular subject. Those who purchase supplies should thoroughly understand purchasing.

Sir SAM HUGHES: We always did in the Militia Department.

Mr. G. B. NICHOLSON: Perhaps so, but I am a little doubtful as to whether we always did. If we had time to go through all the ramifications of all the departments we would find that a whole lot of things had been purchased in supplies of various kinds that would not measure up to the standard. I think that if this proposal were submitted to any group of business men who are accustomed to purchasing any considerable quantity of goods they would say it is the only possible system by which efficiency can be attained. To have purchases distributed broadcast, and to have experts in engineering—for instance, in the Public Works Department—start out to buy dry goods, boots and shoes, or woollen goods, about which they know nothing, is the height of absurdity and could not possibly be carried on in any private business, because a private business is done on a basis that would not permit the waste necessarily involved in such a system.

Mr. MICHAEL CLARK: Is the Government dealing largely in woollen goods in peace time?

Mr. G. B. NICHOLSON: I would say offhand that this Government is buying just as great a variety of goods in peace time as any large corporation in this country. Indeed, I heard it said by the president of one large corporation, that it was buying everything from sewing needles to battleships.

Mr. CHAPLIN: May I ask a question of the hon. minister? I would like to know—

Mr. DEPUTY SPEAKER: The hon. member would be out of order in asking a question at the present time. If the minister rose to reply now he would close the debate and would therefore preclude any other hon. member from speaking.

Mr. CHAPLIN: I do not care whom I get the information from but I would like to know what is going to be the cost of the proposed department.

Mr. DEPUTY SPEAKER: That information will be given in committee.

Mr. ISAAC ELLIS PEDLOW (Renfrew South): I have listened with considerable interest to the discussion on the principle of the Bill, but I submit that most of it so far is beside the issue altogether. As I understand the proposition, it is not quite as outlined by the hon. member for Algoma (Mr. Nicholson). In my judgment the purpose of this Bill is not to establish a department such as the hon. member has in mind—a central authority for the purchasing of all supplies of the various government departments—but to perpetuate under another name a department already in existence. I have had some slight experience with the War Purchasing Commission, and from that experience and actual knowledge I cannot agree with the claims made by the President of the Privy Council (Mr. Rowell) who has charge of the Bill, that it has been an unqualified success.

I will call the attention of the House and of the President of the Council to a case in point. A tender was advertised in August last for 500 four-drawer filing cabinets. It had been the custom of the department to buy steel cabinets, it being claimed by the manufacturers that they were fireproof. A manufacturing firm that I am not directly interested in, beyond the fact that it is located in the riding which I have the honour to represent, manufactures filing cabinets of oak—precisely the same in operation, but made of wood. The contention of the department was, of course, that the steel cabinets, being fireproof, were to be preferred, notwithstanding the much higher cost.

This manufacturing concern sought my services in regard to securing for them a "look in" on tenders for this class of material, and I found that it was almost impossible to help them. In passing I might just say that this purchasing board is a mere "lean-to" of the Public Works Department; it is not a separate entity in any sense of the word—a fact which I will illustrate later on. When I approached the Public Works Department I was told that it would be necessary for this manufacturing concern, with my assistance, to institute a propaganda through the various departments in order to secure endorsation by the departmental heads of wood instead of

steel cabinets. I do not think that it should be necessary either for a manufacturing concern or for members to indulge in such propaganda. If we were in a position to convince the department that it was in the public interest to buy these wooden cabinets, it should be the duty of some person to act accordingly. We were referred to the War Purchasing Board, and with no better results. They treated us in exactly the same way; that is to say, they took the position that it was none of their business The requisitions were sent into the War Purchasing Commission, and they simply rubber stamped them and passed them on to the Public Works Department, which made the purchases. I do not think you can convince any intelligent business man that doing business along those lines is in the interest of this country or of the public service.

The contract for the 500 filing cabinets that I have in mind was tendered for at the rate of $41 for each steel cabinet. The same cabinet exactly in dimensions and in actual service, but made of oak, was obtainable at $27. That represents a saving of $14 on each cabinet, or an actual saving on the entire contract of $7,000. When I convinced the Minister of Public Works of this feature of the transaction, there was no difficulty whatever; an order was placed for the wooden cabinets. I understand he has given instructions that no further orders shall be given for steel cabinets. Whether that is correct or not, I am not sure, but that is my information.

During the course of my investigation I found that in the preceding fourteen months 2,500 steel cabinets were ordered at an average cost of $49 each, as against $27 for the wooden cabinet, or the enormous difference of $55,000. In other words, it cost the country $55,000 more for the cabinets purchased during the previous year through the War Purchasing Commission; and it must be remembered that this is merely one sample of work that happened to come to my personal knowledge. In the fourteen months the War Purchasing Commission had actually thrown away $62,000 of the public funds. If that is to be taken as a measure of the value of the service rendered by this commission to the country, then, Sir, I say the sooner we dispense with it the better.

I agree with the ideal condition enunciated by the member for Algoma, but I take exception to some of the examples he referred to. For instance, he stated that it is the custom with most of the large de-

[Mr. Pedlow.]

partmental stores of this country to have purchasing agents independent of the heads of the various departments. I am sure he does not wish to be incorrect, but as a matter of fact he is not correct, because I know whereof I speak. The men who have charge of the departments in such stores are entirely responsible for their particular departments. They are experts in their own line, and they do the buying and they supervise the selling. That is beyond doubt. But that is a different position altogether to the purchasing of supplies for the Dominion Government or for a large corporation like the Canadian Pacific Railway. It would be to the benefit of this country if such purchasing could be done under the supervision of the head of a department as outlined by the member for North Oxford; that, I think, would be an ideal condition. There is no need to establish another department of the public service with its elaborate staff to purchase the necessary supplies for the various departments, even if they do amount, as is claimed by the President of the Council, to the enormous sum of $40,000,000 a year. Such purchasing could be effected by a less elaborate staff than is outlined in this Bill.

Other points I purpose to discuss at greater length when the Bill is in the Committee stage; but there is one section I would like to call to the attention of the minister, and that is the section destroying the effective service of the whole proposition. I refer to section 12, subsection 2.

> The commission shall have no authority to change or vary any requisition.

That is just exactly the position taken by the Commission in the case I have called attention to. When I appealed to them to listen to the arguments of the manufacturer of wooden cabinets, they said, "We have nothing to do with that. We would not think of interfering with a requisition handed in to us by the head of a department." That is a vital point in the service to be rendered by such a commission. They should be in a position to dictate to any department the class of goods required for the Government service.

If a department requisitions gold-plated spittoons, I suppose the Purchasing Commission would have no authority to say; you cannot have them gold-plated; ordinary copper will have to do. If waste-paper baskets costing $32 were requisitioned, I suppose the commission would have no authority to change or vary the requisition. If a department ordered extravagant furni-

ture of any kind, I suppose the commission would have no authority to interfere. They simply rubber-stamp the requisition, it goes in as a matter of course, no matter what its character may be. I submit that this Bill is a monstrous thing, and that subsection 2 of section 12 destroys whatever value there might otherwise be in the proposal.

Mr. THOMAS HAY (Selkirk): As I represent a constituency in which most of the Dominion public works in Manitoba are located I wish to say just a word respecting this Bill.

I do not quarrel with the principle of the Bill, although it seems to me that if you have a staff of expert purchasers you may create a department which will be a very great expense to the country. I have had many complaints from the superintendents of the different works in the county from which I come with respect to purchases. Most of the dredging plants in Manitoba are located in that county, as well as the fishing industries, dry docks, and other public works; and the purchases there are considerable each year. The St. Andrew's locks are also located in that county. I am informed that under the present system goods which are purchased are costing more than they cost under the old system. I do not know how correct that is; up to the present I have not had a chance of looking into the matter. As I understand it, under the old system the heads of the departments there were allowed to do the purchasing, and they were in a position to buy more cheaply because of their particular knowledge of the requirements. I do not know whether these purchases were made by the Purchasing Commission or not; the requisitions were made to the district engineer at Winnipeg. Circulars were sent out to these wholesale houses in Winnipeg—I do not think they went outside of Winnipeg—and the purchases were made from those wholesale houses. The local men in the town of Selkirk, in which these industries are located, were not given a chance to bid on these purchases; notices were not sent to them at all. I am informed that if these men had had an opportunity of tendering they could have furnished these supplies more cheaply than they were furnished by the wholesale houses of Winnipeg, because the cost of the supplies, including freight, cartage, and other incidental charges, was greater than it would have been had the purchases been made in the town of Selkirk by the superintendents of the different public works.

We should be careful at this time not to create any more commissions which will be a burden to the country. Under the old system, if it was properly carried out, we would be in a better position to get value for our money than we will be if purchases are made through a commission who will really, in any case, have to take the word of the superintendents of the different departments. They have no other means of finding out whether or not the supplies are necessary; they must accept the advice of the superintendents of the different works. These superintendents are on the spot; they know what is required, and they should be trusted to make the purchases for their departments.

5 p.m.

I believe that complaints were made to the Public Works Department with regard to the right of the superintendents to make small purchases, and that the superintendents have been allowed to purchase only to the extent of $5. I would like this Bill to provide that the superintendents be allowed to purchase up to a greater amount than that; I believe money would be saved if they were. They should be allowed to purchase such articles as steam fittings and pipes, and other articles which they may need and which can be secured in almost any town in which these public works are located. Time and money would be saved by adopting this plan. In cases where requisitions have been made to the District Engineer at Winnipeg for supplies amounting to $25 or $30, delays have occurred and the job has had to wait until the supplies came to hand. If, in cases like that, the superintendent had the right to purchase locally up to a certain amount, time and money would be saved, the work would proceed without interruption and the country would be benefited.

I ask the minister in charge of the Bill to give this matter, which is one of great importance to the country, careful consideration, and to see whether some arrangement can be made under which purchases may be made by the men in charge of these different public works throughout the country.

Sir ROBERT BORDEN (Prime Minister): I have taken a good deal of interest in the proposal, which hitherto has been carried out by Order in Council, that purchases on behalf of the Government during the war period should be made by an absolutely independent commission. Looking back upon conditions as they were before and as they were after that commission was established, I have not the slightest doubt that many

millions of dollars were saved to the people of this country by the course which I took in the spring of 1915. I have been in this Parliament for nearly twenty-three years, and I know something of the methods by which Government purchases have been made in the past, and I remember very distinctly the discussion and the suspicion which have frequently been aroused in connection with them. Every one who has been a member of this House, or has taken an interest in public affairs during past years, knows that the cry of unfair use of political power in respect of Government purchases was almost as strong, if not quite as strong, as the cry with respect to appointments to the public service. The principle upon which this Bill is founded. The principle upon which the Orders in Council were passed when I put forward the recommendation therefor in the spring of 1915 is precisely the same as that which has conferred very important powers upon the Civil Service Commission. That principle leads to such administration of public business as shall eliminate party political influence. The Government does not desire to abdicate responsibility; it would be absolutely impossible for it to abdicate responsibility even if it desired to do so. Whether you carry out purchases by a dozen different purchasing commissions, as has been the practice in the past, or by one purchasing commission, as is proposed by this Bill, the responsibility of the Government is the same.

A Government cannot shelter itself behind the acts of officials; it must accept responsibility for the acts of every official. If he is wrong, dispense with him, or if he is an official of the character proposed here, who can be removed only by vote of Parliament, bring his case to Parliament and ask Parliament to deal with him. In any case the responsibility of the Government continues from beginning to end.

I should be very sorry if the idea should prevail in this country that it would be better to return to a system under which beyond question political pressure and influence were put forward and utilized, and not to adhere to a system under which, so far as I know, there has been an absolute lack of any suggestion that in making public purchases any interest except that of the public was regarded. I can say this further, that to my mind it is exceedingly important that the time of members of the Government, which was inevitably taken up with such matters under the former system, should be free from such demands, and that they should be able to say to members of Parliament and to all others: It is the duty of the particular department in question to put forward its requisition for supplies it may reasonably require, and when that requisition is put forward, you have the assurance of an absolutely independent commission that those supplies will be purchased with a sole eye to the public interest and with an absolute disregard of whether the persons who furnish those supplies belong to any political party or class. I repeat that in the public interest it is highly important that ministers of the Crown should not have their time taken up with claims put forward by persons who conceive themselves entitled to consideration. I know that my time was by no means free from questions and difficulties of that character before the Purchasing Commission was established in 1915; but since that commission was established, I do not believe that on an average one hour a month has been occupied with any such matter.

The hon. member for South Renfrew (Mr. Pedlow) has criticised the commission in respect of matters for which it is in no wise responsible. We never intended to give, nor do we now give the commission power to dictate to any department. Occasionally, during the past four years the members of the War Purchasing Commission have said this to me: There is such and such a requisition for an enormous quantity of supplies for war purposes; we really think this subject should be brought to your attention, because it seems to us, although we have no right to dictate, that the proposed supply is much greater than should reasonably be required. I have taken up the matter, and in many cases the representations of the War Purchasing Commission to me in that regard have resulted in a considerable reduction of the supplies ordered and purchased. After all it is simply a question of whether it is better to disperse the purchasing organization over fifteen, sixteen or seventeen departments, or to concentrate it under one systematic management. Apart from the considerations to which I have alluded, that is the chief question.

I am not going into the details of this Bill. We shall be glad of the advice and suggestions of every member of this House respecting the particular methods and proposals. We have an entirely open mind in regard to that. But I think it is my duty to say that, if there is any suggestion that the men whom I invited to undertake these

duties and who have carried them on during the past four years, have not given their full time, energy and attention to the purpose for which they have been appointed, that statement has no foundation whatever and that criticism is wholly undeserved. I know personally of the time and devotion that they have given to this work, of the high and earnest sense of public duty with which they have approached it. I know further, that if the members of the Purchasing Commission had seen fit to do what I more than once urged them to do, namely to give a succinct and clear statement to the people of this country of the economies which they have made in purchases since they were first appointed in 1915, the proposals which are now presented to this House would be received with very much greater favour than has been apparent this afternoon. I, myself, have from time to time, discussed with Mr. George F. Galt, Mr. W. P. Gundy and Sir Hormisdas Laporte what the War Purchasing Commission has accomplished in economies and in saving of the funds of the public treasury during the past four years. I did not realize the full measure of their effective effort until casually I was told of it, sometimes; and I urged the members of the commission to prepare such a statement to be laid on the Table as would describe in suitable terms what had been accomplished in that regard. These men have been thoroughly devoted to their public duty; they have served without remuneration, and any reproaches which I have heard this afternoon are, in my judgment, absolutely and wholly undeserved.

I desire to associate myself with what the President of the Privy Council (Mr. Rowell) said with regard to the services of Mr. W. P. Gundy, a most earnest and devoted man who gave splendid service on this commission during eighteen months of this war, who was whole-hearted in his work and whose death is a very great loss to the country, not only in the work which he was carrying on as member of the commission, but in respect of the ideals and aspirations which as a good citizen of this country he always endeavoured to put forward and to uphold. I recollect very well that a few weeks after Mr. W. P. Gundy, who was a very able business man and whom I had never met before, was appointed to this commission, had come here to undertake his duties, he approached me one day and told me that he was not only intensely gratified but greatly surprised at the exceedingly efficient organization which had been built up in the period before he became a member of the War Purchasing Commission.

We submitted to the commissioners as they were in September, 1918, the question as to making the commission permanent, and we asked them to set forth their views with regard to the matter and to put forward to us proposals which they would recommend in case the commission were to be a permanent one. The members of the commission at that time were Sir Hormisdas Laporte, Mr. George F. Galt and Mr. W. P. Gundy. I think I might, with advantage, read to the House some of the purely business considerations which they presented to me in a memorandum strongly advocating the continuance of the commission. They furnished this memorandum, of course, with the desire and intention to be relieved themselves from the duty of serving further upon the commission, and therefore, there was no personal interest which could have affected their judgment in the slightest degree. As a matter of fact, Sir Hormisdas Laporte has remained here discharging the duty of commissioner at great personal inconvenience, and more than that, great personal loss during the past five or six months. The disadvantages in the existing system, by which each department makes its own purchases, are according to their view these——

My colleague the Minister of Immigration tells me that there is a very important Bill to which the attention of the House should be directed at once with a view to its being assented to this afternoon. I would therefore ask that this debate be adjourned to be resumed again this day, if the House will consent.

Motion agreed to and debate adjourned.

IMMIGRATION ACT AMENDMENT.

BILL TO AMEND THE ACT PASSED THIS SESSION.

Hon. J. A. CALDER (Minister of Immigration and Colonization): In the Bill which was before this House amending the Immigration Act certain persons who advocated the overthrow of government, the destruction of property, and so on, by violence were in the prohibited classes. The matter has been inquired into further and the law officers of the Crown have advised that the section as it stands does not really cover all that was intended.

Mr. D. D. McKENZIE: I have no desire to obstruct the minister but would he say in what form this legislation comes before the House?

Sir ROBERT BORDEN: It can only be done by the unanimous consent of the House.

Mr. D. D. McKENZIE: I did not hear the minister ask the unanimous consent of the House.

Hon. Mr. Calder moved for leave to introduce Bill No. 132, to amend the Immigration Act. He said: The object of this Bill is to repeal section 15 of the Immigration Act passed by this House and substitute therefor a new section.

Mr. McKENZIE: This is really a Bill, not an amendment from the Senate.

Hon. Mr. CALDER: It is a Bill to amend the Act which has already been passed by both Houses.

Motion agreed to, and Bill read the first time.

Hon. Mr. CALDER thereupon moved the second reading of the Bill.

Mr. McKENZIE: How does the new clause differ from the old?

Hon. Mr. CALDER: Section 15 of the Bill that passed this House read as follows:

Section forty-one of the said Act is repealed and the following is substituted therefor:

"41. Whenever any person other than a Canadian citizen advocates in Canada the overthrow by force or violence of the Government of Great Britain or Canada, or other British dominion, colony, possession or dependency, or the overthrow by force or violence of constituted law and authority, or the assassination of any official of the Government of Great Britain or Canada or other British dominion, colony, possession or dependency, or of any foreign government, or advocates or teaches the unlawful destruction of property, or shall by word or act create or attempt to create riot or public disorder in Canada, or shall by common repute belong to or be suspected of belonging to any secret society or organization which extorts money from, or in any way attempts to control any resident of Canada by force or threat of bodily harm, or by blackmail, or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government; such person for the purposes of this Act shall be considered as belonging to the prohibited or undesirable classes, and shall be liable to deportation, and it shall be the duty of any officer becoming 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."

The substituted clause reads as follows:

Every person who by word or act—

Mr. LEMIEUX: Would the minister point out where it differs as he goes along?

[M. McKenzie.]

Mr. CALDER: It is not the easiest thing in the world to do. The section as it passed this House read:

Whenever any person other than a Canadian citizen advocates in Canada the overthrow, etc.

Now, a person can do a good many things of this character by other means than advocating. The substituted section reads as follows:

Section fifteen of the Act to amend The Immigration Act passed at the present session of Parliament is repealed, and the following is substituted therefor:—

"41. (1) Every person who by word or act in Canada seeks to overthrow by force or violence the government of or constituted law and authority in the United Kingdom of Great Britain and Ireland or of Canada, or of any of the provinces of Canada, or the government of any other of His Majesty's dominions, colonies, possessions or dependencies, or who in Canada defends or suggests the unlawful destruction of property—

That is new. That is one who advocates or suggests the unlawful destruction of property.

—or by word or act creates or attempts to create any riot or public disorder in Canada, or who without lawful authority assumes any powers of government in Canada—

That is new. That is any person who assumes any authority without lawful justification.

—assumes any powers of government in Canada or in any part thereof, or who by common repute belongs to or is suspected of belonging to any secret society or organization which extorts money from or in any way attempts to control any resident of Canada by force or by threat of bodily harm, or by blackmail—

The original section merely referred to blackmail. That is extended a little so as to include any person who belongs to any secret society or organization which attempts to extort money from or in any way to control any resident of Canada through force, or threat of bodily harm or of blackmail.

—or who is a member of or affiliated with any organization entertaining or teaching disbelief in or opposition to organized government shall, for the purposes of this Act, be deemed to belong to the prohibited or undesirable classes, and shall be liable to deportation in the manner provided by this Act, and it shall be the duty of any officer becoming cognizant thereof and of the clerk, secretary or other official of any municipality in Canada wherein any such person may be forthwith to send a written complaint to the minister, giving full particulars: provided, that this section shall not apply to any person who is a British subject, either by reason of birth in Canada, or by reason of naturalization in Canada.

Then there is a second subsection reading as follows:

Proof that any person belonged to or was within the description of any of the prohibited or undesirable classes within the meaning of this section at any time since the 4th day of May, 1910—

That is the date on which the present Immigration Act was assented to.

—shall for all the purposes of this Act be deemed to establish prima facie that he still belongs to such prohibited or undesirable class or classes.

What I understand that to mean is that if a person, by act or word, at any time since 1910, has done the things we have enumerated in this section then, prima facie, that person would be deemed to belong to these classes. While there is some material difference between the two sections still the main purpose of the section is as it was expressed in the section as originally introduced to the House.

Sir SAM HUGHES: Does the minister approve of the change?

Mr. CALDER: Yes.

Mr. BUTTS: Would it not be well for the minister to consider whether or not it is advisable to strike out the exception in connection with Canadian or British subjects. Is not a crime committed by a Canadian just as bad as one committed by a foreigner?

Mr. CALDER: You cannot deport them.

Mr. BUTTS: That is true, but you can punish them otherwise.

Mr. CALDER: But under this section you merely provide for deportation of people who are in these classes.

Mr. ROSS: What is the change made about the eighth line—"or who in Canada advocates or suggests the unlawful destruction of property." Is that new?

Mr. CALDER: Yes.

Mr. ROSS: Is that the first change?

Mr. CALDER: There is a change in the first line, "every person who by word or act," etc.

Mr. ROSS: What was the old section?

Mr. CALDER: "Any person who advocates the destruction of property or the unlawful overthrow of government."

Mr. ROSS: What is the third change?

Mr. CALDER: I have not got them numbered in that way.

Mr. LEMIEUX: My hon. friend seems to be passing retroactive legislation. If a man has entertained the views which are to be condemned, of course, since 1910, he is presumed to come within the prohibited classes. A man might have entertained these views in 1910 and since that time his views might have undergone a change and he might have become a new man.

Mr. CALDER: That is only prima facie; he can prove the contrary.

Bill read the second time and House went into Committee on the Bill—Mr. Boivin in the Chair.

On section 1—prohibited classes:

Mr. PARENT: What do the words "secret society" mean? Does the Bill give a definition of them?

Mr. CALDER: The words themselves explain their meaning. I do not know that I can give any other explanation.

Mr. PARENT: What about the Knights of Columbus?

Mr. CALDER: It is not intended to cover societies of that class.

Bill reported, read the third time and passed.

THE ROYAL ASSENT.

SITTING SUSPENDED FOR ROYAL ASSENT TO BILLS.

A message was delivered by Colonel Ernest J. Chambers, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Deputy to 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.

And having returned.

The Speaker informed the House that His Honour the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the Royal assent to the following Bills.

An Act to amend The Dominion Lands Surveys Act.

An Act to amend the Railway Act (Aid for Railway Crossings).

An Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer injuries while performing their duties.

An Act respecting Advances for the Purchase of Seed Grain.

An Act to amend The Currency Act, 1910.

An Act to provide for the Continuance in Force of a certain Proclamation made under

The Finance Act, 1914, and to authorize the prohibition of the export of gold.

An Act to confirm two Orders of the Governor General in Council respecting the Grand Trunk Pacific Railway System.

An Act for the relief of John Edwin Scott.

An Act for the relief of Claudius Henry Sherk.

An Act for the relief of Annie Proderick.

An Act for the relief of Samuel David McElroy.

An Act for the relief of Mary Jane McCulloch.

An Act for the relief of Mary Garland Lewis.

An Act for the relief of William Canham.

An Act to change the name of The Canada Accident Assurance Company to The Canada Accident and Fire Insurance Company.

An Act to amend the Canada Evidence Act.

An Act to amend the Criminal Code respecting Prevention of Fire.

An Act for the relief of Eva St. Lawrence Cronk.

An Act for the relief of Helena Clara Gabriel.

An Act for the relief of Gretna Harris Hawkins.

An Act for the relief of Samuel Burgoyne.

An Act for the relief of James Arthur McGregor.

An Act for the relief of William Lewes Evans.

An Act for the relief of Richard Wilson Crashley.

An Act for the relief of Gladys Agnes Wilson Hawkins.

An Act respecting the Department of Health.

An Act to incorporate Canadian Merchant Service Guild.

An Act to incorporate Grain Insurance and Guarantee Company.

An Act respecting The London and Port Stanley Railway Company.

An Act for the relief of Albert Greensward.

An Act for the relief of Mary Jane Lyons.

An Act for the relief of Rose Kent Miller.

An Act for the relief of Elizabeth Winters.

An Act respecting W. C. Edwards & Co., Limited.

An Act to amend The Migratory Birds Convention Act.

An Act to authorize the Appointment of an Air Board for the control of Aeronautics.

An Act respecting the Central Railway Company of Canada.

An Act respecting The Grand Trunk Railway Company of Canada.

An Act respecting the Lachine, Jacques-Cartier and Maisonneuve Railway Company.

An Act to amend The Live Stock and Live Stock Products Act, 1917.

An Act respecting The Western Dominion Railway Company.

An Act to amend The Dominion Forest Reserves and Parks Act.

An Act for the relief of Martha Campbell.

An Act for the relief of Rosa Hirst.

An Act for the relief of David Jamieson.

An Act for the relief of Lillion North.

An Act for the relief of Thomas Davies.

An Act for the relief of Frederick Millman.

An Act for the relief of George Irvin Tuck.

An Act for the relief of Wilmot Orley Wiles.

An Act for the relief of Mary King.

An Act for the relief of William Herman Depper.

An Act for the relief of William Rogers Latimer.

An Act for the relief of William Pinkerton.

An Act to amend The Fertilizers Act, 1909.

[Mr. Speaker.]

An Act to incoroporate Canadian National Railway Company and respecting Canadian National Railways.

An Act respecting Dominion Water Powers.

An Act to incorporate the Canadian Wholesale Grocers Association.

An Act respecting The Manitoba and North Western Railway Company of Canada.

An Act respecting The Esquimalt and Nanaimo Railway Company.

An Act respecting The Calgary and Fernie Railway Company.

An Act to amend the Interpretation Act.

An Act to authorize an extension of time for the completion of the Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.

An Act to amend the Acts respecting the appointment of a Harbour Master at the Port of Halifax.

An Act to amend The Immigration Act.

An Act to amend an Act of the Present Session entitled An Act to amend The Immigration Act.

An Act for granting to His Majesty aid for Demobilization and other purposes.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1919.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1920.

At six o'clock the House took recess

After Recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

CANADIAN PACIFIC RAILWAY.

Consideration of an amendment made by the Senate to Bill No. 34, respecting the Canadian Pacific Railway Company.—Mr. Thomson (Qu'Appelle).

Sir ROBERT BORDEN: This is merely the substitution of the word "may" for the word "shall" with respect to the construction of that portion of the line west of Lloydminster. The Bill, as passed by this House, declared that:—

> The approval of the route shall be made subject to joint construction or operation with the Canadian Northern Railway Company.

The Senate have changed the word "shall" to "may," but in the event of disagreement the matter rests on terms to be settled by the Board of Railway Commissioners.

Mr. MIDDLEBRO: When this Bill was before the Railway Committee I moved that the word "may" be replaced by the word "shall." My object in doing so was to ensure that it would be necessary to get the consent of the railway commissioners. The word "may," I thought, would permit the parties to get together and thus avoid the

necessity of getting the consent of the board. A vote was taken in the committee and my amendment was carried. The Senate has now put the matter in the same form as it was before. All that I am desirous of ensuring by my amendment is that there should not be unnecessary duplication of lines, and, therefore, no unnecessary money expended in that manner. I would suggest that the amendment be not accepted by the committee.

Mr. J. E. ARMSTRONG: This matter was thoroughly discussed in the Railway Committee, and while it is true that the committee carried the amendment moved by the hon. member (Mr. Middlebro) on a vote of 21 to 20, it is also true that it was carried at a hurried stage of the proceedings of the committee, and it would be well for this Committee to take into consideration these words. In the first place, this proviso was carefully prepared by Mr. Ruel, representative of the Canadian National railways along with the representative of the Canadian Pacific railway, and they were both convinced that the word "may" should remain. I understand that the question has been submitted to Sir Henry Drayton, and that he believes it is perfectly right that the word "may" as proposed by the Senate should remain in the Bill instead of the word "shall."

Senate amendment concurred in.

SECOND READINGS.

Bill No. 126, (from the Senate), respecting The Canadian Pacific Railway Company.—Mr. Redman.

Bill No. 127, (from the Senate), respecting the Grand Trunk Railway Company.—Mr. Euler.

Bill No. 128, (from the Senate), respecting The Ottawa, Northern and Western Railway Company.—Mr. Devlin.

Bill No. 129, (from the Senate), for the relief of Stanley Gordon Eversfield.—Mr. Douglas (Strathcona).

PURCHASING OF DEPARTMENTAL AND OTHER SUPPLIES.

The House resumed the debate on the motion of Hon. Mr. Rowell for the second reading of Bill No. 46, respecting the purchasing of departmental and other supplies and materials for His Majesty.

Sir ROBERT BORDEN: I had so nearly finished what I purposed saying that it seems hardly worth while to resume, but perhaps it would be desirable to present to the House the considerations set forth in the report of the War Purchasing Commission, to which report I have already alluded. The disadvantages of the methods which have prevailed in the past were presented to us in this way:

> The need for centralization is clearly demonstrated by the numerous disadvantages of the present arrangements under which each department makes its own purchases, subject to approval of the War Purchasing Commission. Some of these disadvantages may be stated as follows:
>
> (a) Each department is now buying supplies in utter ignorance of what the others are doing.
>
> (b) The departments generally do not get the benefit of the technical knowledge and experience acquired in each department.
>
> (c) The quantity of goods required by some of the departments is not sufficient to enable them to purchase at the best prices.
>
> (d) When high prices prevail, owing to shortage of material, this condition is aggravated by competition amongst the Government departments themselves.
>
> (e) There is a lack of uniformity of specifications and also of inspection.
>
> (f) Large volume of emergency orders resulting in higher costs and giving opportunity for irregularities and complaints arising therefrom.
>
> (g) There is a deplorable lack in the departments of study of market conditions, revisions of specifications, et cetera.

The report continues:

> That co-ordination in Government buying would do much to remove or lessen the disadvantages of the present methods is beyond question. Enquiry shows that while each department may require certain supplies which are peculiar to its special needs, yet the larger proportion of the total outlay is for goods common to several departments. If the requirements in a particular line, instead of being ordered separately by each department, were bought collectively by a central purchasing office with its staff of experts for each class of goods, the larger quantities ordered, the elimination of competition among the departments, the decrease in emergency purchases, the adoption of uniform specifications and methods of inspection, and the many other improvements which would be possible would result in an enormous saving of money, and still further remove any temptations to personal favouritism which may now exist or tend to creep in in the future.

Some reference was made this afternoon to the possibility of delay through waiting for the action of a Central Purchasing Commission in respect of small supplies required by departments of the Government in different parts of the country. That subject has been under consideration. It was dealt with by a provision in the Order in Council, and as to emergency purchases of that character—small purchases urgently required and as to which it would be quite undesirable to go to the expense of advertising for tenders—there is no reason why these

should not be purchased, under proper safeguards, in the way which has been suggested by hon. members who have debated the Bill this afternoon.

In conclusion, the question is just this: As we have endeavoured to eliminate the suspicion of political influence and patronage in appointments to the public service, is there any good reason why we should not seek in the same way to eliminate political influence in the purchase of supplies for the Government? I suppose if an Administration were desirous of using every influence that might be within its command, and irrespective altogether of the public interest, it might say to itself that a proposal of this kind was hardly worth while, that it could manage things very well as they are at present, and utilize the power which is given in that way to considerable political advantage from time to time. I venture to assert that this is not the spirit in which such a question ought to be approached by a government. It is certainly not the spirit in which we submit this measure to the House. I have a very sincere and earnest conviction that the method we now propose to make permanent, which removes not only the fact but the very suspicion of party influence in the purchase of supplies for the Government, is a good thing not only for the country but for the Government itself, and I hope that the proposal will be accepted in that spirit by the members of the House.

Mr. LEMIEUX: I have followed this whole debate, and I have very grave doubts as to the advisability of the House passing this measure. Of course, I do not pretend to discuss the relative merits of the gentlemen who were, and, indeed, still are, the members of the War Purchasing Commission. I do not know these gentlemen except Sir Hormisdas Laporte, who is one of the most distinguished citizens of my province and enjoys the very highest reputation both as a business man and as a faithful administrator. But that is not the point at issue. I believe in the old saying, which, indeed, is more than a saying because it is found in the Holy Book, that the fear of the Lord is the beginning of wisdom. I believe that every man exercising a responsible function coming within the bounds of the constitution should be amenable to Parliament; but I shall discuss that point a little later on. For the present I simply wish to say this: The war is over. It is true that yesterday the Minister of Finance said that as regards the necessities and requirements of the financial year this should properly be called a war year. I do not deny that at all, but the war is at an end, and the extraordinary proceedings bordering on unconstitutionality which took place during the war and which were criticised and challenged by His Majesty's loyal Opposition should now be discarded. The Canadian people have submitted themselves during those four eventful years to what I would call autocratic rule. Although a Liberal, and inclined to be radical, I admit that the peculiar conditions existing not only in Canada but throughout the whole civilized world justified to a certain extent some of the measures which were not enacted, but imposed upon the good-will of the people of Canada. We have been governed by Orders in Council. Parliament has disregarded some of its most sacred and ancient privileges. We have witnessed in this House members of the Government receiving the emoluments of office during nearly one year without having even received a mandate from the people. I protested at the time against such a violation of the British constitution, British precedent and the ancient and time-honoured usages of our own Canadian constitution. The people resented the autocratic methods which the Government thought proper to adopt for the time being, and I warn the Government that the people of Canada to-day are not in a mood to stand for any such breaks in the future. During the war, of course, the Government had a practically free hand in spending the millions which were taken from the public exchequer for the business of the Canadian army and the Government generally. Indeed, it has come to this, that during the last four years the Government has enjoyed the fullest privileges as regards the expenditure of public money. We had yesterday from the hon. the Minister of Finance (Sir Thomas White) a statement which is now before the whole Canadian people. I may be regarded as cheeseparing, but I say that with the financial condition of Canada to-day as it is the duty of the Government is to put the brake on the expenditure of public money. On this score alone I say to the Government "halt." The amount involved may not be over $50,000 or $60,000, or perhaps $100,000, but I say in all gravity, with a full sense of my responsibility and not for the mere pleasure of digging the Government in the ribs, but as a Canadian, and having regard to the financial standing of Canada, that the Government ought to exercise the closest control over every dollar of expenditure.

My hon. friend the President of the Privy Council (Mr. Rowell) is a member of a practically new government. The Government which took office in 1911 and the Union Government by which it was superseded, have created so many commissions since that time that, although an old member of the House, I would be at a loss to give a list of those commissions without speaking by the book. I think it is not going beyond the mark to say that at least forty or fifty commissions have been created since 1911. Each commission was created for the purpose of relieving the members of the Government from some of the work for which, with all due respect, the members of the Government are paid in hard cash by the people—the tax-payers—of Canada.

The financial condition of this country is most alarming. I need not repeat the figures quoted yesterday by the Finance Minister. There must be a beginning in the reduction of public expenditure. We must revert to the old Alexander Mackenzie method of practising economy. Only last evening we heard a minister of the Crown, at the head of one of the most important and responsible departments of the Government, namely the Department of Railways and Canals, admitting that in connection with the Trent Valley canal, and the deepening of the Welland canal, the expenditure was practically useless, but, as he said, we must give employment to the returned soldiers of those districts. When he was put to the test, and asked by my hon. friend from Antigonish and Guysborough (Mr. Sinclair), and by my hon. friend the leader of the Opposition (Mr. McKenzie), how many returned soldiers were employed on the Trent Valley canal, and on the deepening of the Welland canal, he said there were about 200 employed, although the money to be expended will reach a total of over $4,000,000 in both instances.

There is grave unrest in the country and the people will not stand very long for the wild expenditures that are being made on the most flimsy pretexts. Now, let us come to this new commission. Is it necessary? I have the greatest respect for the opinion of my right hon. friend the leader of the Government (Sir Robert Borden), but, with his experience as a parliamentarian and a minister of the Crown, is it necessary that the War Purchasing Commission which has ended its business, honourably, creditably—I frankly admit—should be continued in operation? Is it necessary that we should now embalm in the statute books legislation which makes of a temporary commission created for a special purpose, namely, war purchases, a permanent one?

With all due respect to the Prime Minister of Canada, I say it is not going beyond the mark to say the contrary. It is not necessary to make that commission permanent. Having ended its business—the purchase of supplies during the war—it is unnecessary, now, that we are reverting to the old lines of business, to add this new burden on the shoulders of the taxpayers. I do not know exactly what this new commission will cost the Treasury, but I believe I am not far astray when I say that it will entail an expenditure of nearly $100,000 at least. I am told that an army of secretaries, typists and bookkeepers were employed during the war, and possibly during that eventful period it was proper to have that organization. The purchases were enormous in size and the amounts involved were very large, and it was proper, I repeat, that during that period a special commission should have been created in order to protect the public treasury. But, now that the war is over, the commission has ended its business. I feel confident that it has handled this business creditably and honourably, and speaking from what I know, I state most positively that a man of Sir Hormisdas Laporte's standing in the community would not give the commission anything but the best advice, and the people of the country anything but the best service. We are, however, reverting to pre-war conditions as regards the administration of each department of the Government. I was a member of government for eight years, during five of which I was directly responsible, with my colleagues of the Laurier Administration, to Parliament. I know that a minister of the Crown who is simply honest and is endowed with some business ability can manage his department by taking, of course, the necessary safeguards and by exercising the necessary checks upon the expenditure which comes under his eyes every day. I had one of the large spending departments to administer, namely, the Post Office Department. I know that the expenditure of such a department can be honestly supervised with the best results. A requisition is sent to the proper officer from whom it must come before the deputy minister, who is the first officer of the department, and from the deputy minister it goes before the minister. Every requisition must pass through several channels, and a minister of the Crown, if he is honest and knows his business, will be sur-

rounded by good officials whom he will trust. Have not we reformed our Civil Service? Have not we increased the salaries of the deputy ministers and given them, so to speak, a more extended authority to protect the public exchequer against the raids that might be made from outside? And, Mr. Speaker, have not we abolished the patronage system? If we have not abolished it, then, Sir, some of the hon. gentlemen opposite belong to the tribe of Ananias, because we have been repeatedly informed in this House, day in and day out, that patronage had been abolished in every department of government. If patronage no longer prevails, if the system of public tender is followed in each department, what need is there to create this new commission, and for what purpose have we this year increased the salaries of deputy ministers? Their salaries were increased first from $4,000 to $5,000, and now from $5,000 to $6,000 a year. Are they going to be deprived of all authority? What is their business if not to administer their departments and to see that expenditures are honestly made and procedure honestly carried out? I say that there are checks and safeguards at every step in each department if the deputy does his duty and if the minister in charge will simply live up to the statute defining his powers in his own department. My hon. friend, the President of the Privy Council (Mr. Rowell) belongs, as I do, to the legal fraternity, and I believe that he has a keen business intellect. Will he tell me that in his own department, and sticking to his business—of course, if he is lost in Imperialistic dreams, that is another matter—he could not keep a vigilant scrutiny on expenditures? Now that the war is over and peace is going to be signed, let us come to essentials, let us get down to elementals—in popular language, let us get down to brass tacks. We are no longer at war. The Peace Treaty will be signed in a short while and we shall resume the even tenor of our way, constitutionally speaking. Canada is Canada. There is no revolution from a constitutional point of view. There is some unrest in the country, but it is against the Government, and the profiteers, not against the constitution. We are resuming our duties as in pre-war times, and I would urge my hon. friend to come down from the high heaven of his dreams to solid earth. Let him tackle the business of his department. Although I do not share his views politically, I know he has enough business acumen to direct the affairs committed to his charge in conformity with the statute. What is the use of that Bill? Has my hon. friend read the statutory powers of each department? If he has, he will find that in each department there are checks and safeguards; and above all there is in the Government of Canada an officer who is the watch dog of the treasury and who officially is known as the Auditor General of Canada.

Do you believe, Mr. Speaker, for one moment that old Lorne Macdougall, that John Fraser, that the present Auditor General—whom I have not the pleasure of knowing, but who is an honest and sturdy officer of the Crown—might have been or would be in need of a commission to curtail expenditure, to see that the law as regards public tenders was followed? What are the duties of the Auditor General if not to call the attention of every minister of the Crown, when he has overstepped the mark, to the fact that he has not confined himself within the powers conferred upon him by the laws of Canada? When I was in the Government, Mr. Speaker, my nightmare was the Auditor General. I was afraid every year—

An hon. MEMBER: A guilty conscience.

Mr. LEMIEUX: —homo sum; humani nihil a me alienum puto; I am only a man; and nothing that is human do I count foreign to me. I know what are the weaknesses of my human nature; and I know that the Auditor General is the nightmare of every minister of the Crown. During the years I was acting as Postmaster General my only fear was that at the end of the fiscal year on opening the Blue Book at the pages covering the expenditures and receipts of my department, I would find a foot note from the Auditor General ordering me to live up to the statute conferring the powers upon me as Postmaster General.

This commission, Mr. Speaker, clips the claws of the Auditor General. He will be a very efficient officer no doubt, but he will rely in the future on the three commissioners to be appointed to do the business which by statute each minister, plus the Auditor General, is bound to attend to. Take the Department of Public Works, where moneys can be spent lavishly if there is not the greatest care taken on the part of the minister, the chief engineer, and the deputy minister, and, finally, the Auditor General. Do you not find in the Public Works Act a section providing that it is not within the power of the minister of the department to spend more than $5,000 for any public work unless it has been voted by Parliament? I remember when that amendment to the Act was

passed the minister of the day welcomed it, Mr. Speaker, because he found that his powers were too ample and, like your humble servant, he was afraid of his human frailty. So that in the Public Works Act there is a check against the frailty of the minister or of any of his chief officials.

But, as I stated a moment ago, I believe that after all the best protection for a minister of the Crown is the fear of the Lord, and the fear of the Lord in the present instance is the fear of the Parliament of Canada. If every minister of the Crown exercises his ministerial responsibility, he cannot lightly pass that responsibility over to an irresponsible body—and I maintain that this commission is an irresponsible body, and I also maintain that we should preserve the ancient usages of Parliament, which protect our rights.

One of the dearest principles of our Government is that of ministerial responsibility. If my hon. friend the President of the Privy Council was not so bashful I would read one of his most interesting speeches, where he expounded this feature of our constitution. We must not abdicate our functions as a Parliament. My hon. friend will pardon me if I have to speak of lucre, but it is my only way of expressing what I have in mind. Every minister of the Crown who is paid by the toiling masses must be responsible before Parliament for every one of his actions. I shall not quote my hon. friend—I reserve that for another occasion—but he will accept Todd's authority, I suppose.

> In conferring 'responsible Government' upon her colonies, it was the design of Great Britain to convey to them as far as possible a counterpart of her own institutions. By this system, it was intended that the vital elements of stability, impartiality, and an enlightened supervision over all public affairs should be secured, as in the mother country, by the well-ordered supremacy of a constitutional governor, responsible only to the Crown; whilst the freedom and intelligence of the people should be duly represented in the powers entrusted to an administration co-operating with the Crown in all acts of government, but likewise responsible to Parliament for the exercise of their authority.
>
> The administration or cabinet, as has been justly remarked by Mr. Gladstone, "stands between the sovereign and the parliament, and is bound to be loyal to both."
>
> It may not separate itself from the Crown lest it should degenerate into a ministerial oligarchy, swallowing up those rights of the monarchy in the body politic which are the eminent safeguards of political liberty and of national honour.

I admit that during the war, when we were living in extraordinary times, extraordinary measures might have been permissible. But now that we have, in a sense, come back to pre-war times; now that the affairs of Canada are to be administered according to the best principles of British Government and the British constitution, ministers of the Crown must not shift their responsibilities to extraneous bodies. They must take the responsibility of every one of their acts. If the powers vested in the departments of the Government are not strong enough, not protective enough, let us amend the laws. I shall give my support to the Government if they will amend some of the statutory powers conferred upon

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the departments, but I do strenuously object to any gentleman who is not elected by the people, who is not responsible to Parliament, managing the affairs of the country outside of the departments and outside of the Government. I do not wish to create an oligarchy. I do not, to paraphrase the language of Mr. Gladstone, wish that the administration should not stand between the sovereign and the Parliament and not be loyal to both. I am using the negative; Mr. Gladstone speaks in the affirmative:—

> It may not separate itself from the Crown lest it should degenerate into a ministerial oligarchy, swallowing up those rights of the monarchy in the body politic which are the eminent safeguards of political liberty and of national honour.

I want the Government of Canada to be responsible for the expenditures of the current fiscal year. When I criticise any undue expenditure, any extravagant or possibly corrupt bargain, I do not want to be told by my friends opposite: "These hands are clean; we are not responsible. A commission created by Parliament, voted for by you and by me, has thought it proper to make that expenditure, that corrupt bargain." I want to see before me in the House the Administration which has been selected as the supreme council, the supreme committee of the elected representatives in Parliament. I want to see that Administration before me so as to be able to scrutinize its acts; to condemn its misdemeanours and to denounce its corruption, if there be corruption. I am not British born; I have no English blood in my veins, but I have the highest regard for British precedents and the greatest admiration for the British constitution. Did England, since the war, or before the war, create commissions in order that the responsibilities of ministers of the Crown should be shifted from their shoulders to the shoulders

of some outside influences? It is as a Britisher that I appeal to my hon. friend; that I say to him that the war is over; that the time for extraordinary measures has passed; that we must resume parliamentary Government—democratic Government. The country has suffered immensely during the war; has endured sacrifices of blood and of money. It is the expectation of the country, therefore, that the era which is now opening up may be a truly democratic era. I hope that, having heard the strong protests not only from this side of the House, but from the other side as well—protests from independent members of the House—the Government will yield, or that they will think twice before insisting that this commission be created.

Once more I say that I do not at all criticize the members of this commission. I knew Mr. Gundy by reputation only; it was of the highest. I know personally Sir Hormisdas Laporte; there is no better citizen in Canada. But it is against the principle—the vicious, the autocratic principle—that I raise my voice this evening.

I said a moment ago that I had no English blood coursing through my veins. But I have the inherent logic of the French people; therefore, having regard to the protest which I have offered against this legislation, I must conclude logically. I therefore move, seconded by Mr. J. H. Sinclair:

That this Bill be not now read the sceond time, but this day six months.

Hon. MARTIN BURRELL (Secretary of State): The hon. gentleman (Mr. Lemieux) has taken a great deal of the time of the House this evening in discussing this matter. He commenced his remarks by imitating the methods of his friend to his left, the leader of the Opposition (Mr. McKenzie) by quoting Scripture.

Mr. LEMIEUX: It is contagious.

Mr. BURRELL: I suggest to him that when the leader of the Opposition quotes Scripture—and he does so very frequently—he is a little more apposite than my hon. friend. My hon. friend quoted "The fear of the Lord is the beginning of wisdom".

He went on to argue the point later by explaining that while he really said "the Lord," he meant "Parliament." I can only say that if Parliament is to be judged in its personnel and ability by the length and irrelevance of a speech such as we have just heard, then I think to make "Parliament" and "the Lord" exchangeable terms is very unflattering to the Deity. That is all I have to say about that. My hon. friend discoursed on many subjects that had very little to do with the measure before the House; indeed, I was almost raising a point of order until I began, towards the end of his speech, to get a glimmering idea that what he was really apprehensive of was that the constitution was going to be entirely smashed by a commission which is created to do the business of Government and Parliament in a little more businesslike manner.

The hon. member laboured the point a great deal, and several other members opposite have also laboured the same point during the last few weeks of the horrible autocracy that they allege has been existing in this Government for the last three or four years, the usurpation of the rights and powers of the people, the autocratic methods employed by government by Order in Council, and he and those who have spoken along the same lines seem persistently to forget either deliberately or unconsciously that there has been no such thing as an autocratic Government, because Parliament has put into the hands of the Government certain powers which the Government exercises, and having exercised them is responsible to this Parliament for what it has done. My hon. friend has used some very extraordinary arguments in support of the position which he has now expressed in the shape of a motion. Before he commenced that kind of argument, he complained that during the war the Government had had a very free hand in the expenditure of public money, but, he said, as we have now come to times of peace, the Government must exercise a closer control of its expenditures; there must be greater economy; there must be a reduction and an economy, the old watchword that is coupled with the name of Alexander Mackenzie whose example, I may say, my hon. friend and some of his friends did not always follow. He referred to the Minister of Railways' extravagance of expenditure, and I do not like to allow his reference to pass, because last night I listened to the Minister of Railways, and if the hon. member for Maisonneuve (Mr. Lemieux) will pardon me, I must say I think his reference was very unfair, I would almost say grossly unfair, if that is parliamentary, to the minister who is not at present in the House. I took down his words while he was speaking, and he stated that the Minister of Railways, in regard to the Welland canal and the Trent canal had stated that the work that was

being done was practically useless. Those were his exact words, and he stated that the minister went on with those works only under the flimsy pretext of employing soldiers. I think if my hon. friend is going to contend that a fear of the Lord is the beginning of wisdom, he had better bear his own words in mind and start getting wise before he so greatly misquotes the words uttered by a responsible minister of the Crown last night. He certainly cannot find in the statement made by the Minister of Railways that these works were practically useless, and that it was a flimsy pretext to go on. What the minister argued was that while there might not be a pressing necessity for going on with this work immediately, in view of the fact that there were thousands of soldiers returning to Canada and looking for work and also a great deal of unemployment in the country, which might create a dangerous situation, he thought it best to go on with the work now instead of at a later date. I will leave it to the House if that is not a fair statement of the situation.

Mr. LEMIEUX: I do not wish to be unfair. Last night we were discussing the Trent Valley canal, and I read this in Hansard, page 3298:

> Mr. Lemieux: How many ships passed through the canal last year?
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> Mr. J. D. Reid: I have not the record here. I have always been under the impression that the building of the canal was really throwing money away.

Mr. BURRELL: I think my hon. friend will recall the fact that (Mr. J. D. Reid) was referring to the Welland canal when making those remarks, and the point he raised in regard to the soldiers was on the Welland canal.

Mr. LEMIEUX: Yes.

Mr. BURRELL: And if my hon. friend will take the context of the Minister of Railway's remarks, I do not think he will find that the minister said it was useless, whatever objections he may have raised in regard to the Trent canal years ago, and I do not think my hon. friend can twist the statement of the Minister of Railways into a statement that the work was practically useless. I thought it worth while to refer to this, especially as the motives and results as regards the soldiers have been very frankly and fully stated to the House by the Minister of Railways.

Let me refer to another argument of my hon. friend, and one which seemed to me rather extraordinary. He asked: Is this present commission necessary? Is it necessary to make what was a temporary body during the war, a permanent body now that peace has come? My hon. friend referred to the absence of British blood in his veins, but said in passing that he had that French logic in his anatomy that would make reason apparent in his argument. All I can say is that there is not much logic when my hon. friend says in one breath that the purchases during the war, which amounted to very large sums, made the creation of a commission necessary, because it protected the public treasury, and then at the same time argues that the commission is not necessary, because, apparently, the public treasury has not to be protected in times of peace. If his argument was true in times of war, it would, with the exception that there may not be so great purchases now, be equally justified in times of peace. My hon. friend seems to argue—and this is his main argument—that in some strange way we are smashing the constitution because a commission is being appointed to transact the business of buying the various departmental needs and requirements. He pointed out that under the old method there was governmental responsibility, ministerial responsibility, that the requisitions passed through several hands; that they were carefully scrutinized by the officials of the department, the deputy minister and so on, and that, therefore, there were all the necessary safeguards. Surely, my hon. friend cannot so misunderstand the purport of this Bill as not to know that the needs and requirements of the various departments for the requisitions that are put up will go through the same processes so far as requisitions go. As far as knowing what the actual needs of the department are, the department will be responsible, and those matters will be placed before the commission in the net result of a requisition for departmental requirements. The commission which has been established is not for requisitions; the responsibility for that is on the department, but it is for the purpose of putting in a business organization which will gather up all the multitudinous threads going through sixteen or eighteen departments where, perhaps, there may be seven or eight different experts or officers buying the same type of thing, into the hands of the central business organization which will be in touch with the whole of them. I cannot see what my hon. friend is afraid of in the way of responsibility. The minister will have to

come to this House; he will, after all, be responsible for what his department needs, and although the commission on account of its knowledge of the requirements of all the departments is created to do the actual buying certain responsibilities will rest with the minister of each department.

My hon. friend urges—and I thought this was a somewhat curious and illogical argument—that in some mysterious way the establishment of this commission would clip the claws of the Auditor General.

How on earth the Auditor-General's claws are to be clipped by a commission of this kind doing the actual purchasing, I fail to see. His functions are not interfered with one iota by this commission; he will discharge his functions in precisely the same way after the establishing of this commission as before. It was a new doctrine, I think, to this House which the hon. member laid down when he said that the Auditor General was the nightmare of an honest minister. I thought he was the nightmare of a dishonest minister. Fear of the Auditor General would not be entertained by an honest minister; he has nothing to fear from the Auditor General. I cannot see in any shape or form how the Government or a minister would be abdicating his functions by adopting practically what every vast business concern with innumerable branches does, namely, centralize the machinery for the actual purchasing of its requirements. My hon. friend in his diatribe on the commission business and on throwing off the responsibility of ministers, surely has not forgotten that the Government of which he was a member established a commission, the Railway Commission—and I have not a word except of praise for its establishment, and had not at the time it was established—which certainly is less responsible than a commission of this kind, because it is far less in contact with the various departments and the ministers. In the whole language used by my hon. friend I have failed to see one argument against the establishment of this commission; I have failed to hear one reason advanced why it would not facilitate public business of the country and of the departments. I fail to see why, to use my hon. friend's words, if it helped matters and safeguarded the public treasury in times of war, it would not equally do so in times of peace. I shall certainly therefore vote against my hon. friend's motion.

Mr. M. CLARK: Is my hon. friend's mind not influenced by the thought that the Railway Commission has no spending power? It does not spend public money?

[Mr. Burrell.]

Mr. BURRELL: That may be perfectly true, but its various decisions and their far-reaching effects are vastly more important than the decisions of a commission making purchases for departments.

Mr. A. R. McMASTER (Brome): I do not intend to delay the House long by any remarks of mine, and in that way I shall gain the approval of the minister who has just taken his seat (Mr. Burrell). I always listen to him with attention when he speaks, and generally when he replies to remarks from this side of the House his words are a complaint as to the length of the speeches made by us. I wish very frankly and courteously to tell the minister and the House that we on this side intend to take just as long on any subject matter of interest to the country as we think proper, subject, always, to the gag which the majority can place upon us if they desire to do so.

The minister has stated that the argument of the hon. member for Maisonneuve (Mr. Lemieux) was not a businesslike argument. He says that the proposal to appoint this commission is a businesslike suggestion, and that what this Bill proposes to do, namely, to put the purchasing of all Government requirements into the hands of what practically amounts to an irresponsible commission, is something which all large businesses do by centralizing their purchasing activities. I grant that it is of advantage to have the purchasing centralized, but I say that in order to do that, it is not necessary for Parliament to abdicate its power and its responsibility. Suppose the Canadian Pacific directorate appointed a small purchasing committee. Suppose that small committee spent lavishly the money belonging to the Railway Company. Suppose that at an annual meeting a shareholder said to the Chairman of the Canadian Pacific "You are spending too much on this, that or the other thing." What would the minister think if the Chairman of the Canadian Pacific said: "We have appointed a committee which is only removable in a very difficult fashion every ten years. Therefore, do not blame the directors of the Canadian Pacific Railway for this extravagance, because it is the fault of the committee which you and I appointed at the last meeting." Does the minister think that that answer would satisfy the shareholders of the Canadian Pacific? It would not satisfy them for a moment. There is no man in this House

who desires to see patronage eliminated more than I do. Patronage has been the curse of politics in this and other countries. It is what induced some people to call politics "une sale cuisine," or a dirty business. But it is not necessary, I respectfully submit, to appoint a commission of this sort to get over the difficulty. There are purchasing agents in every department, and one way to get over the difficulty would be for these purchasing representatives of every department to have an association whereby they would communicate the necessities of their several departments to one another and see that one was never bidding against the other in buying supplies, or if it is necessary to go still further —and my experience of public matters is not sufficient to enable me to state whether it is or not—a purchasing department might be formed composed of well-paid and intelligent civil servants, and presided over by the minister, who will be responsible to this House for what that purchasing department does.

The minister said that ministerial responsibility would not be affected. I am sure the minister is frank and fair in his mind, and I put this proposal to him: Let us suppose that he wished to have a waste paper basket for his office as Secretary of State, and he requisitioned one. This commission, with large ideas, and believing that ministers from the West desire expensive waste paper baskets, went out and bought, we will suppose, a mahogany waste paper basket for about $40, as was done for one of the ministers from Saskatchewan the other day. Now the minister says, "I would be responsible for that purchase." He would not be responsible. He would be responsible for asking for a waste paper basket, and responsible that a waste paper basket was bought, but he would not be responsible for the price paid for that basket, because if he was attacked for buying a trifling waste paper basket for $40 he would hold up his hands and say: "I come from a country where such extravagance is regarded as disgusting, and the responsibility for buying that $40 waste paper basket rests on the shoulders of the independent commission appointed by this House. If you feel that this waste paper basket matter is of sufficient importance, then if a joint petition of the House and the Senate is carried in both Chambers we can remove the commissioners from office." No, the responsibility of asking for the goods will be on the minister, I frankly grant, but the responsibility for the price paid for the goods will be upon the commission and not upon the minister.

What does this mean? This Bill is just a reflection of what governments have been doing in this and other countries. Administrations have got rather tired of ordinary members of Parliament; they are in the way, and things cannot be done as quickly as they could be done if ministers could only have their own sweet will. In Great Britain commissions have been formed ad libitum. They have been created in large numbers in this country, and one of the duties that falls upon the representatives of the people in this and other countries is to see that the House of Parliament resumes its functions, that it shall no longer be a rubber stamp for what the ministers desire to do.

In one sense that is not the great question. In another sense it goes to the very root of the matter. Are the ministers desirous of avoiding responsibility? In the days gone by heirs to thrones and princes must not have their teachers' hands laid upon them. They had "whipping boys", and if the young prince did not know his lessons the "whipping boy" got the flogging. If ministers do wrong when purchases are made, if improper prices are paid for the supplies which are bought, what will the ministers say? They will say: "Turn to the whipping boy, turn to the commission; it is not our fault."

Mr. BUTTS: What are the objections to the Bill?

Mr. McMASTER: The great and main objection to the Bill is that it takes away from the ministers the responsibility which they should assume for the prices paid for the things that are bought for the public service. I have no more to say. I believe the whole subject is summed up by these few remarks. Perhaps the minister who preceded me will at least absolve me from any of the strictures he may in the future make in regard to the length of speeches on this side of the House.

Mr. ROWELL: Mr. Speaker, for five or six months, in the absence of the Prime Minister, it was my privilege and responsibility to keep in touch with the work of this commission and my experience of its work so convinced me of its advantages that I was led to believe that the House would accept the proposal contained in this Bill without very serious objection or discussion. That accounts for the fact that in introducing the Bill I did so with a few brief observations. I believe I am right in supposing that it is because the members of the House have not had an opportunity of learning the value of the work which

has been done, and the value of the work which will be done by the continuation of the commission that this discussion has taken place. Therefore, I shall detain the House for a few minutes in dealing with some of the observations which have been made by hon. members in opposition to this Bill. I should have thought that the very clear and forcible statement of the Prime Minister, based on his observation of the work of this commission, which has continuously reported to him during the past four years, would have convinced the House of its value. My hon. friend from Maisonneuve (Mr. Lemieux) has referred to Sir Hormisdas Laporte in very high terms. With everything he has said in regard to that gentleman I am in entire agreement. I know the character of his work on this commission, I know his fine business ability, and with what unselfish public spirit he has served the country. I agree with my hon. friend in saying that Sir Hormisdas Laporte would not advise the Government contrary to the country's interest. I want to say that Sir Hormisdas Laporte will not be on the new commission; he will not accept a position on it. His duties will not permit him to do so. But if there is one thing more than another he has urged upon the attention of the Government, it is that we should make this commission permanent. He speaks out of the knowledge and experience gained during the past four years, from what he knows of the purchasing methods in all the departments of the Government, from what he knows of the purchasing by large business houses like the one with which he is himself connected. It is not a matter of speculation with him. He knows that it will save the public millions of dollars to have this commission established. If there is one thing that he wishes to see before he retires from office after four years of service, without receiving a dollar of remuneration for the splendid work which he has performed, it is the perpetuation of this commission for the benefit of the people of Canada.

What is true of Sir Hormisdas Laporte is equally true of every other member of the commission. In one of the last conversations I had with the late Mr. Gundy, one of the ablest business men from my own province, who had served his country without any compensation and who would not have accepted a position on the permanent commission because he was compelled to return, as he thought, to resume his business duties in Toronto, he said: "In my judgment the Government would be doing a great thing in the interest of efficiency in the management of public affairs and in the saving of public money by making this commission permanent." He urged the value of the work of this commission and the great importance in the public interest of making it permanent. As a business man he considered the establishment of this permanent commission as one of the most important achievements of any Government. What is true of Sir Hormisdas Laporte and Mr. Gundy is equally true of Mr. Galt. He joined in the recommendation which the Prime Minister read to the House this afternoon urging the Government to continue the commission.

My hon. friend from Maisonneuve said that there was no better business man in Quebec than Sir Hormisdas Laporte. Why should one of the foremost business men of Quebec, Sir Hormisdas Laporte, why should one of the foremost business men of Ontario, Mr. Gundy, why should one of the foremost business men of Manitoba, Mr. Galt, after years of investigation and experience in this work, unite in making such a recommendation to the Prime Minister if it was not that, as business men, they believed it was in the public interest to do so and that it would mean the saving of millions of dollars to Canada? Otherwise they would never have thought of making such a recommendation. The adoption of this method of purchasing supplies during the war meant that we abolished party patronage in the purchase of millions of dollars' worth of supplies. Does any member of the House, now that the war is over, want to see a revival of that old system of patronage in the purchasing of supplies? The hon. member for Maisonneuve said that if patronage had not been abolished there must be on this side of the House some members of the society of Ananias. Party patronage was abolished in the purchase of supplies by the appointment of the War Purchasing Commission. Bring this commission to an end and in the purchase of supplies for all the departments of the Government party patronage will be restored. This Bill is to continue the work of this commission so that party patronage shall be abolished in the purchase of all supplies.

Let me read to the House what the Prime Minister said upon this subject at the opening of the last Parliament:

> In addition, we have given our attention to abolishing patronage absolutely in respect of

all purchases. Hon. gentlemen who were members of this House in the last Parliament will recollect that in the spring of 1915 the War Purchasing Commission was established for the purpose of controling the purchase of all articles required by the Government for the purposes of war. It has done good work and given excellent service; the gentlemen who compose it have given their services freely and voluntarily as a patriotic duty. We have passed an Order in Council that not only war purchases but purchases of all articles, commodities or materials required by the Government shall be made through the War Purchasing Commission and by tender and contract.

Sir Wilfrid Laurier: Who are the members of this commission?

Sir Robert Borden: Hon. H. Laporte, of Montreal, chairman; Mr. Gault, of Winnipeg, and Mr. Gundy, of Toronto. On the retirement of Sir Edward Kemp from the board when he went overseas, Mr. Laporte was appointed chairman, and Mr. Gundy became the third member of the board.

That statement by the Prime Minister, made at the opening of the session a year ago, was to implement the pledge made by the Prime Minister when the Union Government went to the country in the general election in the fall of 1917.

I had the privilege of speaking with the Prime Minister in the province of Ontario at a number of meetings. I do not know what he said elsewhere, but I know what he said in Ontario, and according to my best recollection there was not a meeting at which he spoke where he did not point out to the electors that the policy of the Government was to abolish party patronage, not only by appointments to the public service by extending the scope of the Civil Service Commission, but also in the purchase of all war supplies by enlarging the powers of the War Purchasing Commission, and to make the work permanent. On every platform on which I heard the Prime Minister speak he made that pledge to the country, and I know with what enthusiasm it was received by the people. I want to say to my hon. friends on both sides of the House, much as some of them might and do prefer the old system of party patronage in which political influence undoubtedly affects purchases in the departments of the Government, that I have been sufficiently in touch with the political life of the country for the past twenty years to know that prior to the establishment of the War Purchasing Commission political influence played a large part in the purchase of supplies in connection with the Government. The people of this country are heartily sick of that kind of thing, and they responded most cordially to the Prime Minister's announcement of policy in this matter.

Mr. MICHAEL CLARK: Does the minister contend that party purchases are an absolutely necessary result of party government?

Mr. ROWELL: I do not contend that, but I say that the experience in this country under all governments—at least all governments within my recollection—is that party patronage has influenced purchases in the Government departments.

Mr. MICHAEL CLARK: England at the end of the eighteenth century was extremely corrupt, but a better state of life arose under party government, and I am glad that my hon. friend admits that party patronage and party government are not necessarily co-existent.

Mr. ROWELL: I quite agree that they are not, but prior to the appointment of this commission party patronage did prevail under both Governments. I ask hon. members to recall public criticism in the press and in Parliament, by the Opposition, in reference to the purchase of supplies, while the Liberal Government was in power, and, when the Conservative Government was in power, by the Liberal Opposition. Prior to the appointment of this War Purchasing Commission, in the press and throughout the country there was public criticism of middlemen who stepped in and got a rake-off and commissions. Who has heard that criticism in the past two or three years? It has ceased to exist. The business men of Canada have absolute confidence in the impartiality and fair dealing which the War Purchasing Commission has given them. They are satisfied that they have been given a square deal and that there is no discrimination, and for these reasons I submit that it is greatly in the public interest that the commission should be continued.

My hon. friend from Red Deer (Mr. Clark) inquired with regard to expenditures. He was not able to accept my estimate for the time being without some proof. In the different departments of the Government there are at present probably no fewer than three hundred officials engaged in connection with the purchasing, inspection and acceptance of supplies for the Government, and the opinion of the War Purchasing Commission is that by consolidating all the work under one single purchasing commission there will be a substantial saving from the mere standpoint of the number of officials employed to do the work. There will be a saving by reason of the greater efficiency in purchasing.

If only one per cent is saved in handling business to the extent of $40,000,000 per year, it would represent an economy of $400,000 per year.

Mr. MICHAEL CLARK: With efficient government, if we have too many men employed in the departments now, it is the duty of the Government to get rid of some of them, and the duty of Parliament to see that the Government does so.

Mr. ROWELL: Again, I quite agree with the hon. member, but the difficulty is that with fifteen different departments doing a similar class of work more men are required than would be the case if there were only one department. I am sure that if hon. members stop to think, they will agree with that statement, which must appeal to the business sense of the House. Not only will there be a saving in the actual cost of administration, but there will be a saving of hundreds of thousands of dollars in the purchase of supplies.

Mr. J. H. SINCLAIR: What does the minister intend to do with the present purchasing agents in the various departments? There are quite a number of capable men trained in the business of purchasing in such departments as the Post Office, Public Works, Marine and Fisheries, etc. What will be their fate after this Bill goes through?

Mr. ROWELL: These men must be taken over for the time being by the War Purchasing Commission. But as the work of the commission becomes organized I think the staff can be steadily reduced and those who are not required can be transferred to other departments. I do not think it would be right to turn out efficient men who are in the existing departments.

Something has been said about the absence of ministerial responsibility. The commission cannot purchase a dollar's worth of supplies unless they are requisitioned by a minister, and the minister must requisition the precise article he wants. It is not open to the discretion of the commission to buy anything they want. If a two dollar or a fifty dollar basket is required the requisition must definitely call for it, and if a steel cabinet or a wooden cabinet is required it must be requisitioned for. The very best prices will be obtained and the best business judgment exercised in the purchasing of goods, and this question does not affect the duties of the Auditor General one iota. He will perform his work as faithfully and as fearlessly as ever.

[Mr. Rowell.]

Mr. COPP: How long has the system under this War Purchasing Commission been in vogue?

Mr. ROWELL: I explained this afternoon that the commission was appointed in 1915 to purchase war supplies, and that it was further empowered to purchase and has purchased general supplies for all branches of the Government except the National railways since February, 1918. There are one or two other points I desire to make clear. The ministers must requisition for the supplies they need. Parliament must vote the money for every dollar that is spent; not a dollar of expenditure is taken away from Parliament. The War Purchasing Commission does what the Central Purchasing Branch of the Canadian Pacific railway does. It purchases, inspects and accepts goods, but the department must requisition for them and pay for them. The department must be responsible for the purchases, and for these reasons I submit that the Bill is greatly in the national interests and is the fulfilment of the pledge made by the Prime Minister when the Union Government went to the country in the year 1917. The people approved of the policy, which is a sound one and is in the public interest, and the Government asks the House to support this Bill.

Mr. LEMIEUX: Is my hon. friend in earnest when he says that this question was the chief issue in the election?

Mr. ROWELL: I do not say that it was the chief issue, but at every meeting at which I was present and at which the Prime Minister spoke he expressed the same sentiments as he did in the speech from which I quoted, and the policy was most cordially accepted by the people. This Bill is presented in fulfilment of the promise he made to abolish patronage in the purchase of all supplies.

Mr. LEMIEUX: What will be the cost of administration?

Mr. ROWELL: The hon. member will get all these particulars in Committee. That the cost will be very much less, is the opinion of Sir Hormisdas Laporte, than the present cost under the several departments.

The House divided on the proposed amendment of Mr. Lemieux, which was negatived on the following division:—

YEAS.

Messrs.

Baldwin,	Best,
Béland,	Boivin,

Clark (Red Deer),	Maharg,
d'Anjou,	Michaud,
Denis,	Parent.
Fortier,	Proulx,
Gauvreau,	Savard,
Leger,	Sinclair (Antigonish &
Lemieux,	Guysborough),
McKenzie,	Turgeon.—19.

NAYS.

Messrs.

Andrews,	Johnston,
Argue,	Knox,
Armstrong (Lambton),	Lalor,
Ballantyne,	Lang,
Blair,	Long,
Borden (Sir Robert),	Maclean (Halifax),
Brien,	McCurdy,
Buchanan,	McGibbon (Muskoka),
Butts,	McIsaac,
Calder,	Manion,
Campbell,	Merner,
Carvell,	Myers,
Chaplin,	Nicholson
Clark (Bruce),	(Queens, P.E.I.),
Cockshutt,	Nicholson (Algoma),
Cowan,	Redman,
Crothers,	Rowell,
Davis,	Sexsmith,
Douglas (Strathcona),	Shaw,
Finley,	Sheard,
Fraser,	Sifton,
Fulton,	Simpson,
Glass,	Stevens,
Green,	Thompson (Weyburn),
Griesbach,	Tweedie,
Harold,	Wallace,
Hay,	Wilson (Wentworth),
Henders,	Wright.—56.
Hocken,	

Main motion (Hon. Mr. Rowell) agreed to, and Bill read the second time, and the House went into Committee on the Bill, Mr. Boivin in the Chair.

On section 2—definitions:

Mr. J. H. SINCLAIR: Does the expression "Government Railways" include all railways under the control of the Government?

Mr. ROWELL: Yes.

Mr. McKENZIE: In the Act which we passed this session creating a company for the handling of all Government railways, a distinction is made between the Canadian Government railways and the Canadian Northern railway. Do we profess to say under this Bill that we have any control over the purchasing for what used to be the Mackenzie and Mann system?

Mr. ROWELL: It is not the intention of this Bill that the commission shall deal with the purchasing for the Government railways or for the Canadian National Railway System. I explained this afternoon that the War Purchasing Commission was requested to investigate and report upon that question. They did so, and

10 p. m. their report was that, having regard to the magnitude of the undertaking of the Government railways and to the efficiency of their existing purchasing system, it was not considered desirable or necessary that the purchasing for the Government railways should be done by this commission. The Government, therefore, has not included the Government railways in the Bill.

I suggest that paragraphs (a), (b), and (c) carry, but that (d) stand. It is suggested that some further consideration should be given to the items which are excluded in (d).

Section 2, with the exception of paragraph (d), agreed to.

On section 3—Commission, how constituted:

Mr. G. B. NICHOLSON: While I agree with the principle of this Bill, I am afraid that if we bind the Government to appoint three commissioners to do the work of purchasing which, under similar circumstances, is usually done by an expert purchasing agent, we may create a burdensome body that will not be as effective as a more direct purchasing body would be, and whose work may cause overlapping.

Mr. ROWELL: I have no objection to meeting my hon. friend's suggestion to some extent by inserting after the words "consisting of", in the second line of section 3, the words "not more than", so that it would be open to the Government to appoint a smaller commission if that was considered desirable.

I presume the reason why three were decided upon was that there had been three before, and that was found to be perfectly satisfactory. The commissioners divided the work amongst themselves, so that there was no overlapping. I have not, however, the least objection to amending the clause in that way and so leaving it open to the Government to appoint fewer if it is considered desirable to do so.

Mr. PETER McGIBBON: Following up that suggestion, I should like to ask the minister if he does not think it would be better, and feasible, to have only one commissioner. It seems to me that the objection raised by the hon. member for Oxford North (Mr. Nesbitt), and the hon. member for Algoma East (Mr. G. B. Nicholson), is reasonable and sensible, and I cannot see why we should create a great staff of purchasing

agents as will eventually happen without a doubt. One competent official is all that should be required for that department.

Mr. ROWELL: My hon. friend apparently overlooks the fact that we already have in the several departments approximately 300 employees engaged in this work. The task of purchasing the various classes of supplies required by all the departments is an enormous one. After those supplies are purchased, they must be inspected. The officials must see that all the supplies purchased are in accordance with specification; that they are up to standard in quality and quantity. Then they must accept. The officials are responsible for those three things, purchasing, inspecting and accepting, and that is a very large undertaking when not less than $40,000,000 worth of goods of all kinds are being purchased in all sections of the country. I do not think we would be justified in cutting down the number further than we have. This leaves it open to the Government to review the whole situation and decide what is most advantageous.

Mr. PETER McGIBBON: I can quite understand the hon. minister's object if he is going to make these commissioners inspect everything and be an authority on everything. They will have to have proper inspectors, no doubt, to see that the quality and the standard of these goods are right. I cannot conceive of three commissioners being so qualified on everything that they can pass judgment after having inspected every line of goods this Government is going to buy. That work they will have to delegate to proper inspectors. Taking that into consideration, I do not see why it is necessary to have three commissioners.

Mr. J. H. SINCLAIR: Will the headquarters of the commission be in Ottawa?

Mr. ROWELL: Yes.

Mr. McKENZIE: The hon. member for Algoma-East (Mr. G. B. Nicholson) is apparently satisfied about this change. I am not perhaps, as keen a lawyer as the President of the Council (Mr. Rowell), but I do not think his commission is properly constituted unless he has three men. The clause says that the commission shall consist of three men, not more, but I do not think he has any authority to have a commission of less than thee.

Mr. ROWELL: If you provide, with the change I have made, for not more than three, that would permit the appointment up to three, but it would not compel the appointment of three.

[Mr. McGibbon.]

Mr. McKENZIE: I think it does. Supposing this had anything to do with the administration of justice, or anything in the shape of magisterial jurisdiction, or anything the selection of which could be questioned—perhaps the jurisdiction will never come into question,—when you say that a certain body shall consist of not more than three, I would think you must have three to constitute that body. I can quite understand it would be otherwise if you say "not more than three and not less than one."

Mr. ROWELL: Much as I respect the opinion of my hon. friend, I am afraid I cannot agree with him on that as a matter of legal interpretation.

Mr. J. H. SINCLAIR: The minister has waxed very eloquent to-night over the abolition of patronage, but it looks as if this Bill was conferring on the Government a little bit of patronage, and as the Civil Service Commission is to be entrusted with the appointment of all Government officials, and as the Civil Service Commissioners are the only experts we have in selecting men, they ought to have something to do with the appointment of these commissioners. I do not say that the Government should ratify the selection of the Civil Service Commission, but should we ignore it altogether?

Mr. ROWELL: The hon. member will recognize the fact that the Civil Service Commission does not appoint deputy ministers.

Mr. J. H. SINCLAIR: I understand that.

Mr. ROWELL: Similarly as regards a commission such as this, which is entrusted with these responsible duties, and for which the Government must be responsible, the Government must make the appointments of members of the commission, but the staff come under the Civil Service Act as will be seen further on in the Bill.

Amendment agreed to.

Section as amended agreed to.

On section 5—director; Transfer of any of Staff of War Purchasing Commission; Other officers, clerks and employees.

Mr. McKENZIE: Is this Director of the Purchasing Commission for Canada one of the three commissioners that are to be appointed, or is he an extra man?

Mr. ROWELL: As the Bill is drafted, I think it is contemplated that the commission should have an extra man.

Mr. PARENT: I suppose a salary will be provided for this new official?

Mr. ROWELL: There will have to be an estimate.

Mr. BELAND: What will be his functions?

Mr. ROWELL: I would think his work would correspond largely with what is now being done by the secretary of the War Purchasing Commission, who has charge of the office operations and the general direction of the staff, under the commissioners, of course. That is really what is contemplated. He might be called the secretary of the commission instead of the director. At present he is named the secretary of the commission. The present commission suggested that he be called a director, but if any hon. member thinks there is anything in the name I have no objection to changing it to "secretary."

Mr. PARENT: Will he have more power than the chairman of the commission?

Mr. ROWELL: Oh, no. He will be entirely subject to the commissioners.

Mr. BELAND: He wears a big title.

Mr. McKENZIE: He is a sort of field marshal, according to this.

Mr. ROWELL: I have no objection to calling him "secretary."

Mr. McKENZIE: The drafters of this Act may have a specific meaning for the word "director," which would not be covered by the word "secretary," and if the minister has any doubt about it I think this subsection should stand.

Mr. ROWELL: I am agreeable.

Mr. J. H. SINCLAIR: There is no reason why the Governor in Council should appoint the secretary. He should surely be appointed by the Civil Service Commission. Subsection (2) of this section provides that any member of the purchasing staff of the War Purchasing Commission may be transferred to the new commission, but there is no mention made of the members of the purchasing staffs of the different departments.

Mr. ROWELL: Subsection (3) deals with that. It says: "Such other officers, clerks and employees as may be necessary for the proper conduct of the business of the commission may be appointed or transferred from any other portion of the public service, under the provisions of the Civil Service Act, 1918." That is intended to cover transfers, so far as may be necessary or be considered expedient by the minister in charge of the department and the commission.

Mr. J. H. SINCLAIR: The minister thinks that covers purchasing agents in the different departments?

Mr. ROWELL: I think so. It provides that they may be transferred from any other portion of the public service. I will consider it further, if the hon. member desires.

Mr. McKENZIE: We have these three commissioners and this director or secretary, and we are going to have an aggregation collected from eighteen departments. How many people does the minister think there will be altogether in this happy combination he is going to get together?

Mr. ROWELL: I think there are at present, in all the departments and the commission combined, in the neighbourhood of 300 of these officers, if you include purchasing, inspecting and receiving staffs. It would not be feasible nor desirable to transfer them all, because in every department you must have some one to do the requisitioning and receive the supplies. So a certain number would remain in each department; I do not know how many; that is a matter to be arranged between the minister of the department and the commission. The others would be available for transfer to the new commission. I would anticipate that when the commission is fully organized the great majority of those in the different purchasing staffs of the various departments will be transferred to the commission. I think it is only a matter of fair dealing that men in the public service should not have their positions cut away by legislation without some effort being made to provide them with suitable positions. Under those conditions I would anticipate that a reduction in the staff would take place when men retired from it or were transferred to some other department of the Government and those vacancies were not filled. I do not think we could anticipate an immediate reduction, but I would anticipate an early reduction in the total number. I do not anticipate any increase at all.

Mr. J. H. SINCLAIR: Who does the requisitioning?

Mr. ROWELL: The requisition comes from the department to the commission.

Mr. J. H. SINCLAIR: From the deputy minister?

Mr. ROWELL: From whoever is the proper official of the department. I presume the deputy minister would make the requisition on the authority of the minister.

Mr. J. H. SINCLAIR: I do not know whether the minister is aware that this method of requisitioning is simply perpetuating the patronage system.

Mr. ROWELL: The departments can only requisition for supplies.

Mr. J. H. SINCLAIR: But if they indicate in the requisitions the firms that the purchasing agents go to for their supplies, that is going back to the old patronage lists. It came out in an examination in one of the committees the other day that the departments sent advertising for newspapers to the officer in the King's Printer's department whose duty it is to look after Government advertising, and that with that advertisement was sent a list of the newspapers in which it was to be inserted. These newspapers were selected to suit the minister, and it was simply perpetuating the old patronage system. The officer produced a number of newspapers containing a certain advertisement and they all happened to be of one stripe of politics. We asked if this was not a patronage list, and this officer denied that it was. He said: "We have no patronage lists." "What do you call it then?" he was asked. He said "I call it a selection." That was his new name for it, but it was the same old thing we used to call a patronage list. In sending out this requisition would it be competent for the officers of the department to send a list of the firms to whom the purchasing agent must go to purchase the goods?

Mr. ROWELL: No, it would not. Of course, we cannot prevent the department from sending in any information it wishes with the requisition, but that is no part of the requisition. Forms are supplied on which the department states its requirements, and then the commission makes the purchases.

Mr. LEMIEUX: I understand that about 300 officers from the various departments will come under the direction and control of this new commission. Were all of these officers appointed legally by the Civil Service Commission in the first place? Secondly, were all the employees now in the War Purchasing Commission appointed by the Civil Service Commission? In this transfer from the several departments to the new commission will those who have not been legally appointed by the Civil Service Commission have to undergo the usual competitive examination?

Mr. ROWELL: This Commission was constituted and the majority of those in its employ were appointed, before the extended jurisdiction was given to the Civil Service Commission.

Mr. LEMIEUX: How many are there?

Mr. ROWELL: I think, 33. All who have been appointed to the staff since the early part of 1918, when the Civil Service Commission was given jurisdiction over them, have been appointed on the recommendation of the Civil Service Commission and have passed whatever examination was required. I cannot tell how many are in one class and how many in another. They advertised for two or three men to do a particular class of work and I think they had 792 applications for these positions. They secured, I believe, two very efficient men, but it indicates there were a large number willing to serve.

Mr. J. H. SINCLAIR: What positions?

Mr. ROWELL: I have forgotten what the positions were.

Mr. McKENZIE: The Commission itself was only tentative or temporary. Does the minister say that the civil servants appointed in the service of that temporary Commission, will continue permanently although the Commission itself has expired?

Mr. A. K. MACLEAN: No, that cannot happen. The Commission and all its employees may pass away but the Civil Service Act of last year provided that appointments to commissions of a temporary character must be made by the Civil Service Commission. Some of the war commissions, in selecting their staffs, paid higher salaries than were given the members of the staffs of the several departments of Government. The result was an obvious discrimination between those regularly in the service and those who were taken on by these commissions. It naturally caused a great deal of dissatisfaction on the part of those in the Civil Service and a great deal of embarrassment and annoyance to the permanent departments of the Government because the persons employed by these commissions were being paid on a different basis from the others entirely. They had the very same trouble in the United States during the war only they had it in a more aggravated form than we had. It was for that reason that the Civil Service Commission was

given jurisdiction over appointments to the staffs of these commissions.

Mr. McKENZIE: I can readily understand that a temporary commission gets its officers through the Civil Service Commission, but when that commission expires, is a servant appointed to it still an officer of the Government?

Mr. A. K. MACLEAN: No.

Mr. McKENZIE: This commission is merely temporary, and when the commission expires the staff goes out with it. They are no longer in the Civil Service because they happened to have been servants of this commission?

Mr. ROWELL: My hon. friend is quite right in that, and it was to meet that situation that subsection 2 of section 5 was incorporated. That gives power, with the approval of the Civil Service Commission, to transfer any employees to the new commission, thus making provision for the very situation that my hon. friend has mentioned.

Mr. McKENZIE: Does it provide that there shall be a selection made and the ordinary methods adopted for the purpose of obtaining a new staff, or will they merely be transferred to this new department?

Mr. ROWELL: We shall transfer such persons as are recommended by the commission with the consent of the Civil Service Commission. No one can be transferred except on those two conditions: (1) the recommendation of the new commission, and (2) the consent of the Civil Service Commission.

Mr. McKENZIE: I can readily understand that a person who is a civil servant in a regular department can be transferred to this commission. But if a person has been employed by this temporary commission and the commission is dissolved, I submit, his relation to the service of the commission and the Government is dissolved with it, and that he is no more an officer of the Government than if he had never been in its employ at all. I do not think it is the idea of the Civil Service Commission that you can take that man, without advertising for help, and plant him in a permanent position under this statute. This is a new staff and you have to get from the outside, over and above the men that may be transferred from a permanent department, the employees that you require; you must ask for them in the regular way and they must be advertised for and selected by the Civil Service Commission. I do not admit that temporary employment by a temporary commission gives to an employee, under the law, the right to be transferred.

Mr. ROWELL: What my hon. friend says may be quite true as a matter of law, but he will see that the old commission does not go out of existence until the new one is created. The object is to continue the work which has hitherto been carried on by the other commission. The other commission, carrying it on during the past four years, has inevitably secured a number of employees who have developed a high degree of efficiency and skill in this work and in supervising the work of all the departments of Government. They have a general knowledge of all the departments which the employees in any one department, no matter how efficient they may be, have not. While these men have no claim to be transferred, yet in the public interest, having regard to the necessity of carrying on the work efficiently, the Government deems it desirable that there should be some provision whereby those possessing this ability can be transferred. That is the object of subsection 2. It does not follow that all will be transferred; it only follows that those whom the new commission may desire, and the Civil Service Commission recommend, will be transferred in order that the work of the new commission may be as efficient as possible.

Mr. McKENZIE: That is the way we used to overcome the provisions of the Civil Service Act; that is by putting a man's name in the Estimates and saying: "Notwithstanding anything in the Civil Service Act." We have the Civil Service Commission, and it has been the boast of the Government, to the satisfaction of a great many people in the country, that nobody would get into the Civil Service except through that commission. Yet, at the very threshold of its operation we are passing an Act of Parliament by which we are taking a group of people—do not know who they are—and dumping them into a new department—because this is nothing else than a department—without complying with the Civil Service Act.

Mr. ROWELL: I cannot add anything to what I said. They are now in the Government employ and cannot be transferred without the consent of the Civil Service Commission.

Mr. McKENZIE: Thousands of men and women were temporarily employed during the war, and now the departments are

bound to dispense with their services. Why make an exception of this particular service and make the employees permanent when hundreds are being turned off in other places? They should all be treated alike and be called upon to make a new application. If they pass there can be no complaint, but you are going to transfer every one in this War Purchasing Commission to a new permanent department. After you have done that, you will find in the Militia Department, say, about twenty or thirty or forty men out of employment because their work is finished. Will they be transferred to some other department without an examination? They came in without an examination and now that their work is finished they are to be turned off. If the principle that the minister is establishing here is to be applied, these men will argue that as permanent places have been found in this new department for fifty or a hundred men, or whatever may be the number, it is unfair to turn them on the street. What sort of fair play is there in that? If the policy were adopted that every one who comes into the new department should enter ab initio under the Civil Service Commission no fault could be found as there would be no favouritism or preference. What I object to is that the minister should take this particular group of employees and make them permanent without complying with the Civil Service Act.

Mr. ROWELL: I have already stated that I will allow the clause to stand until the Bill comes into committee again.

On section 6—Exclusive power of commission to purchase:

Mr. LEMIEUX: Will the minister explain the signification of the expression "right to purchase"? My hon. friend from Antigonish and Guysborough (Mr. Sinclair) said a moment ago that before the Public Accounts Committee it was established there was an officer with the King's Printer whose duty it was to distribute advertisements to the press throughout Canada. Advertisements given by the Government to the press constitute a purchase of space. Will this express "right to purchase" include that purchase? Some days ago, whilst discussing the Post Office Department, I suggested to my hon. friend that the Government should put an end to the policy of wide advertising in such cases as mail contracts, and I gave some concrete instances. It came to my knowledge last year that a weekly paper published in the county of Drummond and Arthabaska had notices of tenders for mail contracts to be awarded in the province of British Columbia. This is a pure waste of money, and the commission should have power to direct the purchase of space in the press. If the minister will assure me that this expression, "right to purchase," covers the purchase of space in the newspapers for advertising purposes I have nothing more to say.

Mr. ROWELL: This clause would not cover such a purchase. I do not think that advertising in an ordinary newspaper could be defined as a purchasable supply. If it came under this clause the commission would thereby be made an advertising agency. I quite agree that a case such as the hon. member has mentioned should not occur. It is useless advertising for a contract that is to be awarded in a place miles away from the place of publication. The advertising should be confined to the district in which the contract is to be given.

Mr. LEMIEUX: Could not the commission be given the necessary powers to deal with a case of this kind? There is no question that enormous expenditures are made for advertising. I do not object to legitimate advertisements, such as calling for tenders. The commission itself will have to advertise, and the Bill authorizes it to call for tenders. Could not the Bill be so drafted as to include the organization of the various expenditures incurred in connection with advertising?

Mr. A. K. MACLEAN: It would have no special relation to this Act. I agree generally with the remarks of my hon. friend, but I think the matter he suggests is one of departmental policy, probably covered by some piece of general legislation. Under section 6 it could not come within the scope of the commission, because if the commission were soliciting tenders for certain purchases they would first have to secure from the press tenders for the advertising, and that would not be practicable. I hardly think my hon. friend's suggestion can be covered in this Bill, which is intended to apply merely to the purchases of material.

Mr. LEMIEUX: I think it will be conceded that a great economy can be effected by a proper purchase of newspaper space. Any advertising agent will tell you that space is a commodity in business, and since we are creating a commission to have jurisdiction over general purchases I think it should be given the necessary power to direct advertising.

Mr. A. K. MACLEAN: That would more properly come within the province of the King's Printer.

Mr. LEMIEUX: Does not the King's Printer come under this Bill?

Mr. ROWELL: All supplies purchased by him ordinarily must come under this commission.

Mr. LEMIEUX: I would like my hon. friend to think the matter over.

Mr. ROWELL: In any case it would come under the interpretation clause of the word "supplies."

Mr. COPP: The first two lines of the clause state very definitely that the commission shall have the exclusive power and right to purchase, contract for, inspect and accept supplies for the public service. Then it continues:

Provided, however, that the commission, when it deems it advisable, may, subject to such conditions as may be prescribed by regulation or by the commission authorize any portion of the public service to purchase, contract for, inspect or accept supplies.

In other words, they may delegate their powers back to the departments—the very thing which the minister wants to avoid.

Mr. ROWELL: That was intended to cover such small purchases as have been mentioned. I intend to amend that clause by making it a little more specific. I therefore move to amend the clause, first, by striking out in the fifth and sixth lines the words "or by the commission," and by adding at the end of the first paragraph of the said clause the words, "of small value or quantity or of special character." So that the first paragraph would then read as follows:

The commission shall have the exclusive power and right to purchase, contract for, inspect and accept supplies for the public service. Provided, however, that the commission, when it deems it advisable, may, subject to such conditions as may be prescribed by regulation, authorize any portion of the public service to purchase, contract for, inspect or accept supplies of small value or quantity or of special character.

Mr. LEMIEUX: Of small value—not to exceed a certain amount?

Mr. ROWELL: That will be defined by regulation.

Mr. LEMIEUX: I remember a minister of the Crown buying a certain number of padlocks worth only a dollar each, but he bought 350,000 of them.

Mr. ROWELL: That would not be "of small value." On the suggestion of my hon. friend the Acting Minister of Trade and Commerce, I have added the words "or quantity," so that it limits the proviso in that way.

Mr. LEMIEUX: I gave a moment ago the precedent followed by the Department of Public Works. In the statutes it is provided that the minister cannot authorize, except under the Governor in Council's warrant, for unforeseen expenditure any expenditure over $5,000 unless it is voted by Parliament. You mention a small expenditure without specifying the amount. I know the hon. gentleman would not spend thousands of dollars under that expression, but it is vague.

Mr. ROWELL: My hon. friend will see that it will be finally settled by a regulation under that clause.

Mr. LEMIEUX: Will the regulations be made by the Governor in Council?

Mr. ROWELL: They must be approved by the Governor in Council. That is provided for later on in the Bill. The commission when organized will have to take over all these branches one at a time in order to avoid congestion of its work, which will probably take six months, because the work must be carried on continuously—

Mr. COPP: Is not the system in vogue now?

Mr. ROWELL: No; all the commission does at present is to direct and supervise purchases; tenders must all be passed upon by the commission.

Mr. LEMIEUX: I understand the commission is now adjusting some of the old war contracts which the armistice terminated.

Mr. ROWELL: Quite so. I propose to add by way of amendment to subsection 1 this further proviso:

Provided also that pending the complete organization of the work of the commission, the purchasing for any portion or portions of the public service may be carried on by the responsible officers thereof under the direction and control of the commission.

That would facilitate the working out of the arrangements.

Mr. COPP: For what length of time?

Mr. ROWELL: It is not limited. There will be no objection to a limitation. It is intended to proceed with the organization just as rapidly as possible, and this amend-

ment is to avoid congestion during organization.

Mr. J. H. SINCLAIR: What department does the commission report to?

Mr. ROWELL: Directly to the Prime Minister.

Mr. McKENZIE: Will this commission come under the new Civil Service Act that we hear so much about?

Mr. ROWELL: Yes.

Amendment agreed to.

Mr. McKENZIE: The minister in his closing speech before we divided on this question was very strong in stating that there is no purchasing power in this commission except as it receives requisitions. I think he is mistaken. This section 6 gives the commission absolute power to buy everything, and it can secure a warehouse and store millions of dollars of goods in it for distribution to the different departments as requisitions are filed. The only restriction of that power seems to be in section 14:

> The commission shall not, without the approval of the Governor in Council, purchase or agree to purchase any supplies except such as are included in estimates or requisitions sent to the commission by the various portions of the public service.

That is no restriction at all. If the commission comes to the Governor in Council and says that it wants to buy large quantities of goods, the Governor in Council are not very likely to constitute themselves judges as to whether the commission should make those purchases or not. Therefore apparently section 6 gives this body absolute and unrestricted power for the purchase of whatever it may require—and as far as using it as an engine for patronage is concerned, it is the worst that was ever introduced into this country.

The fact that what was spread over eighteen or nineteen departments, and was not as strong as it might be on that account, is now given greater force, greater strength, greater momentum, so to speak, by being organized into one department. This is an organized system of patronage, and it will be exercised as such. To a person like myself, who is up against these things every day and knows what is going on, it is laughable—or is it not rather sad?—to hear men who are, no doubt, honest, say that there is no patronage. Why, patronage in connection with Government business is just as it always was. And now we are going to have an institution that will have power to exercise patronage wherever it wants to. If tremendously big purchases are had in mind; if it is deemed necessary to have rake-offs, corruption, bribery, this is the institution where these things can come in. There is no check on these men, except that of their being supposed to go through the formality of getting the permission of the Government for the purchase of supplies. The member for Antigonish and Guysborough (Mr. Sinclair) has given us an instance of what is going on in this Department now. They destroyed what was known as the patronage list, but they have substituted something else that is just as effective—a system of "selection." What is the difference between calling a newspaper a "selected newspaper" and putting its name on a "patronage list"? The only difference is that the man who is exercising the patronage may have to make out new lists very frequently—or he may be told to use the old list.

11 p.m.

We are told that there is no patronage now in the Civil Service. I admit that the conditions are a little better now as regards to the appointment of returned soldiers, but before that element came in we had nothing but the old-time, hard-and-fast party patronage system. I had two cases last year in my own county. A customs officer and a postmaster had to be appointed, and two of the most ardent Tories in the district were selected for these positions. If that was a coincidence, it was a remarkable one. The same thing has been going on throughout the whole of my county. There is a letter on file in the office of the Civil Service Commission which I wrote in connection with these two positions. I said, in a communication to the Chairman: "Both officials who occupied these positions were Tories. I will give you the names of two men, one a Liberal and the other a Tory, and I think it is fair that you should appoint these men." I may add that I was recommending the Tory for the better position of the two. But my recommendation was absolutely ignored ,and two of the choicest brand of Tories were appointed. The minister will excuse me if I have no faith in these professions of the non-existence of patronage. Patronage is being exercised everywhere, and will continue to be exercised; it cannot be otherwise under present conditions. We know that two of the present members of the Civil Service Commission are tried and trained Tories. Nobody need tell me that these men are not taking the advice of their friends in different parts of the country as to whom they should appoint. That explains how they got the two men from Bras d'Or in Victoria

County; that is how they are getting men all over the country. Let nobody think for a moment that men can fool the people by making splendid speeches and saying that there is no patronage. How delighted the people of Ontario were when they heard from the Prime Minister himself that there was no patronage. My friend the President of the Council said "amen" to this pronouncement, and people rejoiced and praised the Lord that this great day had arrived. When the Military Service Act was passed, there were some "amens" and some "hosannas", but there was a louder "hosanna" when the President of the Council announced, by telegrams, cables, messages, runners and fiery crosses throughout Ontario, that the Military Service Act was passed for Quebec, but that it was not to be used in Ontario, and that the farmers' sons were at liberty to do as they liked. But we in this House, are getting a little too old, a little too hard and crusty, any longer to be entertained by such speeches as we heard this afternoon and this evening from the President of the Council and the Prime Minister on this subject. For my part, I would have more respect for the judgment and the honesty of hon. gentlemen if they would take things as they are and not try to throw camouflage over the real state of affairs. The truth is too apparent to the dullest person in the House or in the country. So far as patronage is concerned, nothing is different from what it was in the good days when party patronage was exercised by the party that for the time being held sway in the House of Commons. That is what is going on now, although it is not admitted as it was on other occasions.

Mr. ROWELL: I must express my surprise at the remarks of my hon. friend. I think, however, there is one obvious interpretation of them. He has been trying to argue himself into the belief that he did not put his party in an entirely false position when he opposed this Bill. He has introduced many other subjects into the discussion of this clause; I shall not follow him in them all. As to the Civil Service, that can be discussed when we reach the Bill dealing with that matter. I shall not follow him on the Military Service Act; it is not germane to the present discussion, but I may say at least that the statement he made, is, of course, quite without foundation. But coming to the subject under discussion, I say to my hon. friend that there is no political patronage in connection with the purchases made by this commission. If he thinks there is, he has the opportunity of endeavouring to establish that belief before the Public Accounts Committee. If the name of any man producing any particular line of goods is furnished to this commission, the commission will ask him to notify them of all the goods that he handles, and he will have exactly the same opportunity to tender as every other person has. The commission has endeavoured to secure the best list that could be secured of men engaged in various lines of industry and dealing in various kinds of commodities, in order that they may receive notification of the supplies which the Government wishes to purchase, and in order that they may put in a tender if they wish to do so.

I am quite sure my hon. friend has not taken to heart what the hon. member for Maisonneuve (Mr. Lemieux) said with reference to the chairman of the commission, Sir Hormisdas Laporte, or Mr. Gundy, or Mr. Galt. Those men have not lent themselves to political party patronage, but they have carried on the business in an honest, straightforward way. This commission is doing so and will continue to do so, notwithstanding the remarks of my hon. friend.

Mr. McKENZIE: If the minister thinks I am looking for an excuse for leading the party on this side of the House to vote against the Bill, I require no such excuse, and if the minister thinks I was wrong, how how does he account for so many strong protests from his side of the House? I venture to think that if hon. gentlemen opposite were free from party entanglements and obligations, this Bill would never go through the House. Some of the very best men sitting behind the minister have spoken against the Bill, saying that the commission was not necessary and that it involved a further expense when every dollar should be carefully conserved.

We have at present a committee of members of this House inquiring as to where we can cut down the Civil Service. They say that everything is overlapping; that we have ten to every one that we require in the Civil Service. Those are the statements that are made. I do not know whether they are true or not. We have also a commission to which we have paid hundreds of thousands of dollars to find out where we could weed out and cut down the Civil Service. In the midst of all this the minister comes here to create a new department in which at the first flash he is to put 300 men for whom he is creating a home. He admits there is no work for them, because

he says this commission is being created for the purpose of cutting down work. Then he is appointing a director over them, and there is no telling how many are to be added to this new department of the Civil Service. Yet I am to be told by the President of the Council that I am afraid of my own action and the action of the Opposition in this House because we are opposed to the creation of a new department and the further involving of the people of this country in the unnecessary expenditure of millions of dollars year after year. If that is all that I have any reason to be afraid of, or if that is the only mistake I have made in my position as leader, I have very little to fear from the judgment of the people.

Mr. LEMIEUX: Would it not be wise to empower the commission to rent whatever buildings are necessary for the various public services in Ottawa? This question of renting buildings is a very important one and is the cause of very large expenditure; and if the minister wishes to save money by the creation of this commission he cannot apply its faculties more effectively than in looking after rentals of buildings in Ottawa.

Mr. ROWELL: The Public Works Department is, of course, specially charged with that, and I think the commission will have plenty to do under its present powers.

Mr. LEMIEUX: Will the minister have in the Bill a clause concerning those advertisements?

Mr. ROWELL: What I said was that that question would come up for consideration properly under paragraph (d) of section 2, the interpretation clause, which stands over for further consideration. When that comes up the matter will be further considered.

Section agreed to.

On section 7—sale of supplies.

Mr. LEMIEUX: Should this not be by tender, if junk is sold to a reputable firm by tender?

Mr. ROWELL: I do not see any objection to putting that in. That is the procedure. I move to amend clause 7 by adding at the end thereof the words "by tender."

Amendment agreed to.

Section, as amended, agreed to.

On section 9—Records of War Purchasing Commission.

Mr. LEMIEUX: That is to say, the commission will take over the supplies of the War Purchasing Commission in order to—

[Mr. McKenzie.]

Mr. ROWELL: Carry on the work.

Mr. LEMIEUX: "Documents and supplies of the War Purchasing Commission." That means that the commission has, during the war, bought supplies which are today of no use, and I suppose they are selling at public auction.

Mr. ROWELL: No. The supplies, such as my hon. friend refers to, that is supplies of the Militia Department and of other departments, belong to the various departments, and the commission is disposing of some of those supplies as surplus supplies. The word "supplies" in this clause means stationery, office supplies and fixtures which the commission has and which will pass over to the new commission.

Mr. J. H. SINCLAIR: Are there not war supplies?

Mr. ROWELL: Those are in the possession of the different departments,—the militia supplies in the possession of the Militia Department, the naval supplies in the possession of the Naval Department, and so on.

Mr. J. H. SINCLAIR: This commission will not have control of war supplies?

Mr. ROWELL: Not under this clause. Under clause 7 the commission has exclusive control and charge of all surplus war supplies. What we are doing in this clause is to say that supplies such as stationery, office furniture and so on which the commission has on hand will be taken over by the new commission.

Section agreed to.

On section 10—other duties:

Mr. McKENZIE: I have here a letter from one of the big business firms of Canada, it reads:

> I am taking the liberty of drawing to your attention that the Government are pasing a Bill at the present time to renew the War Service Purchasing Committee. I understand that this commission is only a duplication of the purchasing machinery and is not in the interest of economy as all the Government departments have at the present time well organized purchasing offices. I am also under the impression that the War Service Purchasing Committee which is just expiring has not altogether been a success as the buying has been done by amateurs, and the consequence is that at the present time the Government is loaded up with materials, etc., bought at very high prices for which they have no use. Perhaps this matter might be worth sifting out.

That is from a business man in one of the big cities in Canada. Are the surplus

supplies in the hands of the Government very material? What does the minister say with reference to this statement that there is evidence of amateurishness in the purchase of supplies?

Mr. ROWELL: What is the name of my hon. friend's informant?

Mr. McKENZIE: It has not been customary, for some months at all events, to give names.

Mr. ROWELL: It is so far away from the facts, as I understand them, that I should be glad to follow it up if I had the name.

Mr. McKENZIE: I would gladly give the letter to my hon. friend only it is marked "Confidential" in red ink.

Mr. ROWELL: I am afraid my hon. friend should not have read it.

Mr. McKENZIE: I know I could not do that in court, but the practice has been established here of reading a letter without giving the name of the writer.

Mr. ROWELL: Substantial supplies were purchased for the Department of Militia and Defence having regard to the war continuing for a longer period, but the supplies were purchased at the current market prices—at the best prices that could be secured at the time the purchases were made. When my hon. friend's correspondent speaks of supplies having been purchased by "amateurs," he evidently had not heard what the hon. member for Maisonneuve had to say about the chairman of that commission.

Mr. McKENZIE: But he was not doing the buying.

Mr. ROWELL: The chairman of the commission and his associates have devoted their personal attention to all these matters, and there is not a more careful business man that I know of anywhere than the chairman of that commission, Sir Hormisdas Laporte. I never met him until I came in contact with him in connection with the work of the commission, but I have formed the highest opinion of his efficiency as well as integrity in dealing with these matters. I can assure my hon. friend that so far as the purchase of supplies is concerned the work has been thoroughly done. The actual work, of course, was done by the officers of the department.

Mr. McKENZIE: In view of the marvellous capacity of these men, what does the minister say about the investigation we had into the purchase of horses in Annapolis county, where hundreds of thousands of dollars were thrown away, or about the purchase of boots and shoes and clothing which turned out to be absolutely worthless? Where does the wonderful efficiency of the commission come in?

Mr. ROWELL: My hon. friend's question illustrates the value of the commission. These purchases were made before the commission was appointed, and no better proof of the efficiency of the commission could be found than that since their appointment all these criticisms have disappeared.

Section agreed to.

On section 12—requisition necessary:

Mr. COPP: Under subsection (2) of this section have the commissioners authority to refuse to fill a requisition?

Mr. ROWELL: No. If they think a department is requisitioning for supplies it does not need, their duty, instead of undertaking to cut the requisition down, is to draw it to the attention of the Prime Minister for submission to Council. That preserves governmental responsibility. The Government must then take the responsibility of saying whether the quantity requisitioned shall be purchased or not.

Mr. COPP: Under what clause has the Governor in Council that authority?

Mr. ROWELL: The Prime Minister would take it up with the minister of the department concerned.

Mr. COPP: Under what section of this Act has he that authority? The commission have authority to purchase supplies, and this section says that they have no authority to change the requisition, but that they can do certain things. Suppose my hon. friend, desiring to keep up the style of his office, wanted mahogany furniture or a mahogany waste paper basket in his office, and requisitioned accordingly, I understand the commission would have no authority to change that requisition. If that is so, must they supply the goods?

Mr. ROWELL: They are not bound to supply them. They cannot change the requisition, but they can report direct to the Prime Minister.

Mr. COPP: What action can he take?

Mr. ROWELL: He has all the power that the Prime Minister has. It puts the respon-

sibility directly back upon the Government. If he thinks one of his colleagues is requisitioning for supplies which are not required he has all the remedies necessary for dealing with the situation.

Mr. COPP: What remedies, for instance?

Mr. ROWELL: I do not think it is necessary to suggest any remedies. If the Prime Minister thinks one of his colleagues is embarking on an expenditure he should not make, the Prime Minister has all the remedies in his hands.

Mr. J. H. SINCLAIR: Is it not restricting the powers of the commission very much to say that they cannot vary a requisition? Suppose the Postmaster General wants a padlock, and mentions a certain make to the commission. He asks for a thousand of one particular make, we will say. The commission know that that is not the best make of padlock—it is their business to know which is the best padlock, because they are experts, but apparently they have no power to say to the Postmaster General that the padlock he has requisitioned is not the best and that they will buy another one in its stead. As I understand it, they must report to the Prime Minister. That seems a very roundabout way, and I think it is restricting the powers of the commission altogether too much.

Mr. ROWELL: Some hon. members have argued that we were giving the commission too much power. On the other hand, it is suggested that we are not giving them power enough. This is the view underlying the Bill. The department must take the responsibility for the quantity and the general character of the goods it desires to have purchased. The minister of the department is responsible to Parliament. He must requisition the supply, and must finally pay the account; he must ask Parliament to vote the money. As the law now stands, he can go out and buy the supplies, but when this commission is appointed he will have to make a requisition to the commission. If the commission had the power to change the requisition of their own motion the minister might come to Parliament and say, "I have no responsibility." We do not think it is desirable that he should have that escape or that the commission should exercise that power. If the commission is satisfied that the requisition is not wise they report direct to the minister to whom they are responsible. They lay the facts before the Prime Minister, that a certain department is asking for too much or for something that is not in the public interest. It appears to me that this provision maintains ministerial responsibility and ensures the best results in the purchase of supplies.

Mr. J. H. SINCLAIR: The objection taken was not with regard to the powers of the commission but with regard to the responsibility of the minister. The Secretary of State (Mr. Burrell) laid down very emphatically to-night the doctrine that the establishment of this commission does not affect in the slightest degree the responsibility of the minister and the Government in regard to purchases. I want to know if my hon. friend agrees with the doctrine of the Secretary of State in that connection.

Mr. ROWELL: Substantially so. My hon. friend is speaking in a very general way but, as applied to this Bill, I agree. That is one of the objects of this provision. The minister must take responsibility for the requisition. The commission cannot change it by its own action. The commission can report to the Prime Minister and the Prime Minister and Council, having the report of the commission, will decide if the requisition is all right and, if so, the commission will have to go ahead and purchase. But if, upon the report of the Prime Minister, that requisition should be reconsidered, the minister reconsiders it, and submits some other requisition and the purchase is made on that basis.

Mr. J. H. SINCLAIR: If there is an improvident purchase will the minister be responsible for it?

Mr. ROWELL: Of course he must accept responsibility.

On section 13—Estimates.

Mr. McKENZIE: Is there any provision in this Act by which the purchases will be reported to the Auditor General and the Auditor General will have in his report an account of the various purchases made by this commission, showing the departments from which these various requisitions came and the amounts paid for the supplies enumerated in them?

Mr. ROWELL: The information that my hon. friend has asked for will certainly be furnished in the Auditor General's Report. There will be no change in that report.

On section 14—the supplies that may be purchased:

Mr. LEMIEUX: Should there not be added to this clause something to the effect

that no expenditure of money can be made by the commission unless authorized by Parliament?

Mr. ROWELL: That is the practice as it stands at the present time and I think no amendment would be necessary, but I will consider the matter and when the Bill is in committee again we can mention it.

Mr. McKENZIE: The words "estimates" and "requisitions" are used as substantially synonymous terms. One would suppose that "included in the Estimates" would mean the regular Estimates where provision is made for furnishing the necessary moneys but the use of the word "requisitions" takes away that meaning.

Mr. ROWELL: I would draw my hon. friend's attention to two sections which deal with requisitions and supplies respectively. He will see that section 12 provides for a written requisition. That contemplates a specific requisition for the actual supplies that may be required at any time. But the Government holds the opinion, upon the advice of the existing commission, that purchases may be made with great advantage if supplies, say for three months or for six months, are purchased instead of small supplies such as a department might requisition for a month or two, and also that it might be a great advantage to have the supplies of certain given commodities for all the departments made at the same time. Therefore, section 13 requires that all of the departments shall send in an estimate of the supplies they will probably require for such period or periods of time as the regulation may prescribe. The regulations may require each department to give an estimate of the supplies it will require for six months, or whatever period of time may be determined as being best from the point of securing the goods at the lowest price. If a department puts in an estimate then the commission may purchase on the basis of that estimate, or, if it puts in a specific requisition, the commission may purchase on the basis of that requisition. That is the reason why these two words are used in this clause.

Mr. LEMIEUX: In view of the explanation, I would most strenuously insist that provision be made that the expenditure should first be voted by Parliament. I quite understand that cases might arise where it would be obviously the duty of the commission to take the state of the market into consideration. For instance, I remember that when the new Parliament buildings were on the point of being commenced the parliamentary committee appointed to supervise their erection decided to buy the steel framework of the building in advance because it was hinted to one of the members that the price of steel would go up by several points, as it did. Of course, there was a saving by that purchase. But that was a very extraordinary case that occurred during war time. In normal times the commission, I think—indeed, I am positive of it—should not go beyond the amount provided by Parliament for each of the departments. I think my hon. friend ought to make that clear in the Bill.

Mr. ROWELL: My present view is that that is clearly the law. There is absolutely no power whereby the commission could depart from it. However, I shall consider the matter and if it is not clear there is no objection to making it perfectly beyond question. The commission have no power, and the Auditor General would not permit them, to expend money not voted by Parliament. As my hon. friend knows, in certain emergencies public moneys may be expended under the Governor General's warrant, but only in special circumstances.

Mr. McKENZIE: The Bill should provide that each department should give an estimate of the amount of money that it will require. The Public Works Department, for instance, will require certain supplies, and it would simplify matters if the Minister of Public Works were obliged to have an item in his estimates providing for the quantity of supplies he was going to requisition, and that he should not exceed that quantity except for some special reason. It should be provided that the department would be limited to the amounts voted by Parliament. In that way the House would indirectly be in a position to ascertain the operations of the commission.

Mr. ROWELL: That is exactly what the procedure will be. The minister will have to come and get his supplies voted just as at present, and everything will be open to review.

On section 16—purchases to be by tender:

Mr. LEMIEUX: I move that this section be allowed to stand.

Mr. J. H. SINCLAIR: Will the minister consider the advisability of adding something to this section?

The CHAIRMAN: There is a motion by the hon. member for Maisonneuve that the section be allowed to stand. The motion is not debatable. If it is withdrawn the

hon. member for Antigonish and Guysborough (Mr. Sinclair) can discuss the section.

Mr. LEMIEUX: I withdraw the motion.

Mr. J. H. SINCLAIR: The practice has become prevalent of dispensing with public advertisement in many cases. A department professes to know the number of people who deal in certain articles in some province or vicinity, and instead of calling for tenders by public advertisement they send a circular letter or notice to the dealers. If this can be done in a fair way the practice is satisfactory. But the difficulty is that certain names are omitted from the list in the department and complaints are frequently made, as they were in the case of the War Purchasing Commission, that certain people did not get these notices. It should be easy to provide that in cases of this kind merchants or dealers could send in their names and post office addresses and be entitled to the usual notice.

Mr. ROWELL: I shall be glad to consider that point.

Mr. LEMIEUX: Now that the hon. member has raised his point I renew my motion and ask that the section be allowed to stand.

Section stands.

Progress reported.

On motion of Hon. Mr. Rowell the House adjourned at 11.40 p.m.

Monday, June 9, 1919.

The House met at Three o'clock.

CANADA MEDICAL ACT AMENDMENT.

Mr. D. D. McKENZIE (Leader of the Opposition) moved for leave to introduce Bill No. 133, to amend the Canada Medical Act, being Chapter 137, R.S.C., 1906, as amended by Chapter 16 of the Acts of 1911.

Sir ROBERT BORDEN: Explain.

Mr. McKENZIE: This Bill was sent to me by one of the leading men of the profession with a view to my bringing it before the House. The proposed amendment has to do largely with the fees which are now charged members of the medical profession from different parts of the provinces before they can attend the Council. It is thought that they should be permitted to attend the Council without paying these fees.

[The Chairman.]

Motion agreed to, and Bill read the first time.

CANADIAN PATRIOTIC FUND.

On motion of Hon. J. A. Calder (Minister of Immigration and Colonization) Bill No. 134 was introduced and read the first time.

IMPERIAL BOARD OF INVESTIGATION.

On the Orders of the Day:

Mr. J. E. ARMSTRONG (East Lambton): I should like to ask the Government whether it is true that the Imperial Government has appointed an Imperial Board of Investigation for the purpose of inquiring into trade relations between different parts of the British Empire; whether Sir George Perley has been appointed a member of that board, and when the findings of the board, if such has been appointed, may be expected. I should also like to know whether the board will inquire into trade or tariff agreements, and into the tolls or arrangements entered into between the different shipping companies within the Empire?

Sir ROBERT BORDEN (Prime Minister): If the honourable gentleman would allow his question to stand as a notice of motion, I shall collect any information that is available.

SOLDIERS' CIVIL RE-ESTABLISHMENT.

RESIGNATION OF DIRECTOR OF MEDICAL SERVICES.

On the Orders of the Day:

Hon. CHARLES MURPHY (Russell): The press of Canada of Saturday last contained the letter of resignation of Lieutenant-Colonel McKelvey Bell, Director of Medical Services for the Department of Soldiers' Civil Re-establishment. I should like to direct the attention of my right hon. friend to a sentence in Lieutenant-Colonel Bell's letter of resignation and ask a question with reference to it. After setting forth the reasons for his resignation, he says:

> A partial investigation of the work of the department by competent business men and physicians would undoubtedly prove the soundness of the criticisms that I have made.

I desire to ask if it is the intention of the Government to appoint such a committee of investigation?

Sir ROBERT BORDEN (Prime Minister): I have not had an opportunity of speaking to Sir James Lougheed with regard to the letter which has been made public, but it is my intention to do so at an early date.

INDUSTRIAL UNREST IN CANADA.

THE WINNIPEG STRIKE.

On the Orders of the Day:

Mr. D. D. McKENZIE (Leader of the Opposition): Can the Prime Minister give the House any information beyond what appeared in the press this morning as to the labour troubles in Winnipeg and elsewhere in the West?

Sir ROBERT BORDEN (Prime Minister): I do not think I have anything to communicate beyond what has appeared in the press. The situation has been under the consideration of the Government during the past two or three days, but there is nothing to announce at the moment.

SPEECH OF THE MINISTER OF MARINE IN MONTREAL.

Mr. C. G. POWER (South Quebec): I should like to ask whether the Minister of Marine (Mr. Ballantyne) was speaking on behalf of the Government when last Saturday he stated at Verdun that force would be used if necessary in connection with the Winnipeg strikes, and that preparations had been made accordingly?

Hon. C. C. BALLANTYNE (Minister of Marine and Fisheries): I was speaking as one of the members of this Government at a meeting of the Imperial Sons of the British Empire held in the city of Verdun (Montreal) on Saturday last. At that meeting I merely stated the views which the Prime Minister had already expressed in this House. The very brief account of my speech that appeared in one of the Ottawa papers this morning quoted correctly a portion only of my speech. Briefly, what I stated on Saturday was this: That the Government had no objection to or criticism to offer on organized labour; that on the contrary the Government looks with favour upon trades unions as we have known them to exist in this country. I proceeded to say that although a great many persons in the cities of Verdun and Montreal had found fault with the Government during the past month for not being sufficiently active or aggressive, the responsibility for maintaining order in connection with a strike such as that now on in Winnipeg rested first upon the municipal authorities, and next upon the provincial authorities. I then went on to quote what the Prime Minister had said, viz.: that if the authority of the Government of Canada were put in jeopardy; if His Majesty's mails or other public services were wilfully impeded, it became the duty of the Federal Government to see that in the conduct of the business of the people of Canada law and order should be preserved. I sincerely trusted, I said, that an amicable settlement would be arrived at, and I said that the Government had done everything in its power to attain this end, but that, in the unfortunate event of no amicable settlement being reached, and that if the exercise of constitutional authority were interfered with in the city of Winnipeg, it would become the duty of the Federal Government to see that law and order be maintained there, even if force had to be used.

CREDIT TO RUMANIA OF $25,000,000.

On the Orders of the Day:

Sir SAM HUGHES (Victoria): Is there anything in the rumour that Canadian goods sold to Rumania are being paid for in Rumania Government bonds at par while the market price is only 72?

Sir THOMAS WHITE (Minister of Finance): I had already explained to the House that the Dominion Government made an arrangement with the Government of Rumania whereby we made an advance of $25,000,000, charging interest at the rate of 5½ per cent, which is the same rate we charge other governments. It is not a transaction in which we buy bonds; it is a transaction between the two governments for the purpose of establishing credits here, which will enable the products of Canada to be purchased by Rumania.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 102 (from the Senate), for the relief of Simon John Fraser.—Mr. Morphy.

Bill No. 111 (from the Senate), for the relief of Mary Ann Scheib.—Mr. Fripp.

Bill No. 114 (from the Senate), for the relief of Vernon Balm Bailey.—Mr. McCurdy.

Bill No. 120 (from the Senate), for the relief of Eleanor Margaret Webster.—Mr. Cronyn.

Bill No. 121 (from the Senate), for the relief of Jean Donaldson Sifton.—Mr. McMaster.

SECOND READING.

Bill No. 124 (from the Senate), for the relief of Andrew Pepper.—Mr. Campbell.

QUESTIONS.

(Questions answered orally are indicated by asterisks).

DAYLIGHT SAVING IN CANADA.

*Mr. DESLAURIERS:

1. Is there a legal time now in Canada?
2. If not, does the Government intend to pass any measure to that effect during the present session?

Sir ROBERT BORDEN: Chapters 2 and 18 of the Statutes of 1918 are confined in their operation to the past year. It is not the intention of the Government to introduce any measure on the subject during the present session. In other respects, the question relates to a matter of law, as to which an inquiry of this character is not appropriate or usual.

INLAND REVENUE DEPARTMENT.

Mr. SINCLAIR (Antigonish and Guysborough):

1. What was the expense of The Inland Revenue Department for the year 1911-12?
2. What was the expense of the Inland Revenue Department for the year 1917-18?
3. What percentage of the receipts of the Inland Revenue Department was expended in defraying the expenses of the said department in each of the above fiscal years, respectively?

Hon. Mr. SIFTON:

No. 1. $1,098,585.08.

No. 2. $1,791,612.17.

No. 3. 1911-12, five and seven-tenths per cent; 1917-18, six per cent.

HIGH COMMISSIONERSHIP OF CANADA.

*Mr. BROUILLARD:

Has Mr. Huntley Drummond, of Montreal, been offered the High Commissionership of Canada, in London, England?

Sir ROBERT BORDEN: Any necessary announcements in regard to such matters are always made in due course.

SHIPPING MASTER AT BEAR RIVER, N.S.

Mr. SINCLAIR (Antigonish and Guysborough):

1. Is the position of Shipping Master at Bear River, N.S., vacant? If so, for how long?
2. Who is performing the duties of Shipping Master at that point, and at what salary?
3. When does the Government intend filling this office?

Hon. Mr. BALLANTYNE:

1. Yes, since the 14th August, 1918.
2. B. L. Warren, Sub-Collector of Customs.
3. Applications for this position will be called for at once.

PURCHASE PRICE OF ICE-BREAKER MINTO.

Mr. SINCLAIR (Queens):

1. How much was received for the Ice-Breaker SS Minto, from the Russian Government?

Hon. Mr. BALLANTYNE: $150,000.

HARBOUR MASTER AT BEAR RIVER, N.S.

Mr. SINCLAIR (Antigonish and Guysborough):

1. Is the position of Harbour Master at Bear River, N.S., vacant? If so, for how long?
2. Who is performing the duties of that office, and at what salary?
3. When does the Government intend filling this office?

Hon. Mr. BALLANTYNE:

1. Yes, since the 17th September, 1917.
2. B. L. Warren, Sub-Collector of Customs.
3. Applications for this position will be called for at once.

THE BUDGET.

The House resumed the debate on the motion of Hon. Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means (resumed from Thursday, June 5.)

Mr. ANDREW ROSS McMASTER (Brome): Mr. Speaker, my first words must be those of thanks to the Finance Minister for having so kindly allowed the debate to be adjourned from Thursday last in order to give to members of the House, and perhaps more especially to myself, an opportunity of considering in detail the various matters contained in his Budget proposals. I have to congratulate the minister for the clarity of his statement—except in regard to certain of the resolutions—if I cannot congratulate him on the completeness of the information laid before the House.

I have one word of praise to bestow upon him, before I proceed to the more ungrateful task of criticism, and that is that he has had the courage to tell the people of this country not to count very much on any war indemnities which we may get from our foes.

Mr. ERNEST LAPOINTE: Hear, hear.

Mr. McMASTER: There are two classes of claims against the Middle Empires: First, the claims of those unfortunate individuals who have seen their homes wrecked and their fields devastated, and

which claims are, I take it, preferred claims. And then there are the claims of the various governments for the expenses of the war, which I would call ordinary claims. I would take it that it would be some time before those ordinary claims had any dividend declared upon them; and I would not like to hold out any hopes to the country that the dividend would amount to very many cents on the dollar.

I propose, Mr. Speaker, in my remarks this afternoon, to follow somewhat, step by step, the speech delivered in the House on Thursday last by the Minister of Finance. I propose to criticise what demands criticism; and I first charge the Finance Minister with negligence and tardiness in bringing down his Budget. The British Chancellor of the Exchequer, who has under his control financial operations of far greater magnitude than those which call for the care of our own Finance Minister, was able to bring down in his Budget speech on the 31st of April; but it was not until the first days of June that our Finance Minister was able to submit his proposals to this House. No measure of responsibility rests upon this side of the House for his delay. We had been, in the kindliest and still in the most persistent fashion, jogging his elbow and poking him gently in the ribs from time to time, and asking him when he was going to bring down this Budget. This is not a mere question of the convenience of members of this House. If it were, it would be a matter of small moment; but I say that the delay in bringing down the Budget caused financial stagnation in the country, because the manufacturers and merchants of Canada did not know where they were. Men in business and in manufacturing life were obliged to conduct their operations, if I may so term it, from hand to mouth, and the responsibility for this condition lies upon the Government.

The Minister of Finance first took up the financial operations for the five-year period from 1st April, 1914, to 31st March, 1919. He told us that in round figures the total expenditure on war account for these five years amounted to $1,327,000,000, that the expenditure on current account ran to $832,750,000, and that the capital account for these five years of war stood at the great figure of $180,250,000; in all we spent during those five years $2,340,333,000. During that time the receipts from all sources amounted to $1,110,750,000. So that we ran behind during the war by $1,229,500,000.

The Minister of Finance quite properly said that the people did not grudge the expense of the war. That is true. The people of Canada did not grudge a single dollar that was expended skilfully and without extravagance. But the people, especially after they begin to pay their income tax, will wonder whether after all this Borden Administration—and I will point out very clearly before I finish that this is the Borden Administration,—the Administration which is responsible for the purchase of decrepit horses, of dear drugs, of bad boots, —acted providently.

But these you say, are not matters of great importance. Well, they were matters of great importance. And, what is more, this Government was responsible during the term of the war for one of the most profligate bargains that was ever entered into on behalf of the people of Canada. I refer to the purchase of the Canadian Northern railway stock for $10,000,000. I will not discuss the question to-day as to whether that railway should have been taken over or whether a receiver should have been put in and the railway bought from the receiver, with a consequent loss to people who had invested money in that railway; but I do protest against a payment of $10,000,000 of the people's money for stock which the commissioners appointed by the Government declared to be pure water. The people of Canada took over this property burdened with $400,000,000 of debt. I know that the acting Minister of Justice (Mr. Meighen) may say that we only bought the stock, that we did not take over the debts. Well, the Government of Canada owns and operates that railroad, and to-day if the Government has any sense of honesty and equity it will have to see that the debts are paid and that interest is paid on the bonds outstanding. And, I believe it is doing so. How much had the road cost? The total amount of money which went into that road, according to the Drayton-Acworth report, was not more than $370,000,000, and the amount that the railway could have been sold for as a going concern was certainly less than the indebtedness against it which the Government has got to take care of. We arbitrated the value of stock which our own investigators had declared to be worth less than nothing, and this was done at the time when this great war debt was piling up. It is difficult to find fault with the Minister of Finance,—his personality attracts men on both sides of the House,— but the people will not allow him to forget this bad bargain which he put upon them.

I am reminded in this connection of that ancient hymn, and if I might be allowed to paraphrase it I would say:

White moves in a most gracious way,
His blunders to perform.

Our debt will soon stand at $1,950,000,000. We find that $300,000,000 will be required for demobilization, and that sum will be borrowed in its entirety. How is this debt distributed? The Finance Minister told us on Thursday last that Great Britain holds $362,700,000 of our securities. The House will pardon me if these large figures do not come as trippingly from my tongue as they do from the Finance Minister's. Perhaps it would be better for the country if we did not deal in these large figures with such levity as we have been doing for the last few years. The United States hold $150,-872,000, while we have raised in Canada $1,510,000,000.

I would point out to the Minister of Finance that there seems to be—there may be an explanation for it—a discrepancy in the figures here. One figure is given at $1,550,000,000; but the total of the securities held in these three countries amounts to $2,023,000,000. Our net national debt on the 31st of March, 1919, was just about $1,584,-000,000. The difference between the two billion odd—the amount which these three different classes of securities comes to—and the net debt, amounting to almost half a billion, probably represents assets. It would have been interesting if he had explained this to us. Am I wrong in my surmise that these assets do not give an income, and that we have to pay interest today on something like $2,000,000,000?

Now, reverting for a moment to the fact that our debt is held roughly one-quarter abroad and three-quarters in Canada, when the minister announced this fact rapturous cheers broke forth from the other side of the House. The Toronto contingent—amiable gentlemen—led in the applause that we owed to our own citizens $1,500,000,000. Mr. Speaker, you have heard of Mark Tapley. Mark Tapley was only really cheerful when things were going badly. If ever I hear that any members of the Toronto contingent have been in a motor accident and have each had only one leg broken I could imagine them lying on the ground and cheering faintly, but cheerfully, that they had not both legs broken!

We will grant that there are certain advantages in owing money at home. Absentee creditors, like absentee landlords, are less desirable than landlords or creditors at home. But everybody likes to own his own house, and a creditor at home is sometimes more tiresome than a creditor who lives abroad. There is no reason for cheering, I beg to assure my friends from Toronto, because we owe $1,500,000,000 to our own citizens. The Government must collect from all the people the interest on this vast amount to pay it over to some of the people. And I wish to point this out, that the advantage of having home creditors is very much nullified, indeed, by the fact that our bonds were issued exempt from income tax. The people of Canada will have to pay interest on $1,500,000,000 owed to some of the people of Canada, and the people who own these bonds will contribute nothing by way of taxation in respect of the amount which is to be paid them by way of interest.

The Finance Minister was very complacent with regard to the conditions of currency; he compared our position with that of other belligerents and he said that there was great cause for satisfaction. I distinctly disagree with him, and hope to be able to prove to the House and to the country that the minister's complacency is ill-founded.

Our currency, both Dominion notes and bank notes, is grossly inflated—an evidence of credit inflation, and a direct result of the issuance of fiat money by this Government. Let us examine carefully into the figures. This matter is not easy to understand; I myself had to work at it for hours before I understood it. Although other gentlemen here no doubt will be able to grasp it much quicker than I did, I shall be very glad to repeat anything that does not seem to be perfectly clear.

On June 30, 1914, our Dominion notes outstanding amounted to $114,182,100—we will leave off the odd figures and talk only about the millions. These notes, amounting to $114,000,000, were distributed as follows. The chartered banks held in their own banking houses $92,000,000, in round figures, and they had deposited in the central gold reserve $2,500,000. So that the total owned by the banks and either held or deposited by them amounted to $94,500,000, while there was in general circulation among the public a further $19,500,000, or, to be exact, $19,517,618. For the redemption of Dominion notes the Government of that day held $92,663,575 in gold, against $94,500,000 held in the banks either in their own banking houses or in the gold reserve, plus $19,500,000 in general circulation. This sum, as we see, more than sufficed to redeem in gold the entire amount of Dominion notes held by banks in their own banking houses,

and it was about eighty-five per cent of the whole.

Between June 30, 1914, and February 28, 1919, the Government increased the amount of its Dominion notes outstanding from $114,000,000 to—what do you think, Mr. Speaker?—$306,000,000. On March 31, 1919, it stood just under $300,000,000—to be exact, $298,058,697.67.

Let us examine the way in which this increase has been made. Starting from June 30, 1914, when the Dominion notes outstanding amounted to $114,000,000, we find that the Dominion Government issued, up to February 28, 1919, against gold, $23,244,000—of course there is no objection to that, the amount being issued against gold—and it issued to the banks upon deposits of approved securities under the Finance Act of 1914, an additional sum of $70,528,000. Now, that was issued not against gold, but against securities which the banks deposited with the Government. The Finance Act of 1914 increased the limit of Dominion note issue upon which only twenty-five per cent gold backing is required from $30,000,000 to $50,000,000, and thus the Government was enabled to issue an additional $20,000,000 with a backing of only twenty-five per cent of gold. In that way $15,000,000 of what was practically fiat money was issued. In other words, if, before the Act was passed, the Government of the day wished to issue Dominion notes from $30,000,000 up to $50,000,000, every dollar bill had to be backed by an equal amount of gold; but by raising the limit within which they could issue Dominion notes with a backing of only twenty-five per cent of gold, they were able to issue an additional $20,000,000 and put only $5,000,000 of extra gold into the Treasury.

As regards the $70,528,000, no matter how sound the securities were, the issue constituted a very serious departure from our gold standard. These issues, added to the amount of notes outstanding on June 30, 1914, brought the total Dominion note issue up to $207,954,100. But in addition to these the Government has made further issues of Dominion notes which are now outstanding and against which no accretions in gold have been made to the note redemption fund. These were made up as follows. The Grand Trunk Pacific Railway Company needed $6,000,000 and it came to the Minister of Finance for the money. The Minister of Finance, having at one time in his career been engaged in the newspaper business, had a fondness for printing, so he set the printing presses to work and printed $6,000,000 of Dominion notes and issued them. What were they backed by? They were backed by securities of the Grand Trunk Pacific Railway Company, the value of which was the Government's own endorsation. So the Government took bonds whose only intrinsic value was the Government's endorsement; they put these into the treasury, and they issued $6,000,000 against them.

Then another—I was going to say another deserving suppliant but I will not give the name of "deserving" to the next suppliant for aid—came forward in the person of the Canadian Northern Railway Company. They were less modest than the Grand Trunk; they wanted advances of $10,000,000. These advances were also made on the pledge of certain securities of the Canadian Northern Railway Company. Any value attaching to these securities was due to the endorsation of the Government; so that we may without unkindness denominate this issue also as an issue of fiat money.

Then, again, advances were made to the Imperial Government amounting to $50,000,000. These also were issued in Dominion notes backed by securities of the Imperial Government which were put in the strong-box of the Dominion. Our Bank Act provides for the issue of Dominion notes against Canadian securities endorsed by the Government of Great Britain and Ireland. But the securities against which this issue was made were not securities of Canada endorsed by the Imperial Government; they were direct obligations of the Imperial Government. Securities of the Canadian Government endorsed by the Imperial Government have, in times past, represented loans the proceeds of which have been spent in useful work in the development of this country, but these securities doubtless represented loans by the British Government for war purposes.

Further, we have had an excess issue of Dominion notes, made without additional security, amounting to $32,451,299. If a sound financial policy had been followed, these two sums, amounting to almost $100,000,000, would have been raised by taxation from the Canadian people, or, if that was found impracticable, raised partly by taxation and partly by borrowing from Canadian people.

But as matters now stand, the basic circulating medium of the Government, which on the 30th of June, 1914, stood at $114,182,100, backed almost dollar for dollar, that is to say, backed to the extent of

about 85 per cent, has been diluted by an issue of almost $100,000,000 of currency, backed either not at all, or by securities which are non-liquid. It is, of course, elementary that such a dilution inevitably decreases the purchasing power of money, or in other words, increases the prices of commodities. And we have also a further indisputable proof of the debasement of our currency. A few years ago American bills and silver circulated quite freely in Canada. We see none now, because, under Gresham's law, the poorer money always drives out the better; and obeying that law, though possibly quite unconscious of it, any one going into the United States, instead of taking Canadian money, or cashing a cheque in New York on his bank in Montreal or Toronto, collects, where such is available, American currency and takes that down to New York, because he wants to avoid the rate of exchange which is against Canada and in favour of the United States.

To sum up, the situation on February 28, 1919, with respect to Dominion notes then outstanding was as follows:

Total of Dominion notes outstanding, $306,405,399; held by chartered banks, $185,932,418, as against only $92,114,482 held on the 30th of June, 1914. Deposited by the banks in the central gold reserves, $93,250,000, as against $2,550,000 in June, 1914; while in circulation there was $27,222,981, as against $19,517,618, an increase in general circulation of about 39 per cent; while the increase of currency in bank notes has risen from $96,848,384 on the 31st March, 1914, to $223,763,000 on the 30th April, 1919.

These inflations in currency are evidences of inflations in credit. A great deal of the war loans floated in this country were taken up by persons with money they borrowed from banks. What share of the responsibility one has to place upon the fiat money issued by the Government, and what share on their reliance on borrowing rather than on taxation, it is impossible to state; but the fact remains that our currency has become inflated, with serious consequences. The Government cannot expect to escape legitimate criticism by saying that it is no worse sinner in this regard than other governments. In one sense all governments have been obliged to adopted methods which have led to inflation, but to plead universal shortcoming is not an excuse.

What are the disadvantages to a people of excessive borrowing during war time? Has our Government as compared with other Governments been a greater sinner in this regard? These are the questions with which I now purpose dealing. A war of such world-wide extent as the recent war we have been engaged in for the last five years should be fought with the actual production of the nations engaged therein. Stocks on hand will, within a few weeks or a few months at most, be used up; and it is through the annual production of the belligerents that the sinews of war must be obtained. And the question arises as to how the Governments shall divert from ordinary channels the productivities of the nation required to satisfy these war needs. How shall the Government secure the funds to carry on the war? There are two questions involved in this query:

4 p.m.

1. From what sources should money come —from real savings or from inflated credit?

2. What means should be adopted for raising money—loans or taxation?

For countless generations men have worked out a mechanism of money credits for obtaining and paying for property, goods and services. It is the growth of centuries. For instance, one of the earliest known appearances of bills of exchange is when in mediaeval times the Papal See drew upon rich Orders in outlying parts of Europe for contributions, and threatened excommunication if the drawees did not accept the drafts. The system reaches its greatest perfection in time of peace, though in the Napoleonic war we have the instance of Napoleon winking at the purchase of greatcoats for his army from Great Britain, and although we learn that all through the Crimea war the Russian Government punctually paid the interest on its bonds held by individual British investors.

However, this war threw out of gear the whole of what has been called the "mechanism of exchange." At any given time there exists under ordinary circumstances at the disposal of private individuals a great fund of purchasing power, which they may use to obtain the goods, etc., they desire. This purchasing power may take the form of metallic or paper money, or it may take the form of credit on the books of a bank, which credit is controlled and operated by the drawing of cheques. Now, if the State or Government wishes to secure for war purposes one-third of the product of the people's industry, it should, at the same time, induce or compel the people to part with one-third of its purchasing power. If this is not done; if the Government, or the banks acting for it, simply create additional purchasing power —new money in the widest sense of the

term—then the Government and the individual citizens will enter the market in competition for the proceeds of industry. Individuals offering their money for the goods they desire tend to keep industry working on these goods; the State, by offering additional purchasing power will seek to divert industry to the making of goods which the State needs.

In these circumstances, it is inevitable that with purchasing power increasing faster than production, prices will rise. Each unit of purchasing power will buy less goods. The mass of the people will be forced by the rising prices to forego not only their usual and modest luxuries, but indeed the necessities of life, and thus in a roundabout and incomplete fashion the State will get the better of the individual citizens, and production will be devoted to the production of goods required by the State, and away from the production of goods required by private individuals. Under such a condition of inflated prices, the chief burden of war rests upon the mass of people, and industry is only imperfectly adapted to war needs.

I may possibly be able to make my point clearer by the use of an illustration. Let us suppose that the total production of a community is represented by one million bushels of wheat, and that representing this million bushels among a population of one hundred thousand, there are distributed one million tickets, each of which represents a fractional part of the available supply. But the division has been very unequal among the people. Instead of each person having in hand ten tickets, his just proportion, some may, indeed, hold only one, some two, some three, some as high as 100. Now, supposing the Government needs one-third of the available wheat supply for its soldiers, it can force the people to give up one-third of the tickets; and if it be a just and wise government it will see to it that those who have only one or two tickets representing the amount of wheat necessary for the maintenance of their health and strength, are not asked to surrender their tickets; that those having ten are asked to give up not more than three; and that those holding 100 are required to surrender to the State a very large proportion, indeed, of their holdings. This is one method of taxation—the method of a properly graduated income tax.

The second method would be for the Government to issue some new tickets, say, several thousand new tickets, and place them in the hands of their purchasing agents for presentation to those in charge of the nation's supply. What would be the result? The State would get its third, but the tickets held by the nation would all depreciate in value, and would represent, instead of one bushel of wheat, a very much smaller portion. This might affect but little the health, strength, and comfort of the men who had formerly held 100 tickets; affect little the health, strength, and comfort of the man who held ten; but it would mean the direst hardship for the man who held one or two tickets. This is the method of inflation. This is why inflation bears so heavily upon the poor classes of our community.

I now purpose dealing with the question as to whether our Government has had greater recourse to borrowing than it should have had. I answer that question in the affirmative. I do not think we should compare ourselves to France, to Italy, to Austria, or to Germany, but that we should compare ourselves to Great Britain and to the United States.

We, like the United States, met, in the first four years of the war, about one-half of our war-time expenditure out of current revenues, while Great Britain met only one-third. But then, Great Britain's expenditure was, comparatively speaking, hugely greater than our own. We spent up to March 31, 1918, less than five times the sum we used to spend every year in peace time, while Great Britain spent twenty-five times its peace outlay just prior to the war. Then, if we ask the question, how much surplus revenue did we raise during the first four years of the war, over and above the total civil expenditure of the last year before the war, we find a very different situation. We raised six per cent, the United Kingdom twenty per cent, and the United States about twice the latter amount.

Secondly, we were in fault, because we did not adopt the other direct method of taxation, the excess profits tax, until the war was well under way. We allowed war profits of vast proportions to be heaped up by certain individuals, whose lavish expenditure unduly competed with the Government for the productive work of the nation. Thirdly, because when our income tax was adopted, the rates of taxation were far too low. Mr. Speaker, the Opposition is not to blame for that. Last year I very strongly urged on the then Acting Minister of Finance (Mr. Maclean) that the rates were far too low. This year the Minister of Finance has been obliged to follow the

advice I gave last year, but whether my advice was the determining factor in raising the rates is a question I do not pretend to answer.

To sum up, we had been following an unsound taxation system for many years, and we broke away from it tardily and with reluctance. The following tables will, I think, be of interest as affording ready proof of the conditions I have set forth:—

Percentage of Taxes in the United Kingdom.

	On Property & income.	On consumption.
1913-14..	48%	52%
1914-15..	53%	47%
1915-16..	56%	44%
1916-17..	74%	36%
1917 18..	81%	19%
1918-19..	....	....

United States.		Canada.	
On Property & income.	On consumption.	On Property & income.	On consumption.
....	....	....	100%
....	....	....	100%
....	....	1%	99%
....	....	8%	92%
17%	83%	11%	89%
80%	20%	....	....

The United States only came into the war in 1917, and I have only the figures for the last two years. It will be noted from the table that the United States turned right round in the course of a year. In 1917-18 they raised practically twenty per cent by income tax and eighty per cent by taxes on consumption, while in 1918-19 it was just the reverse, eighty per cent being raised by income tax and twenty per cent by taxes on consumption.

The next table which I desire to lay before the House—and I am sure on a hot summer afternoon like this it is weary work listening to these long lists of figures—

Some hon MEMBES: Hear, hear.

Mr. McMASTER: I do not blame hon. gentlemen for saying "Hear, hear," but I must do my duty, and you know, Mr. Speaker, that the fundamental duty of an Opposition is to point out the errors of the Government. The next table is the percentage of rates in the British, American and Canadian income taxes. I said a moment ago that we started our income tax at far too low rates. Listen to the comparison. We will take the rates of earned income of married persons, without dependents, on $3,000, $10,000 and $100,000:—

Americans under the law of 1918 on $3,000 pay $60.

Americans under the law of 1918 on $10,000, pay $830.

Americans under the law of 1918 on $100,000, pay $35,030.

British people on $3,000 (earned income), pay $356.25.

British people on $3,000 (income from investments), pay $445.31.

British people on $10,000 income, pay $2,250.

British people on $100,000 income, pay $47,187.

Our income tax rate for 1918 for a married person without children figured out as follows:—

Income.	Amount Payable.
$ 3,000..	$ 20.00
10,000..	392.00
100,000..	17,607.00

Since then our proposed rates are higher. The proposed rates bring the income tax on a man earning $3,000 up to $40 instead of $20, and a man earning $10,000 up to $590 instead of $392; while it brings up to $31,190 the man whose income is $100,000. The Americans have slightly reduced their rate, so that the American and Canadian rates at the present time would be the same if this resolution carried. Let me same if this resolution carried.

Let me say a word to the Finance Minister in the plea for the man, and especially for the woman, whose income is between $1,000 and $2,000. The married man whose income is between $1,000 and $2,000 does not pay any tax, as it is not levied until the $2,000 figure is reached; but the poor unmarried clerk who earns between $1,000 and $2,000 and who has a widowed mother to support, has to pay an income tax, and so has the poor school teacher; and often the fact that a man is unmarried is because he has aged dependents to look after. Would it not be fair for the minister to interpret the word "dependent," in its application to men whose income is between $1,000 and $2,000, to mean not merely dependent children, but also dependent parents or collaterals in the ascending line? I think it would, and I leave to the kindness of heart of the minister a consideration of this important question—important not to the State, because the loss of revenue would be trifling, but very important to the individuals concerned.

Now, in Great Britain we find the same rise in the currency. Not only did the currency rise from $25 to $52.50 per capita of the population, but the deposits in banks enormously increased. Mr. Hartley Withers, whose little books on finance I would recommend to all members of this House for their clearness and the succinct way in which they are written, in his interesting book, "Our Money and the State," page 66, thus describes the way in which the currency in Great Britain has been inflated:

The method of inflation differs in each country acording to the arrangement of its currency system. During the present war we in England are doing it in three, or perhaps four, ways. The Government has done it by printing paper currency, much greater in extent than the gold which it has replaced in circulation; and by minting a great quantity of silver. The Bank of England has done it by lending money to the Government, by loans to the Allies, to Colonial governments and to private individuals, and the other banks have done it by increasing their investments in Government securities and by making advances to customers in order to enable them to take up Government securities. In other words, most of the inflation has been due chiefly to the action of the Government in either directly increasing the currency itself by printing or coining it, or in borrowing money from the Bank of England and the other banks, instead of getting it out of the pockets of the public, by taxing it or borrowing its savings.

To the credit of Great Britain be it said that, along with this borrowing, the Government put in force the most drastic taxation which enabled that country to raise about a quarter of its war expenditure, inclusive of loans to Allies. The United States did not print any fiat money, but inflation in that country was brought about by the Government obtaining vast advances from the banks on the credit of Government bonds, and the banks, in turn, placed these bonds among their customers, by lending to the customers money wherewith to purchase the bonds. In this way the amount was not borrowed by the Government from the savings, but was largely raised upon the pledge of the credit of the people with the banks. But, again, in the United States, an honest and successful attempt was made by heavy direct taxation to raise a very large portion of the war expenditure.

In the United States the bank deposits subject to cheque grew from $11,026,000,000 in 1913 to $24,600,000,000 in 1918. How is this condition of inflation to be controlled? Partly at least by the adoption of the advice given in Lord Cunliffe's report to the British Government: "Stop borrowing!" This report, I have no doubt, the Minister of Finance has carefully read and considered, and the injunction which it conveys—stop borrowing!—I would, with all humility, commend to his serious contemplation this afternoon. The report, the findings of which were concurred in by the Committee of War Finance of the American Government (composed of leading political economists of that country), contained a statement which I may read. And here, I may ask whether our Government took council of the political economists in this country, as they might have done? The statement in the report to which I allude reads in part:

If a sound monetary position is to be reestablished and the gold standard to be effectively maintained, it is in our judgment essential that government borrowings should cease at the earliest possible moment after the war. A large part of the credit expansion arises, as we have shown, from the fact that the expenditure of the government during the war has exceeded the amounts which they have been able to raise by taxation or by loans from the actual savings of the people. They have been obliged therefore, to obtain money through the creation of credits by the Bank of England and by the joint stock banks with the result that the growth of purchasing power has exceeded that of purchasable goods and services. As we have already shown, the continuous issue of uncovered currency notes is inevitable in such circumstances. This credit expansion (which is necessarily accompanied by an evergrowing foreign indebtedness) cannot continue after the war without seriously threatening our gold reserves and indeed our national solvency.

Whether intended or not by the Minister of Finance, it is a cruel deception to call our country prosperous when it is suffering from inflation. Does the minister think that the strikers are striking for fun? We must not even infer, as the minister does, that this debt can be easily carried. We should make the greatest possible attempts to pay back the debt as soon as possible, because, if we allow the time for repayments to be put off to a period too far in the future, we may come to an era of lower prices again, and while to-day one bushel of wheat will pay off, say, two dollars of our debt, in ten years from now one bushel may pay off only one dollar. The minister points to the increase in bank deposits as an evidence of the prosperity of the nation. May I tell him what Sir Wilfrid Laurier told a Toronto audience years ago before he got into power in 1896? The then Minister of Finance (Sir George Foster) had placed before a meeting of enthusiastic Tories in the city of Toronto, a long series of figures showing how prosperous the country was, and the present Minister of Finance has put before this House a similarly lengthy series of figures to prove the prosperity of the country to-day. Sir Wilfrid told his audience that when he got into power they would only have to put their hands in their pockets and they would feel for themselves. Unfortunately, however, we can feel in our pockets and perceive the difference. If, perchance, we have a dollar in our pocket, we know very well that that dollar will buy only as much as fifty cents could buy five years ago. It is not fair for the minister to assert to the people the fact that because bank deposits have increased from $988,191,367, in 1913, to

$1,604,649,034, in 1919, the country has increased in wealth. And why is it not fair? Simply because money is merely purchasing power. That is all it is. In the year 1913 as much purchasing power was represented by $988,000,000, as to-day by $1,604,649,034, and we are no better off, although we may have an apparently larger amount in the banks.

There is another thing which I would draw to the minister's attention: bank deposits are a poor indication of the nation's prosperity. Savings bank deposits may be some indication, but bank deposits as a whole, the ordinary commercial bank deposits, do not represent the savings of the nation; they often represent to a greater degree the borrowings of the nation. I go to my bank and I discount a note, let us say, for the modest sum of $1,000. Perhaps I could get that amount if the member for Brantford would back my note. I put that in the bank and my deposit is swollen by $1,000. But that does not represent wealth, that represents my borrowings from the bank and the joint liability of the member for Brantford and myself.

In his Budget speech the minister estimates that pensions will for many years run from $35,000,000 to $40,000,000. He also tells us that we will have yearly large sums to pay for hospitals, convalescent homes, and other things of that sort. No doubt that is perfectly true, and no one will grudge the money for these items of expenditure; but the minister does not give us the slightest hint of how much we may expect to yearly pay for these hospitals and convalescent homes, and I tell him very frankly that his Budget speech is lacking in that regard, that he should have given us some idea of what we shall have to pay for these expenses. "We have great natural resources," says the minister. That is quite true, but we need population; and here I come to a part of my speech which I trust will prove of more interest than these dreary columns of figures: we need population, but in order to have it we require a sounder economic policy. We must come under an economic policy which will not be a direct handicap to agriculture, mining, lumber, and fishing. We must give to our agriculturists, if we are to fill up our vacant cultivable lands, as good living conditions as obtain in the country to the south of us.

The minister talks about exports of manufactures helping us to pay the debt. Quite so, but we will have to give the manufacturers a market to work in, in which their costs will not be increased by a tariff which bears so heavily upon them. Our market is far too small to operate successfully dumping, by charging our own people a great deal for the goods and being able to send them abroad and sell them cheaper. It is true the agricultural implement men have been doing that to a certain extent. It is true that before the war we find they were selling agricultural implements in far-away Russia as cheaply, or almost as cheaply, as they were selling them in Saskatchewan. But there is only one effective way to help the Canadian manufacturers in my judgment, and that is, to lower their cost of production by freeing from duties, to a certain extent at least, even at present, their raw material, by the education of the workers, and by increasing the facilities for transportation.

And now we come to a portion of the minister's speech which I trust he will not consider me rude if I denominate it as a bouquet of fallacies. He first speaks about the favourable trade balance. Now the favourable trade balance is a relic—a relic of the mediaeval system of mercantilism. A ship leaves Montreal loaded, say, with $100,000 worth of wheat. It arrives in Liverpool. The wheat is sold for $115,000. A load of hardware is put on board, worth, let us say at Liverpool, $115,000, and brought back to Montreal where it is worth $130,000. Exports $100,000; imports $130,000; unfavourable balance to trade to the extent of $30,000. But let that ship, leaving Liverpool with its cargo of hardware, be lost in mid-Atlantic. What happens? Exports $100,000; imports nil; favourable balance of trade $100,000. What an absurdity! let me say it with all courtesy to the Minister of Finance.

The minister then goes on to compare the trade balances of 1914 and 1919. I ask him what about the rate of exchange? Is the rate of exchange to-day, in the year 1919, more, or less, favourable than it was in 1914? The minister said we had an unfavourable trade balance in 1914, and we have a favourable trade balance in 1919. Well, as I remember, in 1914 if you wanted to pay a bill in New York you did not have to add three per cent to your cheque in order to pay it as we have to do to-day. And then the unsoundness of the comparison of the years 1913-14 with the years 1918-1919! Why the dollar to-day is just worth about 50 cents, what it was worth in 1913-14; and if we divided the figures of 1918-1919 by two, then we would get the basis for a more just comparison. Let us do that. If we compare the revenue, for instance,

which the minister draws our attention to with a broad smile of satisfaction, the revenue in 1913-14 was $163,000,000 as against, he says, a revenue in 1918-19 of $310,000,000. But in order to make the comparison just we have got to divide the $310,000,000 by two and then we find the revenue in 1913-14 to have been $163,000,000 and the real revenue in 1918-19 to have been $155,000,000, or $8,000,000 less than in 1913-14.

Another point, and that is in regard to income tax returns. They amount to $10,000,000—an evidence in itself that the tax has not been properly collected, for there is no question but that if that tax had been properly collected more than $10,000,000 would have been realized. But the bills were sent out tardily. I remember making my own modest return, sending it to the Government, and not getting my bill for months and months. I grant that I did not write to the Minister of Finance and ask him to hurry up the bill, nobody would do that, but the country was suffering by reason of the delay. We were not collecting the taxes due us and we were borrowing money in the meantime—which was bad financial administration. Now I have a suggestion to make to the Minister of Finance. We are told that the Opposition merely criticise in this House and that we should make positive proposals. Here is a positive proposal. The Canadian people are an honest folk; the most of them will make out their tax returns to the best of their ability. Why not, when a man makes out his return, have him assess what he thinks he is liable for under his return, and send in the amount subject to a refund or subject to be asked to give more. That would furnish money to the Government in the meantime, and it would not be hard on the individual because he would not have this thing hanging over him.

I come to the Estimates for the current year. The Estimates for the current year on ordinary, capital, and demobilization accounts, amount to $620,000,000, and the minister hopes to raise $280,000,000 and to borrow $340,000,000. The Estimates for this year amount to $456,500,000, and in order that the country may have some appreciation of the magnitude of this sum I would pray the indulgence of the House while I place before it a few figures which have helped me to better understand the situation and which I think may be of assistance to hon. gentlemen. Estimating our population at eight million people, the amount provided for in the Estimates represents a per capita expenditure of just over $57.06, or for a family of five of $285.30. Now, prior to the war, Canada was by no means the lightly taxed country which some people thought it was. In comparison to the taxation of Great Britain of $123.15 per family, and of the United States of $154.50 per family, the average Canadian family of five persons contributed in federal, provincial, and municipal taxes, the sum of $157.50 to the State. In addition, this country before the war was very heavily indebted to people of other nations who had lent us money. These loans amounted to $3,000,000,000. Some was loaned to the Government, some to the Provincial Governments, some to companies, and some to individuals.

The figure of $456,500,000 is made up of Main Estimates of over $437,500,000 and Supplementary Estimates of almost $19,000,000. And it is a matter, Mr. Speaker, which might be carefully considered by the members of this House that the Supplementary Estimates of this year are just fifty per cent greater than was the whole expenditure on current account and on capital account for the first year of Confederation. That is, I believe, a striking comparison. When Sir John A. Macdonald—and I speak so that those opposite may give me more careful attention than they might if I produced other testimony—laid down the reins of power in 1891, the total expenditure on current account and on capital account was only $40,000,000. It is true that since Confederation our population has more than doubled; but I believe that the increase in expenditure far more than offsets not only the increase in population, but the increase in wealth.

To the expenditure of $456,500,000 provided for in the Estimates, there must be added the special appropriation for demobilization and for other purposes affiliated with the war, estimated at $300,000,000. But leaving these aside for the present, I do not believe that I am exaggerating when I state the thoughtful people of this country are really alarmed at the money this Government is spending. Echoes of speeches delivered in some other places have already been heard in this House.

I emphatically and solemnly charge this Government with reckless expenditure. But to this general charge of extravagance the Government will reply to me, as they have replied to others: "Well, tell us what you complain about." Of course, that attitude is not altogether fair. We are not on the inside of the Government secrets. We do not know, for instance, whether it was wise or not the other day, by Order in Council,

when this House was sitting, to propose a credit to Italy of some $6,000,000. Although the House was sitting, the Government did not think fit to bring that matter before the people's representatives.

But there are certain expenditures which I will point out as being improper and extravagant. First, the registration of the people, which was carried out in the month of June last, and which cost in round figures $650,000. I do not believe that the usefulness of this work was at all commensurate with what it cost. In my province it afforded a Government—claiming to have eliminated patronage altogether—an opportunity to bestow upon political friends a certain amount of work; it put the people to a very considerable degree of trouble; but the information sought was only valuable if it was availed of immediately or within a few months at the outside. As far as I can see, no use has been made of the information so gathered.

The next matter in which I charge extravagance is the carrying on of the Canadian Official Record and the Bureau of Public Information. This Canadian Official Record is absolutely unnecessary. The Canada Gazette should be sufficient to convey to the people all the information the Government wishes to convey. It is quite true that the tiresome and long winded verbiage used in the Canada Gazette might with propriety be changed, and the paper itself might be put in a more attractive form, which would not cost much money. But this Canadian Official Record, what is it? What is its object?

Then there is the Bureau of Public Information. How I detest that Bureau of Public Information! We are British people and we do not need Government hand picked information. I wish to goodness the President of Privy Council—who is responsible both for the Canadian Official Record and for this Bureau of Public Information—would sit down next Sunday afternoon and read Milton's great work on political liberty, his Areopagitica, where he says: "Give me the liberty to know, to argue, and to utter freely, above all, liberty." And then I wish, remembering that once he was a Liberal, he would strike out of his Estimates and get out of his mind all this talk of Canadian Official Records and Bureaus of Public Information. We do not need pre-digested pap for the Canadian people. We have got our newspapers; we can read them. And let me ask very solemnly: What brought the German people right down to the jaws of hell, and had them bring a great portion of the people of Europe along with them? It was the attempt of the German Government to control German public opinion. The Parliament, the Church, the press and the professorial chair all sang the same tune—Deutchland uber alles. There was no power of criticism; the people were taught that criticism of the Government was disloyalty to the State. We do not want that sort of thing in Canada. No greater tragedy could happen when we have overcome Prussianism on the field of battle, than that the spirit of Prussianism should creep into our British mentality and our Canadian institutions.

Passing from the President of the Council, we approach the Minister of Marine and Fisheries. The shipbuilding programme is one of the most profligate proposals for spending the people's money that has ever been proposed. Many hours, Mr. Speaker, might be profitably spent by this House in carefully considering the shipbuilding programme of the Government; but in the somewhat cursory examination of the Government's financial policy which I am obliged to make to-day, it is impossible for me to do more than state that in my opinion—and, I believe, in the opinion of a great number of responsible people in this country, irrespective of political allegiance—that the shipbuilding programme will prove a sink for the money of the people, and is open to the most serious objection on very many scores. It will involve the expenditure of millions upon millions of dollars of borrowed money.

Next I come to the housing scheme. The housing scheme has already been discussed in this House. It has met with serious and trenchant criticism, not only from those sitting on your left, Mr. Speaker, but also from those sitting on your right and from those sitting in front of you—and we note with a certain amount of pleasure that the group sitting in front of you is increasing day by day. I submit that it will be found that any work done under this scheme will be of very slight benefit to those to whom the State owes a great debt—the returned soldier, and may very possibly result in helping those who are very well able to help themselves.

My next criticism is the advance to Rumania. This will undoubtedly give a great opportunity for making money to certain of our protected manufacturers. The scheme will receive the approval of that class in the community. The proposal is this: they are to manufacture for a foreign market at good prices, and with a certainty of being paid for their wares and mer-

chandise by the people of Canada. But what will the people of Canada get out of the plan? Will they, through their Government, receive any part of the profits which accrue to the manufacturers through this business? We have not been told so. It would have been told us were it a fact. Now, the exports to Rumania under this plan will consist largely of clothing.

Was there any dearth of work among the clothing manufacturers of this country prior to the giving of this order for goods for Rumania? I do not think so. Hundreds of thousands of young soldiers were coming back from the front and being incorporated into civil life, and their demands for clothes gave the tailors and the garment manufacturers all the work they could handle. What are the real facts concerning this matter? Our clothing manufacturers, in order to fill the orders for Rumania, have had to go outside of Canada and bring in factory operatives to carry on the work.

Shall we be paid for the goods which we are selling to Rumania on credit at the very modest interest charge of five and one-half per cent? When I say "we," I mean the people of Canada, represented by their Government. I hope and trust that we shall be paid for them. I thought we were to accept payment in Rumanian bonds. Perhaps it is not bonds; perhaps it is merely promissory notes that the Government of Rumania is going to give us. Now, is the Government of Rumania an organization to which one would wish to advance credit? If the Finance Minister went into the Bank of Commerce with a promissory note of the Rumanian Government not backed by his own valuable signature, do you think that the president of the bank would advance him very much money on that note? I do not think so. This is a matter on which no one can speak with the slightest degree of certainty. An interesting sidelight, however, is thrown upon the subject when we learn from one British economist that the advances of Great Britain to Rumania are of very doubtful value, and when we learn from another source that it is a very serious question whether the present Government of Rumania truly represents the will of the people. I understand that they have had two peasant revolts there, which were with very great difficulty controlled. Moreover, Rumania, lies close to Russia, now in the throes of revolution and disorder, and to Hungary, where the people are in the midst of a civil war. I ask the Minister of Finance whether, if he were again the trusted advisor of widows and orphans as manager of a trust company, he would advise them to sell what they had to Rumania? I do not think so.

It may be said in reply to this criticism that Canada is helping to repay the debt of the Allies to Rumania for her adherence to the Allied cause. If that be so, then the Government should make a gift to the poorest of the Rumanian people, who, indeed, are in dire distress. But if the present proposal is a mixture of business and philanthropy, then it is neither good business nor good philanthropy; for what assurance have we that the goods sold to Government of Rumania will be distributed to those inhabitants of that country who are in the greatest need of them?

Now, let me say a word about economy. Economy is a question of details. It is very difficult for me, after pointing out these large extravagances, to point out where money could be saved, because I do not know the details—the Opposition cannot know the details. But Parliament may very well affirm its control of the purse by appointing a committee of its members who are familiar with the successful conduct of large businesses—we have several such members on both sides of the House—to investigate thoroughly the business administration of all departments. The Minister of Public Works, who, if anything, is candid—his candour sometimes is rather embarrassing to his friends—has told us that he could get on in his department with two-thirds the number of clerks that he has. If that is so of other departments, what an immense saving could be effected in the administration of the country's affairs if there was a thorough, business-like clean-up of the whole thing. This has been done in Great Britain. A special committee was appointed by the British House of Commons to go into the administration of the different departments and they discovered extraordinary waste and incompetence in many fields.

We propose to borrow, under the advice, I assume, of the Finance Minister, all our capital expenditure and all our war expenditure for this year. What excuse does the minister give for this? I have been reading his speech—he very kindly gave me his manuscript—and in between the lines I see that the minister does not enjoy this idea of borrowing all expenditure except ordinary expenditure. He does it, he says, because the cost of living is very high now, and there is unrest. But I have pointed out that the high cost of living is

largely due to the tremendous borrowings which the minister has carried on. He proposes to continue to borrow; therefore he proposes to continue to keep up the high cost of living. He cannot get the real savings of the people, because the people are not able to do very much real saving in these days. Unless the minister takes heed of the warnings that I gave him with such earnestness, if another loan is issued there will be further inflation of credit and of currency, and that will tend to maintain the high cost of living and to bring about a continuation of the conditions that the minister complains of. I solemnly warn the minister that he is only putting off the evil day.

What remedy have I to propose? It is a very difficult thing to remedy the high cost of living; it is due, first of all, to real scarcity, and that scarcity can only be met by real production. But you cannot have real production unless you get labour and capital to pull together, and I do not think that this Government has done all it should do or could do in this connection. What Great Britain did in this respect is worthy of notice. They called together in conference the leaders of the employers and the leaders of the employed, and they, with representatives of the Government, sat down and discussed the whole situation. To such a conference in this country we would have to call representatives of the Provincial Governments. I am sure that upon the ordinary workingman who is suffering to-day from the high cost of living a shifting of responsibility as between the Federal Government and the Government of Ontario must have a bad effect. The Prime Minister is asked to pass an eight-hour-day Bill, and he says—I think, correctly so—that it is outside the jurisdiction of the Federal Government to do so. Then the workers apply to the Premier of the great industrial province of Ontario, who holds up his hands and says: It is none of my business; go and ask Sir Robert Borden, the Prime Minister of Canada; it is his business to have such a law passed. This passing of the responsibility from one to the other does not redound to the credit of the country or add to that prestige we would like government to have in this time of unrest.

Let us have such a conference as I have suggested. Let not the Prime Minister say: We have our Cost of Living Commissioner; we have this commission and that commission, and they are holding conferences day by day. It is not that sort of conference we want; we want the summoning of an industrial parliament to discuss all these matters. That is the way the people of Great Britain were able to avoid trouble, and I am sure that our work-folk are just as reasonable and just as ready to listen to the other man's side of the question as are the people of Great Britain.

Then, I make another suggestion. I agree most thoroughly with the member for Kingston (Mr. Nickle) who said the other day that to fix prices in the ordinary way might shut off production. But if the high cost of living keeps up, I would ask the Government to consider the advisability of buying up, at prices which will encourage production, such great, staple necessities of life as flour, bacon, oatmeal, perhaps milk, and seeing that they are distributed among the people at reasonable prices. There will be a loss, and that loss will have to be borne by the State. That is what Great Britain did during the course of the war. About 94 per cent, if I mistake not, of the commodities used by Great Britain during the war came through the Government in that fashion. While I dislike paternalism as much as any one does, yet as between paternalism and having people hungry in this country, I prefer to have paternalism.

We now come to the question of the tariff. There has been a reduction of 5 per cent, and on some items of 7½ per cent. This 7½ per cent applies to about 200 items out of about 700 in the tariff schedules. I wish, however, to draw the attention of the minister to this point. There is an apparent mistake in his resolutions, although he may have some explanations to give which will show me that I am wrong. But the minister, in his resolutions, brought down a whole list of items, from which he said that the 5 per cent and the 7½ per cent were duties imposed by the Act of the 8th April, 1915, were being removed. Many on that list of items, however, never had the war tax imposed upon them at all. Let me take these matters up. We find "Coffee, extract of, n.o.p., and substitutes thereof of all kinds; coffee roasted or ground; coffee roasted or ground, when not imported direct from the country of growth and production; coffee, green, imported direct from the country of growth and production, and green coffee purchased in bond in the United Kingdom; green coffee, not otherwise provided." The minister says that he is removing the 5 per cent and the 7½ per cent tax imposed by the Act of April, 1915,

from these items, but they never were affected by that tax; they were taxed by the law of the 22nd of August, 1914. Again the minister says that he is removing the tax of 5 per cent and 7½ per cent from wheat, but he never imposed that tax upon wheat; nor did he ever put it on wheat flour or cotton seed oil or cotton seed meal cake. Then, with almost a flourish of trumpets to show how he is overcoming the high cost of living, he says that he is removing the tax of 5 per cent and 7½ per cent from canned vegetables, but he never imposed it on canned vegetables except on canned tomatoes. The small boy should be filled with joy because the tax of 7½ per cent has been removed from bananas, but it was never put on. The tax was never put on anchovies, sardines and sprats in boxes of between eight and twelve ounces. Iron ore, quite an important article, was exempted by the law of the 8th April, 1915; the 7½ per cent tax was never put on. Iron ore had a certain specific duty put on it by the preceding section of the same Act, so that the duty on iron ore remains just as it is. What shall I say in regard to these matters? Is this carelessness on the part of the minister? I do not like to think so. Is it for the purpose of holding up to the country a large list of things on which the cost of living has been reduced? Surely, it is not. I should dislike, when this war is over, to charge the minister with camouflage. Where do these tariff reductions leave the people of Canada? How are our foodstuffs taxed now that the war taxes are taken off or decreased? Linen clothing is still taxed 25 per cent, 32½ per cent and 35 per cent. You will remember, Mr. Speaker, what amusement hon. members on the other side took in my poor farmer in the West whom I dressed in the morning.

5 p.m.

You will remember what a profound argument the Minister of Finance offered against my contention, when I spoke about the high taxes placed upon the farmer's clothes; and when I said the farmer should put on his nether garments after his boots were put on and not before, you will remember what hilarity there was on the other side. May I again call the sympathetic attention of the House to my poor farmer in the West? His linen clothing will still be taxed 35 per cent if it is brought in from the United States. His woollen clothing still bears a duty of 35 per cent and as hon. members sitting in front of you, Sir, will tell you, warm woollen clothing is a necessity out in the West. The duty on fur caps runs as high as 35 per cent. It will be remembered what hilarity was caused by my reference to socks. The farmer who has to buy a pair of mitts and gets them from the United States has still to pay a duty of 35 per cent and his collar and cuffs still bear a duty of 37½ per cent. In the face of that, the minister turns to members from the West and says: Look at what I have done for you. The Minister of Finance is in this position: The West and the consuming public generally ask him for a loaf of tariff relief, and, with beautiful courtesy, he hands them on a fine platter a small soda cracker. How do we stand in regard to leather? Leather is taxed 17½ per cent; harness and saddlery are still taxed 30 per cent. I am giving the rates under the general tariff. Boots and shoes are still taxed 30 per cent.

Let me now take up the question of agricultural implements. You will remember, Mr. Speaker, that the revolt which grew up in the western part of our country against the principle of protection was exercised in no small degree towards getting the duties on agricultural implements reduced. It is true that the Minister of Finance has taken off the war tax, but then everybody expected that the war tax would be removed from agricultural implements. How do the present schedules stand in relation to what I might call the normal duties on agricultural implements? I quote the United States' rates because it is only from the United States that agricultural implements are imported to any extent. The old rate on cultivators was 20 per cent, while the new rate is 15 per cent. The old rate on windmills was 20 per cent, while the new rate is 17½ per cent. You know, Sir, the Latin proverb about how the mountain laboured and brought forth a mouse. We have had this Government labouring at the question of reduction of duties on agricultural implements, and it has brought forth a mouse so tiny that the most nervous woman would hardly think of mounting a chair. Then we come to an article of perennial interest in this House—ploughs. The hon. member for Brantford (Mr. Cockshutt) may well smile. The normal duty on ploughs is reduced from 20 per cent to 17½ per cent. The duty on hay loaders used to be 25 per cent; it is now 20 per cent. The duty on potato diggers—alas, the influence of the minister from New Brunswick does not appear to have been great—has been reduced from 25 per cent only down to 20 per cent. while the duty on farm wagons is reduced in the same ratio. There is little logic displayed in these tariff changes. The tariff, as proposed, shows merely an attempt to

hold divergent interests together by giving them special privileges. Free potatoes, so as to enable our New Brunswick growers to get into United States markets are offered with kindly graciousness to the Minister of Public Works (Mr. Carvell), while taxed apples are handed with kindly graciousness to the Secretary of State, (Mr. Burrell) The food of the poor boy, the luxury of the workingman, remains taxed. Why was that done? Because British Columbia, which grows apples, sent six, or eight or ten members—I forget the exact number—to support this Government. But with all respect to those interested in industry, is not this tax on the school boy's apple and the simple luxury of the poor man, rather a mean sort of tax? I think it is.

This is a protectionist Budget, with essentially Tory trimmings in the sense of special legislation for special interests. Last Sunday I was in church, and heard a very interesting sermon. The minister gave an interesting illustration from bird life. He said that a bobolink, which was accustomed to fly at liberty in the free air of heaven, was captured and put into a cage with canaries, with the result that it forgot how to sing like a bobolink and learned how to sing like a canary. Now into the gilded cage of the Union Government have walked, not captive, but have walked, certain politicians or statesmen who called themselves Liberal, and this Budget shows that they have lost the accents of Liberalism and have learned to sing like canaries. Only one escaped from the cage, the hon. member for Marquette (Mr. Crerar). He is a free man once more; he has not learnt to sing like a canary. I think as I watch the expressions of some of the ministers, that when they think of the member for Marquette, the line of the poet comes back to them:

> Bird of the wilderness, blithesome and cumberless,
> Oh, to abide in the desert with thee.

Now we come to another feature of the Budget which merits, I am sorry to say, the sternest reprobation of any one who is interested in the welfare of this country and in proper administration. I refer to the bargain made by the Minister of Finance with the railways. The Minister of Finance has taken the duty off bituminous coal. Now if this duty was to come off, it should have come off in the public interest. But how has the minister taken it off? He has gone to the railways and said: "Freight rates on ploughs and other agricultural implements from points around Toronto to the West are very high. We want to please the West, we desperately want to please them, and we also desperately want to please our protectionist friends in Ontario. There is the very deuce to pay in trying to reconcile these two opposing interests. What will you do, kind manager of a railway? If you will give cheaper rates to Western points from Toronto and other Ontario cities we will reduce the duty on your coal." That is a bargain so improper that it verges upon the immoral. That is not the way the affairs of this country should be administered. It is not the first time this Government had done that sort of thing. We remember that when there was trouble between newspaper proprietors and the paper men over newsprint the Government, in order to help one special interest in the country, forced another special interest to give that other interest paper at lower than the commercial rate, for some time at least. And now today, by a bribe, they force the railroads to give lower than the commercial rates on agricultural implements from Ontario to Western points. Does that arrangement apply to Eastern points? No, the Eastern Township farmer, whom I have the honour to represent in this House, will pay just as high freight rates as ever if he should buy a plough or agricultural machinery from Ontario. Is that fair? Is that right? Is it consonant with British traditions and with the Canadian constitution? Is it consonant with the slogan of fair play for all, special privileges to none? I do not think it is.

The next proposal which the minister makes is this: He says we must postpone the revision of the tariff because this is a time of unrest and difficulty. We therefore should not start revising it until the fall and then, of course, whatever change there may be, up or down, will be reflected in the legislation of the year 1920. What the minister proposes to do is precisely calculated to keep up the unrest. The manufacturers of this country wish to know where they are, whether they are to have the same tariff, a lower tariff, or a higher tariff. Nothing is worse for any industry than uncertainty. I believe that the manufacturing interests of this country would prefer a low tariff if they knew it was going to be a low tariff, rather than go on in this condition of uncertainty.

The minister says that the concessions which he has made will mean a loss of $17,000,000 in revenue. How is that loss to be arrived at? Many of the articles on which the 7½ per cent tax was placed reached a

prohibitive price and were kept out of the country altogether by this new tax.

I have set forth already this session, at some length, the burdens imposed by the tariff upon the consumers of this country. I propose this afternoon to consider some other aspects of the question, and adduce some further reasons for the desirability of the adoption by this country of a policy, which I believe will be in the interests not only of this country but of the whole world. As Hartley Withers, the editor of the Economist says "Finance Ministers and tax collectors have to remember that balancing this year's budget and getting revenue in with the least possible soreness on the part of tax payers, and especially of their own political supporters, is less important than the question whether their measures and methods are tending to increase or hinder the growth of the country's wealth and the world's output of goods."

But before proceeding further on this subject I believe it to be expedient to set forth plainly what I hope for my country and for the world. We should have an objective, known and read by all citizens, to which all may bend their efforts.

I believe in Canada a nation, living in close alliance with the other British Commonwealths, and in amity and friendship with all the world, and above all with the United States. I am opposed both to the idea of a centralizing Imperialism and to that of annexation. I wish to see a national spirit grow up in this country which will be sane and strong and progressive, and as an outward and visible sign of that inward and spiritual grace—for to me national self-reliance is a grace—I would have us not only frame our own tariff, but fly our own flag, on land as well as on sea.

I would have us decide not only our own cases of lesser importance but also those of greater importance. There is no necessity for separation or a slackening of the real bonds that bind us to the other British Commonwealths. What are the real bonds that bind us to the other British Commonwealths? It is not a question of tariffs. It is not a matter of twopence on tea, as Mr. Austen Chamberlain recently proposed in the British House of Commons. What holds us together is the call of the blood, and how that has been exemplified by Scottish people in this country! You know how the Scottish Canadian poet sings:

> From the lone shieling on the misty island
> Oceans divide us and waste of seas:
> But still the heart is true, the heart is Highland,
> And we in dreams behold the Hebrides.

Why, my heart warms whenever I hear a man or woman speaking with a strong Scottish accent, and I suppose the Secretary of State feels the same way when he hears a strong English accent. And as for the Irish, I sometimes wish that as people from Ireland come over to this country, the Gulf Stream, when they cross it, would wash away all their memories of the land from which they came, because the Irish in this country seem to give so much attention to the unfortunate troubles that exist in that country. I sometimes wish that they had forgotten all about the unhappy state of things across the seas, but the woes of Ireland and the contests there, about which I do not purpose to speak for a moment this afternoon, seem to have as warm and lively a place in the hearts of the Irish here as though they had never left the old sod. The danger is not that we shall not be British enough—Irish, or Scotch or English. The danger is that we are not Canadian enough, and that we do not realize that the greatest interest in this country is the Canadian interest. It is common ideals and common civilization that must keep us together, and not any particular form of government or any particular institution.

I would for my country that having most gallantly shown our power to fight manfully in a war we deemed just and right, we should fight just as manfully, and if anything more strenuously, to prevent a repetition of war. I wish for my country that we should be a great pacific power, prepared to join hands and hearts with all sincere souls wheresoever they may be found, who, in honesty of purpose and purity of heart are prepared to strive for the coming of that day when the sword shall be beaten into the plough-share and the spear into the pruning-hook and when they shall not learn war any more.

I would also for my country that within its confines true liberty, equality and brotherliness should prevail; that we should make national assets and not national liabilities out of our differences of tongue, of race, and of religion; that few large fortunes should be heaped up; but that a high level of general comfort should prevail. I wish not so much for a levelling down as I desire a levelling up.

I believe that this great war was due in no small measure to two great, and as they have worked out evil, principles—the principle of chauvinism or imperialism, and the principle of Protection. They both had their origin in the selfishness of

man, as exemplified in the desires of capitalistic groups in different European countries to extend the ambit of their nations' power in order that within that extended ambit they might have more advantageous conditions under which they could take advantage of business opportunities in uncivilized, semi-civilized or backward nations. The conflicting national aspirations of protectionist European countries, like France, and Italy, and Germany, in Africa and Asia were in no small measure responsible for the war.

I cherish the opinion that if the international gospel preached and practised by the Great Apostles of Free Trade, Cobden and Bright, had been followed by the rest of the civilized world, this war, as far as we humans can dimly see, would not have happened; and I believe that the way of peace in the future lies in the acceptance of the principle that under the economy of Providence, his footstool is so framed and constituted that each part has certain natural advantages peculiar to itself; that its inhabitants likewise are possessed with certain natural or acquired endowments, and that the application of the endowments of each to the peculiar advantages by them possessed and the free interchange of the resultant products will not only bring about the greatest abundance of national wealth, but more important still, by the growth of inter-dependence among all peoples, will remove many of the occasions for war and conduce to the spirit of peace.

The efforts of Cobden and Bright may not have been and were not entirely successful, but let me say this—that these men taught the British people that their great interest was peace. Without peace, where would have been the natural progress of the Victorian age, and without the material progress of the Victorian age, where would have been the money that flowed from British sources to arm and sustain nearly every one of the Allies in the great war.

And as protection has tended to the creation of a bad international spirit, so has it wrought evil and not good within the nation itself. Quite apart from the economic loss which in my view it has entailed on Canada, the degradation to which it has subjected our politics has been more destructive to national righteousness. The Red Parlour has been one of the chief demoralizing factors in our national life. No small part of the campaign funds of the Protectionists in the past has been more or less willingly subscribed by protected interests who had to recoup and who did recoup themselves from the higher prices, which the retention or the imposition of protective duties on goods similar to those they sold to the public permitted them to do. And apart from this immoral condition there has occurred this great loss to the nation. The manufacturers of this country are among the ablest of our people. Our protectionist principle has practically debarred them from giving to the nation any disinterested advice upon the great question of taxation. If a question as to whether certain tariff rates should or should not be lowered or raised, how can a manufacturer of the articles to be affected, unless he is more than human, consider the question, from purely a national standpoint, and with no regard to what he believes to be his own interest. And this interested viewpoint tends to be more or less unconsciously assumed by the bank which lends him money, the lawyer who advises him, the doctor who attends his family, as well as the bookkeeper and clerks in his office and the work people in his factory.

Harsh you may say, yes harsh but only too true—not that all manufacturers have succumbed to the tendencies of the system—men there are who are alive and sensitive to the public interest, but I take it that these are such in spite of their environment.

The case for freedom in exchange is so overwhelming that we have a right to say that the burden of proof lies upon our protectionist friends, and indeed they appear to have assumed the burden, for during some months past they have filled the press with their protectionist pleas, sometimes frankly enough over the signature of the Canadian Manufacturers' Association, sometimes not so frankly over the signature of the Canadian Reconstruction Committee, of which Sir John Willison, paid, I am credibly informed, $10,000 a year by the Canadian Manufacturers' Association, is the moving spirit.

Let us examine the statement and spirit shown by these advertisements. The first of these and, I should judge, the most widespread, is put forward in the form of a question: "Where is the Revenue to come from?" This question in the mouth of a high protectionist is not without the saving grace of humour.

It would appear to most of us who have thought at all about the matter, that the more the tariff approached the protectionist ideal of keeping goods out, the less would it fulfill its functions of a producer of revenue. It does not seem to have struck the pro-

tectionists or the gentlemen who write their advertisements for them that a very much larger revenue might be collected through a reasonably low tariff than is collected through an unreasonably high one. I say to these protectionist caretakers of the revenue—more economic knowledge gentlemen or more frankness. If you imagine that the removal of barriers to trade will hurt your business say so frankly, and we will discuss fairly and sympathetically with you whatever aspects of the situation you may care to discuss. You are Canadian citizens. Your interests are our care, just as the interests of all other classes of the community are our care, but be not like unto Demetrius, the silversmith, and his fellow craftsmen of old, who in far away Ephesus, when the preaching of the truth affected their business raised the cry of " Great is Diana of the Ephesians," not because they loved Diana but because they loved the profits they obtained by the manufacture of silver images of that goddess.

Does a tariff, running, as I have proved conclusively before, from 30 to 42½ per cent on many of the prime necessities of life, and now in some cases reduced to 35 per cent, produce the revenue of which we are so badly in need. No, the proof is, I believe, adequate that as regards many articles taxed at these high rates, the tariff is practically prohibitive and no adequate revenue for the country is derived therefrom.

No, the proof is, I believe, adequate: that as regards many articles the tariff is practically prohibitive and no adequate return for the country is derived therefrom. As examples of my claim let us consider the way the tariff works, from the revenue standpoint, on several heavily taxed articles. Take articles such as boots, shoes, slippers, gloves, mitts, undershirts, and drawers, and shirts. I do not propose to go into the figures; I have imposed upon the patience of the House by giving as many figures as I have; but I say this: If you compare the consumption of these articles with the amount paid in duty on them, you will see that the tariff is absolutely prohibitive, that practically none of these goods find their way in over the tariff wall; and if you were to reduce the tariff either of two things would result: either the Canadian manufacturer would continue to possess the market by reducing his prices to the consumer or certainly more goods would come over the tariff wall to the great benefit both of the consumer and of the State. Now I wish to leave no false impression, I wish to be perfectly fair to the manufacturer of these articles—I do not know whether they take full advantage of the tariff rates imposed on their products, that will depend in large measure in how far competition has been maintained behind the tariff wall; where it persists the consumer may still be given a chance—but I unhesitatingly declare that the tendency of the protectionist system is towards the elimination of competition and the taking of full advantage of the privileges given by the tariff.

What is another plea urged by the manufacturers? The plea is " It costs us more to manufacture our goods because we have got such a narrow market in which to sell them;" and that is to my mind the most serious argument that they bring forward. But do the manufacturers expect that this country will remain forever under the economic disadvantage of having goods manufactured for it in small quantities? I do not think that is reasonable, and I am of opinion that the plea of the manufacturers is exaggerated. I remember a member of this House telling me last year how in his factory he has been able to cut down the cost of manufacturing shells away below the cost of manufacturing those shells in the Old Land. From what he told me, Mr. Speaker, I was proud to think that our manufacturers and our work people were able to produce these articles at so much lower cost than they could be turned out abroad. Next we have the testimony of Mr. Lloyd Harris whose word, I am sure, will have great weight with the Minister of Finance. I find in the Montreal Gazette, a paper whose conservatism is of a most irreproachable nature, under date of May 26, 1919, the following item:

> Mr. Harris is convinced that Canadian production will not suffer by comparison in cost of manufacture with any in Europe. He thinks that the tables have turned, and that many things can now be produced more cheaply in Canada than there, thanks to quantity output and cheaper power. He instances cotton yarn and piece goods, which used to be almost a British monopoly, but which can be produced more cheaply in Canada from American cotton than can be spun and woven in Lancashire.

I am surprised to hear that, but I trust it is true.

> He thinks conditions are similar in woollens and in many other articles.

I trust Mr. Harris is right in that opinion.

Now a few words re mergering. Just as the lawlessness of people in the liquor business was one of the prime factors moving the Canadian people to prohibition, just as the lavish bestowal of titles enraged certain members of the House in view of the

persons upon whom they were bestowed, just as that brought us to the position where we said "No more titles in Canada," so has the merging of industries in this country and the pouring into their capitalization of oceans of water brought in no small measure a revolt against protection in this country. I believe that it is not right that the people of Canada should be taxed for the purpose of paying profits upon artificial capitalization. And again I wish to point out, Mr. Speaker, that the industrial life of Canada is not as artificial as many would maintain that it is. I have given hours and hours, and even days, of study to this question, and my investigation, at least, brings me to the conclusion that there is not more than one-third at the outside of our industrial life which is artificial; that two-thirds of our industrial life would go on under any sort of conditions; that is to say that the industry of this country is not due to, and is not maintained by, the tariff. Take the food industry, and the paper industry, for instance—industries which are indigenous to the soil of Canada.

I say this last word to the manufacturers of Canada: The tariff is coming down, the day when special privileges will be patiently borne has gone. Your real interests are not opposed to those of the agriculturist, the miner, the fisherman, and the lumberman. Co-operate with the people of Canada in devising what downward steps will least dislocate your business and lead to the least hardship. If you refuse to do so, if you take the position which Rehoboam took towards the children of Israel—that when Solomon his father had beaten them with whips he would beat them with scorpions—then there will not be the co-operation that there should be and which ought to prevail in the interest of the manufacturers as well as in the interest of the whole country. We should co-operate together to reduce the tariff which I believe bears not only upon the consumer, bears not only upon those who are developing and operating the natural resources of Canada, but is a grievous burden upon the manufacturers themselves if they only knew it.

I, therefore, Mr. Speaker, move, seconded by the hon. member for Provencher (Mr. Molloy) in amendment to the motion of the Minister of Finance:

That all the words after the word "that" be left out, and the following inserted instead thereof:—

The proposals of the Finance Minister are unsatisfactory. They offer no curb against extravagance. They utterly fail to take any adequate steps to relieve the present high cost of living. They give no definite promise of tariff revision downwards.

That to relieve the present situation, the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with the raw material entering into the manufacture thereof;

To take off or substantially reduce, as speedily as may be expedient and just to all interested, the duties upon all other necessaries of life;

Also, the reciprocal offer of trade with the United States should be accepted, and a general downward revision of the tariff undertaken forthwith in conformity with the principle herein enunicated.

Mr. SPEAKER: It is a well-known rule of the House that no matter may be debated twice within the same session. This amendment is now before me for the first time and I have not had the opportunity of comparing it with, shall I say, a similar amendment moved by the hon. member for Brome (Mr. McMaster) at an earlier stage in the session.

I make reference to the rule. I will put the amendment, reserving the right to give an opinion at a later stage of the proceedings as to whether it is or is not in order.

Moved by Mr. McMaster, seconded by Mr. Molloy:

That all the words after the word "that" be left out, and the following inserted instead thereof:—

The proposals of the Finance Minister are unsatisfactory. They offer no curb against extravagance. They utterly fail to take any adequate steps to relieve the present high cost of living. They give no definite promise of tariff revision downwards.

That to relieve the present situation, the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with the raw material entering into the manufacture thereof;

To take off or substantially reduce, as speedily as may be expedient and just to all interested, the duties upon all other necessaries of life;

Also, the reciprocal offer of trade with the United States should be accepted, and a general downward revision of the tariff undertaken forthwith in conformity with the principle herein enunciated.

Hon. ARTHUR L. SIFTON (Minister of Customs): Mr. Speaker, my contribution to this debate is not going to occupy very much time. It is possible to make long and interesting speeches in regard to tariff matters, I have heard them on various occasions; but not being a specialist in that line I have no ambition even if I were able, to emulate the gentlemen who make them. Before going into the matter at all, I would like to make a slight reference to the absence from this Government of the member for Marquette (Mr. Crerar) and to express

strongly my own personal regret at his absence. I feel that I should on this occasion say what he perhaps would not say himself: That when we entered the Government at the same time as the member for Marquette, there was a considerable difference, at least, in the way in which we did so. Some, possibly may have been referred to more or less truly as politicians, and as being willing at least to enter some government, but the hon. member for Marquette, had been engaged during the greater part of his life prior to that in the upbuilding of a semi-public institution for the benefit of his country, and he certainly had no ambition to enter any Government. It was against his own wishes and only from a strong sense of duty that he did enter the Government; I avail myself of this opportunity to express my own feeling that when he left the Government he was actuated by the same high sense of duty.

As to the proposals that have been made in connection with the Budget, I wish to say that I support them, because, among other reasons, it is the first time in the history of Canada that any Government confronted with the necessity of making changes in the tariff has found some other method of raising the revenue necessary to carry on the business of the country. It is possible that other changes might have been made in regard both to customs tariff and income tax, and the Finance Minister, even after the careful study he has made of the subject, would probably be the first to admit that changes may be necessary from time to time. But the principle has been adopted that it being necessary to raise revenue there is at least another method of doing so than by customs tariffs.

Therefore, on a question of principle, I am prepared to support the proposals that have been made by the Finance Minister, and to say that, so far as the future is concerned, a matter of this kind is, as every one knows, only for a year. It is for this Parliament and this country to decide for the future year by year what kind of customs tariff and what kind of income tax is required.

I would like to go further, Mr. Speaker. Sometimes, perhaps, we may be a little frank in matters of this kind without hurting anybody's interests or feelings. I believe, in connection with any system of raising revenue that the distribution of the burden with equal justice to everybody is very much more important in many respects than the form of the law. I have found in the course of my administrative experience that some men—we will not say large numbers, but they compose a majority of the visitors to my office—although they strongly support the existing laws, desire special favours for themselves. I had a rather amusing instance of this some time last year, when a gentleman representing very large interests came into my office. He wanted to get some mining machinery admitted free of duty. I told him that so far as I was concerned I was strongly in favour of all kinds of machinery for the actual development of the country being admitted free of duty, provided the revenue was properly guarded, and that if he could induce the Minister of Finance, with that proviso in mind, to let all machinery in free, I certainly would be pleased. He said, "My God; that would ruin the country." He wanted the machinery of only one plant to be allowed in free. So I say if the fiscal laws of this country are administered to give equal justice to everybody, their form does not make very much difference, and they can be changed from time to time as the exigencies of the country require, and with due regard to the existing conditions of business.

Whatever may have been my views in regard to revenue matters, I may say that they have not varied, and my views certainly never were that our whole fiscal policy should be changed at one session, with the danger of dislocating all the industries of the Dominion at a time when every possible source of revenue is needed to keep the country in the state in which we desire to see it.

It has been hinted that there is going to be what is called scientific preparation in connection with the tariff—that a committee is to consider the whole question during the interval between now and next session. Without wishing to influence the Minister of Finance in regard to this matter, and certainly without any consultation with the members interested, I would suggest that a careful reading by this committee of the speeches delivered in this House by the member for Brome (Mr. McMaster) and by the member for Brantford (Mr. Cockshutt) might possibly result in such a scientific fixing of the tariff as would satisfy everybody in the country.

But, Mr. Speaker, aside from the proposals that have been made in connection with the Budget, I would like to say that even if those proposals were much less satisfactory—and I wish to cast no reflection on them at all—I would still feel that the members of this House have very good reasons for exercising great care in regard

to the discussion of and the coming to an opinion on this matter.

We are now at what we hope is the end of a five years' war. We hope that it is the end, but even to-day no one can be sure as to that. We have strong hopes that Canada is out of it, but peace has not been signed, and some fifteen or sixteen small wars are going on in Europe. These happenings should receive some consideration from members of the House, in connection even with the consideration of the tariff. Hon. gentlemen have, in connection with other matters of great interest to them, waited for many years, and even if they have to wait another year or two years in this case, I am sure that the people of Canada at large —the people of the West, where I have had the privilege of taking some part in public affairs—will forgive a Government, which administers the affairs of Canada on principles of justice and equality—and no other Government is worthy of the support of this House—for taking any action resulting in delay in connection with matters which are immaterial compared with other important considerations confronting the country. Even if peace is declared to-morrow, for the next three or four years there will be serious times in Canada. The problems in connection with our great debt, the enormous amounts that will have to be raised by the people, the settlement of many questions in connection with the development and re-establishment of our country on a basis even better than before—these are matters of much more serious import to the people than the question whether or not one man should follow what he believes to be in the interests of Canada in regard to revenue matters. It is not even possible for us to be at the present moment sure of what is or is not for the benefit of Canada in regard to one particular thing. There are as many opinions as there are members of the House in regard to these matters. The Minister of Finance, who has had great experience has probably received large numbers of different applications concerning different small items, and he could only satisfy everybody by granting each request. So that there is no hard and fast principle; we have to depend on the opinions of men who have voiced their views from time to time, and act without the advantage of experience in the actual carrying out of their suggestions. If times were normal in Canada, then possibly one man would have the right to stand up in the House alone, if necessary, and fight for what he considered to be the proper principle in regard to matters connected with the administration of the affairs of the country. But at a time like this we must consider all the possibilities in connection with any action we may take. If there is a single member of the House—at least, on this side of the House—who considers that a better Budget proposal could be got from any other Government that could be formed in this country during the next two or three years, I would like him to make the proposal so that we may have an opportunity of voting upon it.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. ONESIPHORE TURGEON (Gloucester): Mr. Speaker, it is with great diffidence and timidity that I rise this evening to address you, for various reasons, first, on account of the gravity of the situation which exists throughout the country to-day, and second, on account of the fact that we have had this afternoon two most eloquent speeches. One of these speeches was delivered on this side of the House by the hon. member for Brome (Mr. McMaster), who has certainly covered the whole situation from both financial and commercial standpoints. The Minister of Finance (Sir Thomas White) will pardon me if I do not always agree with his principles and pronouncements. I have no personal feeling in my disagreements with him, but my opinions, judgments and conscience are as sacred to me as his are to himself. The hon. member for Brome has certainly given great study to the question before the House, and he has covered the whole ground, leaving very little for any hon. member on this side to say. To the speech of the hon. member for Brome, we had a very eloquent reply from one of the able orators from the West who delivered a short oration which, however, in its brevity, contained a great deal. Cleverness is another attribute to his name in the West, and while it has not been my privilege to enjoy his eloquence for long, I have certainly appreciated the clever way in which he has veiled the confusion which has existed in the Cabinet since the bringing down of the Budget. He has begged us to wait, and wait; he has given a lesson to the country in procrastination. I am under the impression that the Government have already exercised too much procrastination. I said at the beginning of the session, when speaking on the Address in reply to the speech

from the Throne, that the Government had already procrastinated too long. The war was over on the 7th or 8th of November, and under conditions prevailing at that time, the Government should have had first in mind the summoning of Parliament to consider the grave difficulties and problems confronting the country. It is not by putting off that the Government may expect to remedy this evil and the unrest that exist to-day in Canada, that unrest due already to the too long procrastination of the Government. Had Parliament been summoned in November or early in December and the representatives of the people been free to exercise their judgment and to give the country and the Government the benefit of their opinions the country would not have been in the position in which it is to-day. Some hon. members took the ground that if we moved to the Address in reply to the speech from the Throne, or to the Budget an amendment that might involve the Government, there would be disastrous results, because the country might be plunged into an election. Had an amendment been carried against the Government, which amendment the Government had not been pleased to put into execution, and had the Government resigned in February last and an election followed, we could have had a meeting of the new Parliament before the first of May. The Winnipeg crisis might then have been avoided and we would have escaped the unrest which exists to-day.

The Minister of Customs (Mr. Sifton) has given us one reason why he wants further procrastination and delay. He says: The war is over, but peace is not yet signed; we hope it will be signed, but there are at the present time nineteen small European countries involved in civil war; we must wait until it is the pleasure of those nineteen warring countries to bring peace amongst themselves to see what we shall do for the future. May I remind the Minister of Customs that we are sending $25,000,000 worth of goods manufactured in Canada to Rumania to be bought by her on the credit of Canada, and Rumania is a country that is most affected by this civil strife? The Minister of Customs in his remarks has been shorter than usual, and I believe his speech was brief because he was short of arguments to put before the country. Brevity of speech was never his reputation in the West when he could move the masses of Alberta and spoke his mind as a representative of that province in the local legislature, so that the shortness of his speech cannot be explained by lack of words or ability.

Permit me, Mr. Speaker, to come back more directly to the Budget speech and the figures given by the Minister of Finance last Thursday when he presented to the House the situation as it exists in Canada to-day. He showed us that the total war expenditure up to date was $1,327,273,848. During the same period, that is, in the five years from April 1, 1914, to March 31, 1919, the total expenditure on ordinary account was $832,757,589, and the expenditure on capital account was $180,277,873. From the surplus available from our revenue over and above current expenditure, we have met the cost of the war to an amount of $275,943,977. Taking into account payments for interest upon war debt, the total paid from revenue on account of war to March 31, 1919, is $438,293,248. This shows that the net national debt of Canada, which on March 31, 1914, was, in round figures, $335,000,000, stood on March 31, 1919, in round figures, at $1,584,000,000.

The minister calculates that demobilization and other expenses during the current year will amount to $300,000,000. Other contingencies which he is not yet able to estimate will bring the net debt of Canada up to $1,590,000,000, or almost two billion dollars. That means a per capita debt of $220. The estimated annual interest charge is $115,000,000, as against $12,883,504 in 1914.

The minister has given a frank statement to the country. A debt of $220 per head of population is an immense burden upon the people of Canada. It is a burden which no other nation of eight million people ever had to take up. But it will be taken up by the Canadian people with that same tenacious resolve with which they fought for the principles at stake in the war, for the liberation of the world from the slavery and shackles of the Hun—a war in which we enjoyed our share of glory in the victory of democracy and right and justice over autocracy, in the triumph of the principles of freedom, liberty, true Christianity over the oppression, vandalism, and ungodliness of the Hun. The burden will be heavier still on the minds of those Canadian mothers who to-day in a devout spirit of Christianity are mourning the loss of fifty-five thousand sons of Canada—heroes whose bodies lie in Flanders, but whose homes are in heaven, whose mothers in tears resolved to make the sacrifice for the sake of the sacred cause.

The war is over, and it is now the duty of the Government and Parliament of Can-

ada to see what must be done for the future. Upon the Government and Parliament of Canada lies the responsibility of devising ways and means to restore this country to normal conditions and to bring about the development of the immense resources given to this country by the hand of Providence—resources of the land and the sea, of the soil and the forest, of our immense lakes and rivers with potential water-powers unlimited, of the oceans on both sides of this continent. We must cultivate these resources in order that relief may be given as speedily as possible to the people of Canada from the abnormal conditions of to-day.

Although our national debt is almost two billion dollars, and the annual interest charge $115,000,000, one redeeming feature is that this enormous debt is owed largely to the people of Canada in connection with Victory Bonds and other securities. One and a half billions of our national debt is held in Canada, $360,000,000 is held in Great Britain, and $150,000,000 in the United States. It is certainly encouraging to know that the great bulk of the annual interest expenditure will remain in the hands of the people of this country. As regards the $150,000,000 held in the United States, that reminds me that the Minister of Finance has changed his views somewhat in the course of the last few years. In 1911, with the Prime Minister of to-day (Sir Robert Borden) and the Conservative party, he was preaching that we should have "no truck or trade" with the United States, we should not sell our goods at a profit in the United States, because it might impair our fiscal independence and weaken our loyalty to the British flag and the British Empire. But only a few years ago, instead of selling goods to the United States, the minister mortgaged Canada to that country to the extent of $150,000,000, because he could get the loan from them easily. Times, indeed, have changed since 1911. But I will refer to the question of reciprocity in a few moments.

Our total revenue for 1918-19 was $305,230,000, an increase of $50,000,000 over the previous year. Of this amount, $147,740,000 was derived from Customs duties, about $69,000,000 from income and business profits taxation, and the balance from receipts from the Government railways, post office and inland revenue. This amount of $147,000,000 of customs duties was paid—taxation of raw material—by a population of eight millions; it was paid by the consumers of Canada, by the masses of the people, for only a very small portion of it was paid by the man of means. During the same year the United States, with a population of one hundred and ten millions, paid in customs duties $221,659,066, which is less than double the amount paid by Canada, although her population is twelve or thirteen times as large. That gives a per capita charge in Canada of $18.45, while in the United States it was only $2.11. These figures, once they are brought home to the mind of the people of Canada, will never be forgotten.

During the past year, for every $92.35 paid by a Canadian family of five for food and clothing, a similar family in the United States paid $10.55. It is obvious, therefore, that as the Canadian consumer has to pay these excessive prices in order to contribute to enormous profits, the American workman enjoys a comfort and general benefit from his wages which the labouring man in this country cannot have, and it is no wonder that the Canadian workman is asking for higher wages to ameliorate his condition and at the very least to enable him to live in some degree of domestic comfort. The Canadian workman is suffering from the unduly high cost of living, which is the root of all the trouble and social unrest that is disturbing the country to-day, and which is producing a condition unparalleled in the history of the country. The protection which is afforded the Canadian manufacturer is made possible at the expense of the consumer, whose income is inadequate to cope with the high prices which he is charged in every direction. It is desirable that every man should be able to save a part of his earnings as a provision against future want, but far from achieving this fortunate condition the Canadian workman at the end of every month, or on every Saturday night, finds himself in a quandary as to what he will do to make ends meet. The protection of the manufacturer is the oppression of the poor man. The income tax and war profits tax are a hardship on the Canadian people, the returned soldiers and their families included. I may quote to the House, with your permission, Mr. Speaker, just a few figures to show how prices have been increased as a result of the protective tariff which is so greatly to the advantage of the manufacturer but which operates distinctly to the disadvantage of the people generally. I shall read from a report relating to the Dominion Textile Company for the year 1918. Here is what the trustees of that

company have to say concerning its operations:

Manufacturing profits for the year recently ended were $3,434,752, against $1,803,371 in 1917-18, an increase of $1,561,381, or in excess of 83 per cent, and substantially more than double those of the previous year. After all deductions, including $1,100,000 for war and income taxes, a newly-established pension fund, and replacement reserve, there remained for common stock distribution the sum of $1,559,888 or equal to 31.2 per cent, against 21.9 per cent in 1917-18, and 15.6 per cent the year before.

It is no wonder that the returned soldier who needs a civilian suit and goes into a store to purchase a suitable outfit finds his resources so meagre as compared with prices that he cannot provide himself as adequately as he should. The Canadian Cottons, Limited, another "infant industry," was also able, taking advantage of the privileges of protection, to increase its dividends from 6.2 in 1914 to 10.2 in 1916, while this year it declared a dividend of 19 per cent. The articles sold by these concerns are the commodities of the poor man, who, like everybody else, has to obtain clothing and footwear, and it is exceedingly difficult for him to get along when such high prices are charged. It will be seen from the figures I have quoted that it is the people of Canada, the returned soldiers as well, who have had to contribute to these big profits, and the taxes paid by these large concerns eventually come out of the consumer. It is sincerely to be hoped that the enormous profits made as a result of conditions arising from the war will never be realized in the future, because they entail a severe hardship on the poor classes of the community.

The hon. Minister of Finance has informed us that it is the intention to abolish the war surtax of 1915 imposing a duty of 5 per cent on all importations from Great Britain and also the 7½ per cent duty on importations from the United States and other countries. In 1915 when the minister introduced that measure we on this side of the House took strong ground against it. I, for one, though with feeble voice and poor ability, nevertheless was emphatic in my protest against it. More eloquent gentlemen, notably the hon. member for Red Deer (Mr. Clark), declared their opposition to the proposal. The hon. member for Red Deer was strong in his opposition to the measure, particularly against the imposition of 5 per cent on manufactured goods from Great Britain. The manufacturers in Great Britain were endeavouring to keep their industries going in that trying time, and it was not a very happy way of meeting the British people at the beginning of the war by putting further taxes on the goods they were sending to Canada. On every $100,000,000 worth of goods the manufacturers of Great Britain have been sending us ever since that time they have had to pay $5,000,000 more than they did before, and the other tax of 7½ per cent also affected food products coming to this country including—to the detriment of the manufacturer—raw material. On the face of it, the manufacturer was placed at a disadvantage in his ambition to reach the foreign markets. But no doubt he was depending on circumventing that 7½ per cent by adding to the prices which the people of Canada have had to pay. It is not the manufacturers but the consumers who really suffered in these taxes. By the war tax the minister has collected approximately the same amount as he has been collecting by the income tax. In 1915, when he introduced the surtax against Great Britain and other countries, we on this side of the House pointed out—and on this point again the hon. member for Red Deer was most eloquent—that there was another way of raising the money. Instead of this measure income taxation could have been extended and would have been an effective means of adding to the revenue. For three years the Minister of Finance has refused to listen to the suggestions and the prayers of the Liberal party or the Opposition in this House. He would have collected the same amount from income taxes as he has received from the imposition of that tariff on British and other foreign goods, and the people of Canada to-day, and during the last three years, instead of paying enormous prices for foodstuffs and clothing, boots, shoes, etc., would have saved at least to that extent. Moreover, to-day there would not be the unrest and the uneasiness in regard to the imposition of taxes on the masses of the people.

Again, we urged the Government to adopt an income tax of such a character as would apply to all those who should be reached by such taxation. Ultimately the Government did adopt an income tax, although at first they brushed to one side our propositions as though they were impracticable. Their attitude seemed to be that if such a tax were imposed it would not pay the expense of collection. However, the Minister of Finance has disclosed to us what the results of the income tax have been, and I give him credit for his frankness and his honesty. To the extent stated by him taxation has been lifted from the shoulders of the labourer and placed upon

the shoulders of the rich people who are well able to bear it. At the same time in regard to other measures of relief the Government still asks us to wait until they are in a position to see what can be done.

The Minister of Finance has claimed credit for lowering the tariff upon farming implements; but the reduction of duties in that regard leaves farming implements, practically speaking, in the position they were in before the outbreak of the war. The Government has been pursuing a policy of inaction and it is still advising the country to wait for measures of relief. There is one former member of the Cabinet, however, who because tired of procrastination, and of asking the people to wait, I refer to the ex-Minister of Agriculture (Mr. Crerar) who, the moment the Budget was resolved upon, forwarded his resignation to the Prime Minister. Evidently that hon. gentleman deemed he had been waiting long enough. If the rest of his former colleagues did not hear the protests of the Western farmers ever since the signing of the armistice and the cessation of hostilities, the ex-Minister of Agriculture was keenly alive to their lamentations. He, for one, desired no further artificial barriers between Canada and the United States; he for one wished to see the farming industry, the chief industry of Canada, immediately put upon a proper footing. Had the appeals of the farming industry been heeded, we should have seen a lessening in the high prices which the labourer had to pay for his food in the cities while the western farmers would have enjoyed relief even as early as the first of December last. Those farmers, intelligent men as they are, and anxious not only to ameliorate their own condition but to promote the interests of the rest of the population, more especially in the congested cities of our country, demanded tariff reduction in various directions in order to carry out their aims, and they did not see why they should be called upon to wait. As early as November 27 last, a little over two weeks after the armistice was signed, they met in Winnipeg and urged the adoption of their programme for free trade with the United States in certain lines and for the lowering of the tariff on certain articles which they need, in order that they might immediately make their preparations for the following spring and not be compelled to delay until June arrived, when the preparations for the next year's crop would be completed. They wanted time to prepare themselves and let the country know that during the following summer, if everything went well, they would have a surplus crop with the result that food products might be lessened in price. They were not animated by a selfish spirit in their demands. They were asking for the removal of duties but at the same time they favoured the free importation of food products from all other countries. They therefore asked the Government to give effect to the reciprocity agreement of 1911, and to enlarge the British preference in order that in the course of five years or so we might have free trade with Great Britain. This was the request of the Western farmers, and I repeat now what I said on an earlier occasion. It will be remembered that in March last, when speaking on the subject, I stated that the farmers of New Brunswick, as I knew them, were in complete accord with the Western farmers on this programme. My words were verified when the Farmers' Union of New Brunswick, at a sitting which was attended by a representative of the Ontario Farmers' Association, passed the same resolution which the latter organization had adopted a month or two previous. So that to-day we have virtually the whole farming industry of Canada urging the Government to put into effect the reciprocity pact. Yet all that the Government has done, after a lapse of eight years, has been to give us free wheat, and also at the urgent request, I have no doubt, of my hon. friend the Minister of Public Works (Mr. Carvell), free potatoes. It has taken the Government eight years of consideration to grant free wheat and free potatoes. How many centuries will the farmers of the West have to wait before the whole of the programme which they are urging is adopted? Really, the Government in the last eight years has shown itself capable only of doing the right thing at the wrong time, and thus the benfits which result when it does move are not so great as if action had been taken at the proper moment. Had the people of Canada been able to enjoy the benefits of the reciprocity agreement in 1911, more particularly during the intervening period until war was declared, we should not have seen an exodus from the West of many good farmers there who originally came from the country to the south but, after the defeat of reciprocity, returned to the United States.

They stopped the current of immigration from the western states to Canada, and as a result we have lost 100,000 of the best farmers, men who would have helped in the production of supplies of foodstuffs for the Allies. This is the condition to which we are reduced to-day, and it is certainly to the

honour of the memory of our great leader, Sir Wilfrid Laurier, that the people, now that they have suffered for their mistake, are clamouring for the Reciprocity agreement. We know that the hon. member for Shelburne and Queen's (Mr. Fielding) was the foster father of that agreement, and also of the British Preference in 1897. Had the Liberal party remained in power in 1911 the country would have been enjoying the advantages of that reciprocal arrangement with the United States and of free trade with Great Britain. This country has lost by the mistakes of 1911. Since that date the Government has done the right thing at the wrong time.

In that year also the programme of the late leader of the Liberal party included the establishment of a Canadian navy. We have no Canadian navy. We waited for three years and nothing was done. When war was declared we did not have a cruiser nor a submarine to our name. German merchant vessels were going down the St. Lawrence river while our navy lay dismantled in Halifax. Had even our few fighting ships been kept in proper condition we could have seized enough German prizes to pay for the construction of a navy. During the war we have been in the humiliating position of having to depend upon Australia and Japan to guard the shores of British Columbia. Had Sir Wilfrid Laurier's plan been carried out we would have had a navy to form the nucleus of a greater navy. Next year if we follow the suggestion of the British Admiralty we will have to build the navy which was intended under the programme of the great Sir Wilfrid Laurier and the Liberal party in 1911.

Mr. BELAND: Who is responsible for there being no Canadian navy?

Mr. TURGEON: The responsibility rests upon the same heads as the responsibility for the country not having the advantage of the Reciprocity agreement. I see my hon. friend, the Minister of Marine (Mr. Ballantyne) smiling. He has come too late to enjoy the benefits of the principles which he advocated in 1911. He will perhaps build up a Canadian navy, but he will do so at the wrong time, at a time when it will not be appreciated, and when it cannot give the invaluable service that it could have given during the war. Too late, again!

The farmers of the West want the income tax graduated. They also ask that all corporations engaged in the manufacture of products protected by the customs tariff be obliged to publish annually comprehensive and accurate statements of their earnings. I will not deal with the programme in detail, but it is a very industrious one. It seems, however, to have been instructive only to the late Minister of Agriculture (Mr. Crerar). He also has been wise enough to abide by it, for it is according to his own views—the views of a true statesman having the vision of the future of Canada. That programme also requires that all foodstuffs not included in the Reciprocity agreement be placed on the free list; that agricultural implements, farm machinery, vehicles, fertilizers, coal, lumber, cement, illuminating fuel and lubricating oils be placed on the free list, and that all raw materials and machinery used in their manufacture also be placed on the free list. The revisions made by the Minister of Finance are nothing compared with the demands of the farmers of the West, renewed in Winnipeg on November 29 last. They also demand the immediate repeal of the War-time Elections Act. The Government have turned a deaf ear to the request so far. If I understand the situation they will continue to ignore it until a new session is called.

Every protectionist gives reasons, Mr. Speaker, why the country must go easy on tariff revision, and he fears that the manufacturer will not be able to continue in business if he does not get all the protection that he wants. Situated as Canada is, with her vast resources and her tremendous potentialities, I say that if there is a country that should be anxious to have free trade in the fullest possible measure, it is Canada, for those resources will enable us to compete with the rest of the world.

That the markets of the world are awaiting our manufactures we have the testimony of the appointee of the Government in Europe, Mr. Lloyd Harris. It is only a day or two ago that he sent a message to the Canadian manufacturers, in which he said:

> I want the Canadian people to get a vast vision of the trade opportunities in Europe. It is not trade between one firm and another, but trade between whole nations and a sister nation.

Let the manufacturers of Canada look to the other countries who are in need of our products as well as in need of our foodstuffs. I have always said that all raw materials should be made free of duty. That is the only way that we can put the Canadian manufacturer in a position to compete with the manufacturers of other countries.

Mr. Speaker, this is a time of thought and of reflection. As the representative of

a farming and fishing constituency, as the representative of a constituency which has also other elements of industry, and as having at heart the interests of Canada at large, I wish to make my position clear before the House and the country. I am a Liberal of the school of Cobden and Gladstone; I am a free-trader, in the essence of the word, just as much to-day as I was a year ago, two years ago, twenty years ago. The time has come when the social and financial conditions in Canada are such that the consumer and the workingman should no longer be obliged to pay all the expenses of government. That is a British Liberal principle. I am for free trade, as far as its adoption is practicable, to-day, to-morrow, next year or the year after. I am for a diminution of the tariff in every direction, to every practical extent, so that in the course of a few years Canada may depend upon income taxation and the taxation of land values and of objects of luxury for the necessary revenue to administer the country's affairs.

We talk of tariff for revenue and tariff for protection. A tariff for revenue is necessary, at times. It should be imposed upon objects of luxury; it should fall upon commodities not produced in the country, so that no privileged interest may take advantage of it. It should not rest merely upon the poor man or the workingman in the city. In its policy of protection the Conservative party has always been proud in declaring that they wanted to raise up towns and cities in Canada. But if you want to develop towns and cities, you must first develop the farming industry. Improve the state of the farmer, make him happy and contented, and his sons will remain on the land. But if you do not enable the farmer to enjoy life; if you do not better his condition, the young men will leave the farm to go to the cities; and the result will be not the raising up and development of towns and cities, but the increasing of non-employment. A tariff for revenue allows goods to come into the country; a tariff for protection stops goods from coming into the country. And under a tariff for protection the manufacturer, knowing that the twenty-five or thirty per cent duty prevents the foreign manufacturer from sending his goods into Canada, adds a corresponding amount to the price of his goods and makes the enormous profit referred to a while ago—and the people of the country, the workingmen, have to bear the burden.

Canada is in a better position to adopt free trade than any country in Europe, where nations adjacent to each other have been enemies and have had to protect themselves against each other. Trade is an inducement to friendship; the more we trade with each other the greater friends we become. The more the nations of the world trade with each other the more friendly and fraternal they become. Free trade would be an inducement to perpetual peace. There is a dictum among old French economists to the effect that the millennium will come when the nations of the world have free trade. Believing in this dictum, I had hoped that the end of the war would be the occasion of the introduction of free trade among the allied nations, binding them together in commerce and in fraternal sentiment, and offering an example to the Hun and to nations which until today have been fighting against each other. If my hopes have not yet been accom-

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plished, I still trust that when peace is signed, as it will be, no doubt, in a few days, the League of Nations, whose intention is to promote harmony among nations, will further that object by bringing about freedom of trade. I hope that before many years have passed, the German nation, regenerated by the influence of a new education, will be admitted to the League of Nations. There is something providential in the work of the men across the ocean who are endeavouring to frame a peace treaty which will ensure the future peace of the world. Free trade among nations will certainly help the League of Nations to bring about that peace, to the great happiness of the world at large.

Free trade has won the war for Great Britain. At the time of the war she had an immense commercial fleet, which had increased year after year as her trade extended across the seas to the shores of every continent. If she had not had that trade and that commercial fleet, Germany might to-day be master of the world and hold in slavery those who contended against her. If free trade has won the war; if free trade made England prosperous, it will make Canada equally prosperous. I do not say that we should have free trade this year in every detail; the country has not been educated to that. We are often reminded by political adversaries, members of the Conservative party, that when the Liberal party came into power they did not introduce free trade. Well, they did not introduce free trade, but they made great progress toward free trade in the first year of their administration.

It has by reductions in the tariff reduced the imposts on food products and

other necessities of the people of Canada by at least $100,000,000, without counting hundreds of millions saved to the people by the absence of excess profits which the manufacturers might otherwise have been able to make upon those commodities. Therefore, the country, during that time, enjoyed a freedom of tariff to the extent of some two or three hundred million dollars. After some two or three years of study and effort, our late leader, Sir Wilfrid Laurier, and the ex-Minister of Finance, the hon. member for Shelburne and Queens (Mr. Fielding), effected with the United States an agreement which was designed to create the greatest possible measure of free trade which could be introduced between the two countries. The Conservative party then deceived the people of Canada, and the people refused that agreement, to their great regret ever since. We know what took place at that time. The Prime Minister himself and other members of the Government went to the West and put the western people on their guard against trafficking with the United States lest they might lose their loyalty to the British Empire. The Britisher who cannot deal with another nation or another man outside of his country is not a British man. Britain has traded with every country in the world, and the men of the British Isles have never lost one iota of their loyalty by the increase of their trade. It was difficult to bring about a trade reform of that kind in a short time. We know what the principles of the protectionist party had been before that period. The workman had been educated to the theory that the particular industry to which he was consecrating his labour could not stand without protection. He was educated to the necessity of voting for his employer whose industry, he was told, would otherwise be ruined and his own employment would cease. That was the education given to the labour element in the first years of the protective tariff in 1878. The atmosphere was saturated with the poisonous gas of protection which restrained the energy of the people, and capital, or rather the privileged interests, took advantage of the lethargy of the workingman to make him accept a low wage as a matter of charity, the workman being led to believe that it was by charity that he was being given employment. Therefore, it required some time to divert the trend of financial and economic education in Canada; but to-day I see that the workman of the twentieth century wishes to live the life of an intelligent Christian citizen the world over. He wishes to enjoy life with his family and to educate his children as well as the professional man and the man of greater means is able to do. To reach his goal, he must have a certain wage, whatever that may be, he does not count that wage by the number of dollars, shillings, francs, or marks that he receives; he counts it by the purchasing power of the particular unit, and he is as well satisfied with three dollars a day if that three dollars can buy him as much food and clothing for his family as can be bought for six dollars to-day. He does not look for an excess of wages; he looks for a decent, Christian living. When I say Christian living I mean that when there is poverty there are bound to be abuses of all kinds, and the labour element will be discouraged; and it is the duty of the nation to see that the moral courage of the labour element in the country is sustained by a wage sufficient to warrant the workingman in living in that state in which he wishes and has a right to live and to bring up his family.

But even the Conservatives to-day, who are still clamouring for protection and who claim that our industries cannot survive without further protection, are not in sympathy with the principles enunciated by that great authority, Sir John A. Macdonald, who, in 1877, wanted protection for our infant industries. Those infant industries have now reached the age of forty. The infant who cannot walk at forty years of age should be put on some island by itself, and so the industry which cannot stand by itself after forty years of protection might as well be put into an asylum where there is nothing for it to do.

Mr. Speaker, with these remarks I wish to conclude by saying that I hope that the Government may be influenced to adopt a more patriotic attitude, and that we shall not be required, as the Minister of Customs (Mr. Sifton) has said, to wait another year or two for further consideration of the tariff. The Minister of Customs has promised us an inquiry by a commission composed of himself, the Minister of Finance and two or three other ministers. But this is something better than the tariff commission which has been suggested by some of the Conservative newspapers, namely, that we have an independent commission entirely free from politics. We have already had too many of these independent commissions with the shifting responsibility from the Government and really making the Parliament of Canada a chamber without authority, without function,

and this the people of Canada are not in a mood to support very much longer. I trust, however, that if such a commission is established it will make faster progress than the Minister of Customs has led us to understand this afternoon, and that before another year the Government will be able to bring down a programme which will be more acceptable to the country. It is to be regretted that Canada is put in such a position by a Government which has not the courage to take the situation in hand and declare in favour of a policy such as the requirements of the country to-day demand. I hope, however, for the best. As a Canadian, a Liberal and a free trader, I hope that the time will soon come when the Canadian people will not be afraid of trouble during an election. We have never yet had any trouble in Canada during an election; even the last election, which was supposed to be so momentous, which was supposed to be likely to cause trouble, was conducted more quietly than ever an election was conducted before. And to-day, under the grave situation which exists, if the Government, rather than wait and procrastinate again for another year or two, would say: Well, our Government is, after all, a Government appointed for the period of the war, as the Union members of it claim every day that they joined the Government only for the period of the war. The war has been over for six months, so now they talk of staying till after demobilization. Well, demobilization will be completed in the course of a month or two. Let the Government then, if they have not the courage to take the position which they know the people of Canada are impressing upon them to-day, dissolve Parliament and ask the people to pronounce upon the issue free trade or protection, because it is evidently the intention of the Government to procrastinate and give no hope to the people of this country by a change in fiscal policy.

Hon. C. C. BALLANTYNE (Minister of Marine and Fisheries): Before speaking in favour of the Budget, which has my heartiest approval and support, and which was presented to the House so lucidly last week by our very able Minister of Finance (Sir Thomas White), I wish to pay my tribute to my late colleague the Minister of Agriculture (Mr. Crerar), who a few days ago resigned from the Cabinet. I had not the pleasure of knowing him until he became a member of the Government, but I am very pleased indeed that I had the opportunity of becoming a colleague of his, and of forming the acquaintance of a gentleman of such high standing and integrity. As the Minister of Customs said this afternoon, Mr. Crerar entered the Government from a sense of duty and at a great personal sacrifice, and now he feels the necessity of again taking up his business and private affairs. It is true that the other members of the Government did not see eye to eye with him on the tariff, but for all that we fully recognized his sincerity, and he leaves the Cabinet to the regret of all his colleagues. Although he has stated on many occasions that it is not his intention to stay in public life, I, for one, sincerely hope that he will change his mind and remain a member of Parliament.

We have listened this afternoon and evening with a great deal of interest to the hon. member for Brome (Mr. McMaster) and the hon. member for Gloucester (Mr. Turgeon), who have fully explained to the House their views on the tariff. The only criticism that any one would be justified in making of any changes in the tariff which the Government has proposed would be that, in view of our very large national debt, which in round figures amounts to two billion dollars, and the necessity of raising the revenue, no changes should be made in the tariff at all. I believe that the Budget as brought down will meet with the approval of the majority of the members on this side of the House, and will appeal also to a very large number of hon. gentlemen opposite.

I am a Protectionist Liberal, a believer in moderate protection. Before I strayed from the fold I did not find that my views were at variance with those of the majority of the members composing the Liberal party of that day, nor do I think that my views as a moderate Protectionist Liberal would be much at variance to-day with those of the majority of hon. members sitting to the left of the Chair.

Mr. MURPHY: Oh yes, they would.

Mr. BALLANTYNE: All I can say is this: We can only judge the Liberal party by the policy they pursued during the fifteen years they were in power in this country. I, for one, saw no tangible signs of free trade during that period. The manufacturers of this country were perfectly satisfied with the fiscal policy of the Liberal Government during those fifteen years, and I believe that if hon. gentlemen opposite were again in power and had the responsibility of office placed upon them their policy for the future would not be very

much different from that they pursued when they were in power.

I listened very attentively to the hon. member for Brome, and noticed that he very carefully avoided all reference to the problem that confronts the Government, Parliament, and the people of this country, of how to raise the necessary revenue. The Minister of Finance stated that it would take $115,000,000 to pay the annual interest on the national debt, and that next year $40,000,000 would be required for pensions. He also stated in the most convincing manner that the revenue would just meet the interest on the national debt, the amount required for pensions, and the ordinary expenditure of the country, and that any moneys required for capital expenditure would have to be obtained by means of a further loan. I thought that the hon. member for Brome—a genial gentleman whom I admire very much, a good lawyer, and a man very highly thought of in the city from which we both come—after the time and attention he has given to the financial affairs of Canada, would explain to the House how he would raise the necessary revenue; but, alas, I heard nothing from him in that regard whatever. He made no reference in his remarks to his former speech in this House on the 25th of March last—when I was not in my place in this House owing to a serious illness—and no reference whatever to the amendment he proposed at that time and I could not help wondering whether the leader of the Opposition (Mr. McKenzie) had told him to put the soft pedal on his Free Trade principles. I recall with a great deal of satisfaction that the leader of the Opposition stated in this House not many nights ago, that as regards the policy of protection for Canada he was not going to make up his mind on any theories, but on facts, and facts alone. I am in entire accord with him there. In his amendment on the 25th of March, the hon. member for Brome proposed a reduction in the tariff on a great number of articles which I shall not take up the time of the House to enumerate, as hon. gentlemen are perfectly familiar with his amendment and the speech he made on that occasion.

I consulted Hansard this afternoon when the hon. member was speaking to see if I could find there any argument advanced by him whereby the country would raise the necessary revenue if it pursued such a policy as he outlined. If there was to be a reduction in the duties on a large number of manufactured articles, thereby very materially reducing the revenue, and then a further gradual reduction of the tariff as he proposed, I was anxious to ascertain what counter-proposal he had to meet the situation. I could find nothing on the pages of Hansard to show how the hon. member could raise the necessary revenue, but he did say that if the Government took off the 7½ per cent war tax, he believed that, as a consequence, the manufacturers would make more money and that the revenue could be increased through the income tax. I am afraid, however, that the hon. gentleman would be disappointed in this respect, for he would not obtain very much revenue in that way. He made another suggestion, that if the tariff were reduced the imports coming into the country would be larger and we would get the necessary revenue as a result. Well, I am a tyro in public life and a new member of this House, and while I have not had very much experience in public affairs, I think I may safely say that one can take as his very best guide in matters of this kind the policy of such great men as have filled the office of Prime Minister of this country during the last fifty years. And when the policy of moderate protection has been adhered to by both Conservative and Liberal Governments, that must be the easiest and best way of raising the necessary revenue, and also the fairest and most equitable system having regard to the diversified interests that exist. We frequently hear it said that the tariff is for what some people are pleased to term the privileged or big interests, or the special class. I have been in the manufacturing business all my life and I have no hesitation in saying that if the tariff were framed in the interests of manufacturers alone it would prove a very poor tariff from their point of view. The tariff is not so framed. It is not framed for the manufacturers nor for the farming community alone; nor is it framed with any other special class in view. It is framed and put into effect in the interests of all classes. If the manufacturers could obtain a tariff at their will I say they would not want a high tariff. I think I am speaking fairly for the majority of manufacturers of this country when I say that all that they want is just a moderate protective tariff. The manufacturers are not looking for restricted trade but for the largest volume of business that it is possible for them to gain, not only in the home market, but also in foreign markets, and the business men well know that the greater the volume of business the lower the cost of production, and that eventually the manufacturer makes more money by a large than by a small

turnover. Therefore, the manufacturers of this country are not asking for an excessively high tariff. They want only a moderate tariff, and I think that the people of Canada on the whole, considering the financial position of the country and the necessity for revenue, are satisfied, broadly speaking, with the Budget that has been brought down by my colleague the Minister of Finance.

There is another fallacy that is very often preached. The consumers and the farming community are told that the tariff is framed for the manufacturer alone. They are told: You have been paying tribute to the manufacturer for too long a time, while he really has his heel on your neck and his hand in your pocket—and all that sort of thing. Now, I want to say this, that the competition in Canada is so keen between the various producers in each line of business, and the country is so vast, that there are no combines or interests such as can compel the consumer to pay more for his goods than such prices as would show a reasonable and fair margin of profit over the actual cost. Some people say that when a manufacturer or wholesale merchant estimates his cost he adds on to his product not only the factory expense, but the selling expense as well, and also the full amounts of duty and freight. Being identified with a large number of interests in this country, all I can say is that I have never found any intelligent progressive manufacturer who would do such a thing. It is necessary for the manufacturer to keep his costs and also his margin of profit down and I do not believe that there are very large manufacturers in Canada who would be unwise enough to put the full amount of freight on manufactured goods. I know many manufacturers in the East who sell their goods f.o.b. Winnipeg at the same price as they sell them f.o.b. in large eastern cities where their plants are located. They do this because it is necessary to their business.

I believe, Mr. Speaker, that all that this country needs is a better understanding between the various interests. I have heard it said that the large Western representation we have in this House is really a menace to the manufacturing and financial interests of the East. I for one, do not believe for a moment that that is so, and I think I am speaking also for the majority of business men of Eastern Canada. Quite on the contrary, I think it is well that we have so many representatives of the West in Parliament. By carefully listening to their views we get a better understanding of their need and, on their part, a consideration of the opinions of eastern members gives them also a better understanding of eastern conditions. So that I for one, am pleased that we have so many able representatives in this House from our Western provinces, and I do not believe that there is any cleavage whatever between East and West. I will admit that possibly there is a misunderstanding between the two sections of Canada, but, as I say, I hope there will be more co-operation between western and eastern interests, for in that even we shall hear less comment on the divergence of views on fiscal policy than, unfortunately, has prevailed too long in this country. I am perfectly satisfied with the income tax, and I think that most people are. It is a heavy tax, but those that have money should feel no regret in paying their income tax. I have not, nor do I think the commercial and financial interests of the country have, any fault to find with the Government for raising the income tax to a parity with that of the United States.

With regard to the war profits tax, a great many representations have been made to the Government by wholesale houses and manufacturing interests on this ground: That war profits taxes being so heavy, if a merchant or manufacturer makes 12 or 15 per cent net profit, the Government takes 25 per cent of it, and if he shows 25 per cent profit, they take 50 per cent.

In addition to that, after he has provided for the usual expenses in a business, depreciation and bond interest, then the Government take eight per cent more of the remaining net profit. The business men state that that will prevent them from an extension of their factories or warehouses, an extension of their business, and that it also impairs their borrowing power. I can quite understand that, because when this heavy war profits tax is taken, and eight per cent of the net profit as well, it reduces the surplus shown on the annual balance sheet, and has a tendency to create the viewpoint among those engaged in business that there is not much use in putting their full energy and skill into it because the Government takes so much of their profit, and it also curtails their borrowing power. For all that, the Government was perfectly justified in maintaining the war profits tax in view of the big national debt and the necessity of keeping up our revenue.

Neither of the two hon. gentlemen who have spoken on the other side have made

any reference to the home market, but I find in looking up particulars of the home market that it is a very valuable one. We have in Canada in round figures nearly 35,000 establishments with a capital investment representing nearly $3,000,000,000. The number of employees on wages is over 600,000, the amount of wages paid out $456,000,000, the value of the products over $3,000,000,000. I believe that if this country continues to maintain a policy of moderate protection it will induce those engaged in the manufacturing business at the present time to enlarge their plants greatly, and that it will cause foreign capital to come to this country. I notice also that the estimated amount of American capital invested in manufacturing industries in Canada reaches the large sum of $650,000,000. Canada is a very attractive country. I need not dwell on its natural resources, because they are familiar to all hon. members; but Canada has been so well advertised by this war that we are going to have a large number of immigrants from the country to the south, and I believe also, that there is going to be a large amount of capital come here from the same source. Therefore, I have no hesitation in placing myself on record, for one, as stating that the right and proper policy is not for us to adopt free trade but to adhere to the policy that has been ratified in this country by both parties, and to maintain for the future, as we have in the past, the policy of moderate protection. I believe it is best for the capitalist, best for the consumer, best for the farmer, and best for those engaged in the other great industries of fishing, lumbering, and mining. I believe that policy is best for all of Canada's interest; it has proven so in the past, I am sure that in the future it will prove to be a most wise policy. I do not know of any country, that has taken part in the recent war, that is thinking at the present time of reducing its revenue. I do not know what our neighbours to the south will do, but I hear rumours that notwithstanding their very high protective tariff they are contemplating making it still higher. It matters little to Canada what the countries of Europe may do; our friendly and aggressive neighbour to the south, the United States, is the one we must keep our eye on; and, therefore, it will be well for us to take a leaf out of their fiscal bible and maintain the tariff in the future as we have done in the past.

Now, Mr. Speaker, I want to say a word about export trade. I agree with one point the hon. member for Brome (Mr. McMaster) made this afternoon, and that is the necessity of Canada expanding her trade and reaching out for foreign markets. Now is the opportune time for this country to do this. But I was amazed to hear the hon. gentleman—and I must give him credit for his frankness in putting himself clearly before the House and the country—say that he was opposed to the Government's shipbuilding programme, that he considers it a waste of public money. I, of course, take sharp issue with him on that ground; I do not consider the policy a waste of public money. I am the minister responsible for recommending to the Government the policy of creating a Canadian merchant marine. I think that policy is sound, the Government is of the same opinion, and I believe the large majority of the people of Canada also think so. The hon. gentleman overlooks the fact that a large transcontinental railway, such as the Government owns and operates at the present time, would be in a sad plight if it did not have ships to complete its transportation chain. The hon. gentleman apparently does not understand that Canada is in need of shipping very badly at the present time. Mr. Lloyd Harris, when he was overseas as a member of the trade commission, sent me a cablegram to that effect from London. He also stated in the press when he returned that the problem before Canada at the present time was one of shipping. If the Government had every one of the merchant ships for which it has planned—45 in number, with a total tonnage of 264,000 tons—in commission at the present time, we could use every one of them and more. Every day I have people coming to me begging for tonnage. And still the hon. gentleman states that the Government shipbuilding programme is an unwise policy and involves practically a reckless expenditure. No one finds fault with good old England, which is still supreme as far as her mercantile fleet is concerned, for looking after her own commercial interests first; and she would be the first to applaud one of her overseas dominions for following her example and looking after our own interests with the same keenness that the mother country herself does. What is the United Kingdom doing at the present time with regard to shipping coming to Canadian ports? She declares that seventy per cent of the available cargo space is reserved for the British Minister of Shipping. I would like the House to take note of this: only thirty per cent of

the available cargo space is left for the products that Canada wishes to export. That amount is totally inadequate. In addition to that handicap, our Trade Commission found, when it visited European countries and the United Kingdom, that discriminating freight rates exist against Canada.

Canada has been for years handicapped in her export trade, and would be in the future also if it were not for the fact that we are building our own merchant marine. It works out like this, that if the United Kingdom have products to ship to South Africa, we will say, Canada, without ships, cannot compete with the Mother Country, because she gives such a favourable rate from the United Kingdom to South Africa. But now that we have our own merchant marine, Mr. Hanna, who has charge of the ships, intends to meet the competitive rates of the Old Country in order that the manufactured products of Canada can be put on the markets of the other Overseas Dominions and then on the foreign markets on an equality with the Mother Country as far as freight rates go. Would it therefore be an unwise expenditure for Canada to build up a mercantile marine?

As I said a moment ago, we first of all required our mercantile marine to work in conjunction with our railway system. We hope to see Canadian merchant ships carrying cargoes to all parts of the world and bringing back the raw materials required by our Canadian manufacturers. I hope in the very near future, as I am sure all the people of Canada do, to see our splendid merchant ships running to Australia and to New Zealand—excellent markets are available there—also to the Orient, from Vancouver; and to South America, the West Indies, South Africa and the United Kingdom.

There is another point that I would like to drive home—and I am sorry the hon. member for Brome is not in his seat. The millions of dollars that the Government are putting into ships is expected to come back again into the exchequer of the Dominion. When a year ago I introduced on the floor of this House our merchant marine policy I stated that while the rates of freight would probably go down—as they have done since the armistice was signed—that owing to the great loss in the world's tonnage as a result of the enemy's submarine warfare, the rates would still remain sufficiently high to reduce the cost of these ships that we are building, if not to entirely wipe off their initial cost. I am very pleased to say that the nine ships we have in commission at the present time are earning very good gross profits, and I believe that within a year, or at least not more than a year, the initial cost of each one of those ships will be entirely wiped off. The other ships as they are ready to go into commission from time to time are going to make good gross profits, and net profits also, so that the money really is only being put out at the present time temporarily and will again return to the public exchequer.

Therefore, I am at a loss to understand the hon. member for Brome being so opposed to the Government's shipbuilding programme. I am very glad that so many members on his side of the House have given their unqualified consent to our policy, and I do not believe that he has very much of a following in his opposition to it.

We hear again and again that England Scotland or Ireland can build ships cheaper than Canada; and, if the United Kingdom cannot build ships cheaper, then that Australia can do so. When I brought down my Estimates I took the precaution to be well posted on shipbuilding costs, and I have a further Supplementary Estimate to bring down. I stated at that time, and I reiterate now, that all the yards in the United Kingdom are filled up with orders for shipbuilding on what is known as "cost and line." No one can get a fixed price per ton for a finished ship such as the Canadian Government is getting here, and their prices range anywhere from £28 to £33 per ton. I have the prices and the estimated cost on time and line for ships that are being built in the yards of the old country.

Mr. COPP: What class of ships is that?

Mr. BALLANTYNE: Cargo ships just the same as the Canadian Government is building, of 8,000 and 5,000 tons. I have not yet asked for prices until the Supplementary Estimate is approved by Parliament, but I have good reason to believe that this Government and the people of Canada will be able to have similar ships built in our Canadian ports at just as low a price as they can be built for in England, Ireland and Scotland—built just as well, and a better type of ship.

I want to say a word about the labour troubles that unfortunately exist in this country, and I would not have referred to them, only that other speakers have blamed the trouble on the tariff. I for one do not think that the tariff has anything to do with it. I believe it is just the natural unrest that exists in all countries as a result of the

war. I wish to say, however, as I did in Montreal on Saturday night, that the Government have no objection to organized labour, or to unions such as have existed in this country for a great many years, and I know of no manufacturer who would refuse to meet his own men or the representatives of the unions that his men are members of. I believe that conditions have changed a good deal. The manufacturer has got to do more for labour than he has done in the past. There has to be a give-and-take policy on both sides. I know that large numbers of manufacturers in this country recognized that years ago. They have gone in for industrial betterment and have established in their works restaurants, where meals are served to their employees at actual cost; rest rooms, libraries, and shower baths. In addition to that all the leading men and women among the employees—I refer to those who are helping the company to make money—are stockholders. I believe it is the right policy for the manufacturers and those who engage large numbers of employees to see that they are interested in the company they are working for. If an employee has not got the money to pay for stock in the company, a large number of big corporations will let him have the stock at a very reasonable price and carry it for him.

Therefore, if I have any advice to give to the large employers of labour throughout Canada at the present time, it is that they devote more consideration to industrial development and to seeing that their foremen and forewomen, all employees who are helping them to make money, shall share in the profits. The unrest that exists at the present time will pass away, and I sincerely trust that it will pass away without any bloodshed. Nobody wants that. I would suggest to those who direct and to those who employ labour that there should be more co-operation, and that their interests should be made as nearly identical as possible, so that this unrest will speedily cease.

I have only one word more to say. Some reference was made by the hon. member for Brome to the $25,000,000 advanced by the Government to Roumania and also to Greece. The Government have bonds of both these countries as security for the moneys that have been advanced. The credit of Greece is an unquestioned credit; there is no possibility of loss there—and the Government does not think there will be any loss in connection with the Roumanian bonds. The advancing of $25,000,000 to each of these countries means a great deal to those engaged in agriculture in Canada as well as those engaged in industry. The difficulty we shall have in sending out the goods that these countries will order from Canada will be that caused by the shortage of tonnage. Mr. Lloyd Harris has made arrangements with Greece under which some of Greece's tonnage will come here.

I shall not refer at length to the benefits of a policy of moderate protection to those engaged in agriculture in this country; I shall merely cite one instance. Some thirteen years ago I brought to the attention of the then Minister of Finance now the member for Shelburne and Queen's (Hon. W. S. Fielding) the fact that the three Prairie Provinces were splendidly situated for the growth of flax. I pointed out to him that the millions of bushels of flax that were being crushed by the linseed oil factories throughout Canada were grown in the states of North and South Dakota, and suggested that it would be good policy to impose a certain tariff on that flax, particularly having regard to the fact that Canadian flax entering the United States was subjected to a duty of twenty-five cents a bushel whereas flax coming into Canada from the United States was on the free list. I am happy to say that the then Minister of Finance saw his way clear to act upon that suggestion and to put a duty of ten cents a bushel on flax. In 1906 less than a million bushels of flax were produced in Manitoba, Alberta and Saskatchewan, but as a direct result of the imposition of the duty of ten cents a bushel on flax, in 1912 the three Prairie Provinces raised the immense amount of 21,000,000 bushels of flax. Not a bushel of American flax has come into Canada since the Liberal Government put on that duty of ten per cent. I could go further and by comparing the tariff imposed by Canada on the products of the farm with that imposed by the United States, prove conclusively to the House that it is in the interest of the farmer that the tariff be raised on his own products. However, I simply cite this one case in order to show that a well devised and evenly balanced tariff does not bear unfairly on any one, and that not only the manufacturer, but others as well can derive benefit from it.

I have received a great many expressions of opinion from various parts of the country since the Budget was brought down, and they are all favourable.

Mr. WILLIS KEITH BALDWIN (Stanstead): Mr. Speaker, the Minister of Marine and Fisheries (Mr. C. C. Ballantyne) has said that the Government of the late Sir Wilfrid Laurier did nothing to reduce the tariff during the fifteen years that the Liberal Government was in power. But may I point out that the preferential tariff was brought in during that time, and that the letter postage rate was reduced from three to two cents. I am afraid it will be a long time before we get back to the two-cent letter postage rate, although I understand that the United States are going back to the old rate on the first of July.

The Minister of Marine expressed himself as being very glad that there were so many representatives of the West in this House. Well, you cannot very well keep the representatives of the West from being here—unless you obliterate the constituencies from which they come. But had the policy of Sir Wilfrid Laurier of 1911 been adopted, the great West would have sent many more members to Parliament than are here to-day, because the very day the elections took place hundreds of wealthy Americans had located tens of thousands of acres in the Canadian West and were ready to purchase the moment reciprocity was approved by the electors. Had that policy been accepted, Canada would be in a far better position than she is in to-day. The West would not be complaining about the Hutterites and Mennonites coming into their part of the country and about the return of Americans to the country whence they came. The member for Red Deer (Mr. Clark) said a short time ago that upon the millions of acres of land out there enough wheat could be raised to make our appalling debt a mere bagatelle. Well, it would take a large number of people to raise a sufficient amount of wheat to do that. If we had the people to raise that wheat, we should not have hesitated to agree to the renewal of the forty-four charters that were under discussion the other day in connection with the railway policy.

10 p.m.

I am in full accord with the suggestion of the minister that a better feeling should prevail in this country among the different classes of the people. As he has been connected with a great number of industries, he is the man who should set the example. It would be a good thing if the high and the rich people in Canada would extend the hand of fellowship to the labouring men, and make themselves approachable; if they would interest themselves in the workingman, as my hon. friend says they have in most of the factories that have been erected in Canada during the last few years. Let them cut off some of their private cars and limousines; let them extend the hand of fellowship to the workingman, as is done in United States. One of the best resolutions that I have seen go through this House was that which we passed the other day to do away with the burden of titles, and to let aristocracy out. The day that we lifted the burden of hereditary titles from this country, we started to act upon democratic principles. I have been in the United States on occasions, and I find that the greatest men there are approachable. You will be sitting in some public arena, hotel or park; you will approach some man and engage in conversation with him, and you will find that he is a Chief Justice of United States, the president of a great railway corporation, a senator or a congressman. You will find that you are not at all in any state of frenzy because you have approached such a man; he makes you feel that he is no greater than yourself. A short time ago members of the House were discussing the salaries of judges, which, they said, were such that the judges could do nothing else but sit upon the bench. In the United States I have known judges to do their own gardening, curry their own horses and milk their own cows—and no doubt they are better for it, mentally, physically, and spiritually. When we have a proper democratic spirit in this country there will be a better relationship between the rich and the poor. I know people who move around this country wearing the most expensive clothing and with rubies, pearls and diamonds bedecking their anatomies—and they are called millionaires. But there is a wrong impression going around the country with regard to these people, very many of whom could not pay their grocery bills. And, mind you, they are always throwing tips to waiters. I know other people who are called millionaires who could not raise $50,000 if the rope was waiting for them—excuse me, we are going to discard the rope for the electric chair. Therefore, it is better for us to let ourselves be known as we are. To be sure, many people have got rich during the war, and I certainly hope they will be made to disburse their money lavishly. As I understand by the new Budget, they will be called upon to pay in such amounts that they will remember it.

The one great thing that faces Canada to-day is its appalling debt. The very first week of the present session, the Minister of Public Works (Mr. Carvell) gave us to understand that there would be a shortage of $100,000,000; that the sums required were enormous and appalling. As a man who has worked fifteen hours a day for more than twenty years, and who, in many of those years, has had to make most strenuous efforts to hold himself together, I think I could beat the hon. member for Brantford (Mr. Cockshutt) at the woodpile or at any other pile where hard labour is necessary, and I admire the workingman because I believe the cheerful worker is the happiest person on this earth.

The Minister of Marine (Mr. Ballantyne) said that the sum of $40,000,000 was required for pensions, but if we compare our position with that of the United States after the civil war, it was more than ten years after the civil war was over that the pensions of the United States reached that enormous sum. In Canada, we should have adopted a different scheme in dealing with that matter, and instead of putting down $40,000,000 in hard cash for pensions, we should have had an insurance system similar to that adopted by the United States. Every soldier, as soon as he was enlisted or conscripted in Canada, should have had an opportunity of putting $5,000, or $10,000 insurance on his life and the premium should have been deducted from his pay, and then he would have a fund to rely on in the future. I do not believe in living for to-day; I believe every good business man plans and builds for to-morrow and the future. The United States adopted that policy, and they stood behind the soldier who had his life insured so that the premiums could not be raised. What did this Government do? They did not adopt such a policy, and the consequence was that as soon as a soldier went to the war the premiums were raised on any insurance policies he had. I know a man who had two sons insured in a British company, and he was so provoked by the additional sums his sons had to pay in insurance premiums that he dropped those policies, and as they lived near the American border, those sons went into the American army and insured in American companies. There is no need for this country to have such an appalling amount to pay in pensions as $40,000,000. We could have had our soldiers carrying insurance policies at about one-half or two-thirds of the rates that an ordinary citizen pays. This would have given our soldiers something to look forward to in the future, in their old age or should they decline in health, as they could have taken out any of the ordinary insurance policies such as straight life, endowment, and so on.

Where are we going to get all this money? The Minister of Public Works (Mr. Carvell) seemed to be very much alarmed over the situation, and the expenditure of money has continued; indeed, in one week in this House we voted nearly $500,000,000 for public works. When the railways were taken over—that most stupendous undertaking—we were told by the hon. member for Perth that we on this side of the House did not dare state where we stood. Five minutes after he sat down the hon. member for Nelson (Mr. Campbell) said that not five hon. members on this side believed in public ownership. No one, I am sure, believes in public ownership unless there is a provision that everything shall be run as it should be, and we who understand these things do not believe that men will work for the Government as they will work for a private corporation. We do not believe men have the same interest as they have in a private undertaking; we believe it will be one long price and that it will be said: Never mind, the Government has to pay the money, so let it go.

I do not believe in these commissions that are being established. I believe the members of the Cabinet and their deputies could handle their departments and save an enormous amount of money. Just three days ago the hon. member for South Renfrew (Mr. Pedlow) mentioned a little fact, namely, that he saved $7,000 by going to the Minister of Public Works over some cabinets, and the minister said to him: If I had known that I could have saved $62,000 by using wood instead of steel cabinets. We do not believe that the country can run a railroad or any other undertaking without there being enormous deficits. That most excellent authority, the hon. member for Shelburne and Queen's (Mr. Fielding) took issue with the Minister of Finance over the question whether railway income and expenditure should go into the Consolidated Fund or not. The hon. member for Shelburne and Queen's claimed that they should and I am as sure as I am here and as the Minister of Finance is there that he knew it could not be done without absorbing the whole revenue producing departments of the Government, that is, customs and inland revenue. He knew, if the railway income and expenditure were put

into the Consolidated Revenue Fund there would be a tremendous deficit at the end of each fiscal year. Indeed, there seems occasionally to be a sort of fellowship meeting in this House, and things are allowed to run through until it is almost enough to make a person think that the Fathers of Confederation, the men who sat in this House years ago, would turn over in their graves if they could see what was becoming of Canada to-day.

The present Minister of Marine and Fisheries has begun a shipbuilding programme. As the hon. member for Gloucester (Mr. Turgeon) said, hon. members on the other side of the House have a great faculty of doing the right thing at the wrong time. Procrastination is the thief of time, and to undertake a great shipbuilding scheme at this time with tonnage costing $200, or double what it should, and without our being able to get cargoes on the other side to bring here, as well as cargoes to carry over, is almost inconceivable. Where are we drifting. Mr. Turriff of the Senate had to raise the matter there. I would think, by reading his remarks in the press, that he thought there were no men in this House—

Mr. DEPUTY SPEAKER: Order. I must ask the hon. member not to refer to debates in the upper House.

Mr. BALDWIN: Thank you, Sir. I probably am not very well acquainted with Parliamentary procedure. He used to sit in this House; but what he said struck me as a warning, and I cannot see where we are drifting unless into a desperate situation which we cannot get out of. If I may be pardoned for using personalities, I am one who has been willing to go into things very deeply, to hypothecate every particle of property that I have when I could see with my optics a thing that was not too speculative, and in the different contingencies that have come up, I have had to sweat to get out. The Government is getting into that debt from which I see no way out unless we have an enormous immigration into this country and a tremendous production.

The Government owns practically the whole press of this country. Why have they not asked the press to drive the facts home to the people of Canada that we must have production from the soil? We know very well that timber is a quick asset, and that farm lands give an annual crop. Now if the people had been prevailed on to go back on the land and produce, we should have had something with which to pay our national debt. Let me warn the Government and all those within sound of my voice, that a year from now food stuffs will cost more than they do to-day. Eggs, when they can be got, are going into cold storage at fifty cents. Butter is more than ten cents higher than a year ago; salt pork, which can be barrelled and kept for years, is now $70 a barrel. Everything made of fats has gone up. Soap is jumping and will probably be as high in this country in a year or two as the boys had to pay for it in France, and that is a tremendous price.

There is no way out except, to use the words of the Minister of Finance, to produce and save. I prefer the more homely expression "work" We never shall be able to pay our national debt by working only six hours a day. After the American war the people of that country went into farming in a most extensive way. They did not build up any navy; foreign powers did their carrying trade. Farm lands were taken up right to the foot of the Rockies, the population increased tremendously, and the United States became a great manufacturing country. And then they commenced to build a navy, but not a very big one until after the war started. Canada is in a very bad environment because we are living next to a populous and rich nation, and we are acquiring the habit of spending money and spending it needlessly. If this poor country was back in the position it was in fifty or sixty years ago we would be in a much better position to pay our debt than we are to-day. We have taken on the burdens of a rich people. Look at the automobiles in this country to-day. Look at the money that is being spent in the playhouses. The United States closed up their amusement houses during the war, but nothing of that kind was done in Canada.

In this country, I am told, we have only 185 people to every mile of railway, which is a greater mileage according to population probably than any other country in the world, and yet—I do not want to insult the West—the people of the West are coming down here and asking for railways into every squaw settlement and back region. Other people are talking about aeroplanes to go to the moon, the North Pole, the Yukon, and everywhere else. Let us come to our senses as loyal patriotic Canadians and realize that we have got to buckle down to work, economize, and save. There is no harm in my saying that, because the great banks of this country have issued letters warning people against buying too many new clothes, and when those letters were issued the clothes which cost twenty

dollars are probably costing forty dollars now. The saving of forty dollars by a million people means a national saving of forty million dollars. Every one knows that all of us, both men and women, have more clothing than we need. In olden times clothes were worn to protect the body, and not for show.

Mr. BUTTS: Has any country in the world a greater railroad mileage per capita than Canada?

Mr. BALDWIN: Although I have travelled somewhat I am afraid I cannot answer that question. My hon. friend should put his question to the Minister of Railways. I think, however, that my statement as to railway mileage in this country is correct. I was going on to say that a policy of work and save will save this country. We must economize and do the things that go with it. There must be a better feeling among the people. We have got to make ourselves a people who will extend a cordial helping hand. We must extend good cheer and the brightness of our nature to improve the appalling state of affairs in this country to-day. It seems to me it is worse than a disease, or an epidemic. I believe that this Government has got a tremendous burden upon its shoulders. Now is the accepted time and the day of salvation—not the day for procrastination. If commissions are going to do the work of the Government I would suggest that we amend our constitution. Our representation in this House is based upon the population of Quebec, and I would suggest that Quebec send a member to this House from each judicial district. That would reduce the membership of this House by two-thirds. If this country is going to be run by commissions and Orders in Council, if Orders in Council are going to do the work which the elected representatives of the people are sent here to do, the adoption of my suggestion would mean a big saving to the country.

I remarked in this House some months ago, that I thought the Cabinet should be reduced by two-thirds, and if necessary have bureaus to help them along. I do not hear any hon. members cheering that suggestion, so I think it is fair to assume that it will not be acted upon.

I hope the War Measures Act will be dispensed with as speedily as possible and that its provisions will be resorted to no longer. I think that the Franchise Act is the cause of the unrest in Canada to-day. Indeed, I think it is largely responsible for the gravest features of the unrest, and the Government should introduce as early as possible a franchise measure that will give to every man who has not committed any act of violence in this country, and who in the past has exercised the franchise, the right to vote. This right should not be based upon any racial line of demarkation, but should be within the reach of every citizen who commits no breach of law. I am as much a supporter of law and order as any other hon. member of this House, and I am just as ready to see those punished who commit acts of violence and merit punishment. The Franchise Act should be based on the provincial lists. It would be less expensive to the country and would be fair. Municipalities prepare those lists and know just who should vote.

In regard to the housing question, I believe that this matter is wrong in every respect. It is not going to help the people in the rural sections, and they are the people whom we want to help. The farmers and poor people of the country need assistance, and I advocated last year the establishment of national reserve banks by means of which a farmer could secure a certain amount of money, two-thirds say, of the equity in his estate. I observe that an eminent authority, a banker of high standing, recently expressed the opinion that there should be national reserve banks in Canada.

As regards roads, I think the sum of $25,000,000 has been set aside for the improvement of highways. This is a matter that appeals very strongly to every one who lives in a rural section. Cities can connect with one another only by way of the country, and this question is therefore important to people in the country. What struck me as a notable fact was that the members from Ontario said that for every dollar that was appropriated in this project only 65 cents went into the road, while 35 cents went somewhere else. This is not true in the case of the province from which I come, where everything was done that was possible and every cent expended went on the highways and not into somebody's pocket. While I am on this subject, let me say that the roads and public works of Canada should provide means of employment for every criminal from every jail and penitentiary and internment camp in the country. In other words, every man who is fed and clothed by the Dominion of Canada should work for the Dominion. This is a most opportune time, now that the returned soldier is back in

the country, to put this proposal into effect. France adopted this system many years ago, and I think the United States recently adopted it, with great success in both cases. It is intolerable that native-born Canadians or those who have become citizens by adoption should work for and support criminals and keep them in idleness in aggregations, while they might with profit to themselves be doing work that would fit them to be better citizens at the expiration of their terms of imprisonment. I heartily advocate this system and trust that it will be adopted. It is not too much to expect that those who have violated the law should pay for their keep. This is only common sense and must appeal to every thinking person. Why, even the honey bees kill the drones, for they will not support non-producers, and it would be better for the criminals and for the country as well if such men were put to useful and profitable work. We could move them from one section of the country to another in order that they might be employed the year round. They could be sent to British Columbia in winter and could be put to work in the East in summer. Altogether I think it is time that we should take this proposal into consideration.

Quebec, a province of which I am most proud, has saved the Dominion of Canada on two or three occasions, and it is saving it now. This is evidenced by the fact that there is practically no unrest at the present time in that great province, which can support and sustain tens of millions of inhabitants with its great water-powers, its great valleys and great rivers. No trouble exists in that province. There are settlements, sixty and eighty miles up rivers, establishing new parishes. Yet they are not rushing into Parliament for public money to drain lands and build railroads. The people are happy and content in Quebec, and they are tolerant, just, and right in their relations with the minority. Under Sir Lomer Gouin, we have a government of which we are justly proud, and it is a revelation to compare the state of finance in Quebec with that as revealed in this Parliament. In that wonderful province there are water-powers enough to drive all the industries and to pull every railway train that will ever go through that part of the country, and the possibilities in the future are untold. Now, Mr. Speaker, I think I have occupied sufficient time in view of the fact that it is pretty well understood on both sides of the House that it is desirable that the House should adjourn before very long.

Mr. ROBERT JAMES MANION (Fort William and Rainy River): Mr. Speaker, in my few remarks this evening I shall attempt to emulate the Minister of Customs in his brevity, although I do not hope to follow his example to the extent of concluding in fifteen minutes. However, I shall endeavour to finish in about twice that time. In that brief space I shall not attempt to decide that century-old question as to whether free trade or protection is the best policy for any country, because the greatest intellects in England have been pondering that question for the past hundred years, and have not yet by any means decided it. In fact, they are starting the discussion all over again.

In regard to the Budget which the Minister of Finance delivered in this House so ably a few days ago, I am confident that it will not satisfy the extremists on either side of the House or in the country. Neither the extreme free traders nor the extreme protectionists will be satisfied with the result, but I believe that the average citizen of Canada, when he takes into consideration the fact that Canada owes pretty nearly $2,000,000,000 instead of $330,000,000 as before the war; that $115,000,000 in interest has to be raised; and that a sum between $35,000,000 and $40,000,000 has to be provided for pensions, when he thinks of the vast problems which will have to be dealt with, he will regard the Budget as fairly satisfactory.

I believe that the average citizen will be particularly pleased with the fact that the Government has taken that extra seven and a half per cent off the necessaries of life. He will also feel satisfied that the income tax has been increased and will be gratified with the promise of the Finance Minister that a revision of the tariff shall be made within the next year. I presume the average citizen will understand that the revision referred to is not a revision upwards. The other day when the debate took place here regarding the unrest in the country I attempted to get the floor on two or three occasions, but I was not fortunate enough to catch your eye, Mr. Speaker. I therefore am now going to say a few words on that subject for the reason that my own city, among many of the cities in the West, is one of the centres of unrest at the present time. I think, Mr. Speaker, that when you take into consideration the vast problems that this Government has handled, and the fair manner on the whole in which they

have been dealt with; when you take into account the fact that we have just finished a great war in which the Allies were victorious—a victory which was partly won by the Canadians—I think it is a fair question to ask why is unrest so prominent in this country? Why is Canada to-day in such an appalling condition of unrest? If you treat a sickness or malady, whether it be in a human being or in a nation, it is necessary to find the cause; otherwise, you cannot treat that malady intelligently; and until you remove the cause you cannot cure the disease. I should say there are three main causes for the prevailing unrest in this country. The first—perhaps not the most important, but the first—I would attribute to the highstrung condition of the people of the world, due to the mental and physical strain through which they have gone by reason of the recent war. I believe I am safe in saying that none of us is absolutely normal in his mental actions at the present moment. In other words, we are more or less irritable in our mental actions and reactions to-day. That I would put as one of the causes of the prevailing unrest in Canada. The second cause, and a very important one, is the almost prohibitive cost of the necessaries of life; and the third cause, I would say, is that there are in this country a number of agitators, influenced by not the fairest of motives, who are using those other two conditions to stir up trouble.

Now, Mr. Speaker, as to the reasons for the high cost of living: I would place first, and most important in the list, the fact that in the recent war forty or fifty millions of men throughout the world were taken from productive processes and placed at destructive processes. In other words, forty or fifty millions of men were taken from productive processes and necessarily allowed to use up the products of the different countries of the world, therefore causing a world shortage of the necessaries of life. I believe, Mr. Speaker, that is perhaps the most important of the causes of the present high cost of living. Second to that I would place the profiteering which has gone on in Canada and in other countries of the world. Now profiteering is not so important a cause of the high cost of living, but it is to my mind a much more important cause of unrest in Canada. I do not think any man has a right to stand on the floor of this House these days and make the statement that profiteering is going on unless he is prepared to offer some proof that his statement is correct. Therefore, I am going to offer what look to me like fairly good proofs that profiteering is going on in the Dominion at the present time. I hold in my hand a letter which was written to the city clerk of Fort William on December 9, six months ago to-day, by R. J. McFall, "Chief of the High Cost of Living." I cannot help thinking that is a strange title, but that is the way the letter is signed. I shall not read the letter, because I wish to condense my remarks as much as possible, but in it the writer says that Mr. Crawford, a citizen of Fort William and an accountant by profession, has given him proof of sixteen cases in which the four meat packing houses of that city have overcharged the local consumers in selling meats and such products as butter and eggs to the extent of breaking the law; and he gives forty cases altogether in which he says he can practically supply proof that the packing houses have overcharged the people of Fort William to such an extent that if the city wishes to sue the packing houses and bring them before the courts they can secure a fine of $1,000 in each case, or $40,000 in all; and he advises that the prosecution can be brought under Food Board Order No. 45. He goes on to say that he does not think the retailers are to blame, and that the profits of the packers are dealt with by the Minister of Finance. The question might easily be put up to me that since Mr. McFall has written to the city council suggesting that the meat packers be prosecuted, why has the prosecution not been undertaken? That is a legitimate question, and I am not going to defend the council of Fort William for not doing so except to remark that every city, generally speaking, objects to prosecuting business firms which are carrying on operations within its limits. I think that if the condition of affairs which Mr. McFall has pointed out is to be depended upon, as existing in Fort William it very likely did exist, and does exist now, throughout the country, and it is to my mind the duty of the Government to go ahead and prosecute some of these corporations. I venture to say that if the Government had done that at an early date it would have removed a certain amount of the unrest which now exists.

Another proof that profiteering, to a greater or less extent, is going on in the Dominion, is contained in a report printed in the Toronto Globe, and other papers, of May 25th—the annual financial report of the Dominion Textiles. In that report I read—and I will condense the statement so as

not to occupy an undue amount of the time of the House—that after all deductions, including $1,100,000 for war and income taxes, a newly-established pension fund, and replacement reserve, there remained for common stock dividend distribution the sum of $1,559,888, or equal to 31.2 per cent against 21.9 per cent in 1917-18 and 15.6 per cent the year before. In other words, in two years the Dominion Textiles Company, which handles the necessaries of life in the form of clothing for the people of this country, doubled their amount of profit and ran it up to 31.2 per cent. I think that is another proof of profiteering in Canada. I do not wish to be unjust to the meat packers referred to in Fort William, or to the Dominion Textiles Company, or to any other wholesalers or retailers that have been indulging in what we call "profiteering" or making excess profits, because as long as the law permits these companies to make such profits I do not think we can accuse them in a blind, hap-hazard way of doing wrong. These companies. whether wholesale or retail, were organized for the purpose of making money, and that is all they are doing. I presume that if any of the members of the House were shareholders in these companies they would be very pleased to get a high dividend; but the fact remains that such abnormal profits, such examples of profiteering, are one of the causes of the existing unrest.

I will give what I think is another proof of the profiteering in vogue in Canada in the shape of a statement made by the Hon. Gideon Robertson, Minister of Labour. Hon. Mr. Robertson, when passing through Fort William, gave an interview to the Times-Journal, which has not been contradicted, and therefore may be accepted as being true, in which he says:—

> I have enough information before me to assure myself that the jobbers and the retailers are the cause of the high cost of living.

Now, Mr. Speaker, I wish to say that I have no desire to indulge in destructive criticism in this matter, but I think the Government should interfere, if it is possible for it to do so, in putting a limit to such profits. I may be told that a committee of the House has been appointed to deal with the matter, and I compliment the Government upon appointing that committee, which is a step in the right direction; but I submit that inquiry by committee is rather a slow process, and I think that while the committee is carrying on its work it will be a very wise move for the Government, in order to help settle the prevailing unrest, to attempt to limit the excess profits which any company is making on the necessaries of life in Canada. I submit also that according to these reports the Government has the information to carry out that suggestion.

Now, Sir, to show that other countries have taken up this question, in 1915 the Government of New Zealand appointed a body called the "Board of Trade." This is from the Canadian Labour Gazette for last month, printed by the Government of Canada, so I take it to be official. This is what the Labour Gazette contains:

> A New Zealand statute entitled "The Cost of Living Act 1915," provided for the appointment of a body to be called "The Board of Trade" to investigate and report on conditions of trade, prices, cost of living, etc., in the Dominion of New Zealand. The Minister of Industries and Commerce is ex officio president of the Board.
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> The Board of Trade decided, under the provisions of the recommendations to devise a scheme for restricting increases in the prices of groceries. Committees of merchants were formed in each of the large centres to advise the Board and to furnish information as to wholesale prices and market conditions.
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> In regard to bacon and ham, owing to a rise in price the Board recommended that export should be prohibited. The meat trade also received considerable attention. Two state meat shops had been set up by the Board in January, 1917, as butchers had refused to keep in force prices approved by the Board.
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> In regard to footwear a scheme was adopted involving an arrangement with the tanners to supply manufacturers of boots with leather at reasonable prices. The Board reported that as a result of the measures taken by the Government and the Board of Trade to stabilize prices, the cost of food had not increased in New Zealand to the same extent as in America.
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> The price of butter sold for consumption in New Zealand was kept lower than the price for export, and the producers for export were made to contribute to an equalization fund to remunerate the producers who sold for home consumption.

I just mention that to show what the Government of New Zealand attempted four years ago to keep down the high cost of living, an attempt which met with some success. I do not believe that any member has a right to offer destructive criticism unless he is prepared to suggest something constructive in its place. It is very easy to tear down; it is very difficult to build up. It is very easy for members to show where the Government have made mistakes and to blame it for any untoward condition in the country. I do not think that is fair unless they are prepared to offer something

constructive in place of it, and I wish to submit these suggestions along the lines I have been speaking of:

First, I suggest that the Government shall take immediate steps to eliminate profiteering of all kinds so far as they are able to do so. I may be asked: How is that to be done? There is the question of limiting such people to reasonable profits. Then the difficulty comes up, of course, of deciding what are reasonable profits. The big dealer on a main street with heavy rent and other overhead expenses has to be considered as well as the small dealer off the main street whose expenses are very much less. But governments are appointed to overcome difficulties, and this is not an insuperable difficulty. The New Zealand Government took over the meat shops and obtained control of meat and the other necessaries of life. That is one possible line of action. Then the Minister of Finance gave us some help in his Budget by reducing the tariff on some of the necessaries of life. I would suggest that if later it is found that the high cost of living does not come down, it might be well to consider reducing the tariff still lower on these same necessaries of life. Another measure which the New Zealand Government took was to limit export. Many people in this country throw up their hands in horror when any one suggests such a thing. But if no other means are found practicable for bringing down the high cost of living, and the country is getting into a dangerous condition of unrest on account of that high cost of living, any method that is practicable would be wise to try out rather than let the country drift into that dangerous state.

Another suggestion which I have to offer is that we put down the revolutionary of any type. We have been in the habit of always blaming alien enemies. I think that the Government, particularly at the present time, should take into account the fact that a man is a revolutionary, and should ignore his nationality, whether he is a Canadian, an Englishman, a Scotchman, an Irishman or an alien,—treat them all alike. I was struck the other day by a statement made by the Minister of Customs (Mr. Sifton) when coming home from the Peace Conference. He told the soldiers on board ship that it was not essential that any particular Government should stay in power in this country or that any particular man or group of men should, but that it was essential that constitutional Government should be upheld. I think that is a principle we can all support.

My next suggestion is that the Government should carry on to a still greater extent than in the past—although they have done very good work—efforts for greater co-operation between capital and labour. Unfortunately capital and labour have been antagonists instead of realizing that they are interdependent, and as a result the community has suffered. We should show capital that it is dependent upon labour; and we should show labour that it is dependent upon capital; and we should show both that they are dependent upon the community. By bringing them into co-operation we might possibly settle some of these difficulties. I acknowledge quite frankly the excellent work that Senator Robertson has done to bring about that co-operation.

I appeal to the Government to take up these matters very seriously, and I would not state them on the floor of the House if I did not feel their urgent importance. I am not speaking in any spirit of destructive criticism, but rather in an effort to offer constructive suggestions, because I think it is very important that we should try to convince the people that we are really sincere in our efforts to bring down the cost of the necessities of life, even if we do not accomplish a great deal in that direction.

I wish to touch on another subject very briefly, and that is the question of the development of our natural resources. Last year I took this question up, particularly in regard to iron, and I pointed out, among other things, that after the war was over raw materials would rule the world of commerce, and that Canada possessed those raw materials in abundance only awaiting the hand of man to develop them. I stated that if you studied the commercial history of the world you found that the commercial development of France, England, the United States or Germany was in direct proportion to the production of pig iron and steel. I said that if Canada was to take her place among the nations of the world she must develop her natural resources. We have hundreds of millions of tons of iron ore scattered from the Atlantic to the Pacific, while at the same time we were importing 95 per cent of the iron ore used in our blast furnaces and steel plants. In 1896, 67 per cent of the iron ore used in the blast furnaces and steel plants of Canada was Canadian iron ore. Of course, a much smaller amount was manufactured then. In 1916, twenty years later, it fell from 67 per cent to 11 per cent; in 1917 to 4 per cent, and last year it had gone still

lower. I would like to point out that Quebec produces 90 per cent of the asbestos of the world, Ontario produces 80 per cent of the nickel supply of the world, and the Dominion produces about 15 per cent of the silver. But of iron we produced 93,000 tons and imported well over 2,000,000; in other words, we used less than 5 per cent of Canadian ore. Last year we imported $6,000,000 worth of iron ore; of iron and steel products including machinery, $155,000,000; oils, $46,000,000; coal, $70,000,000; or a total of $277,000,000. And yet, taking coal, there are in Canada the heaviest deposits in the world with the exception of those in the United States. Canada takes second place only to the United States in the immensity of her coal deposits. We have over a million million tons in the western and eastern deposits of this country, but unfortunately we have very little in between. In oil we have in Alberta, Saskatchewan and the Peace River District very rich deposits. We have hundreds of millions of tons of iron ore scattered between the Atlantic and the Pacific. We have 19,000,000 horse-power of potential electrical energy in our waterfalls, of which less than 10 per cent has been developed. A short time ago the members of this House heard Stefansson say there were 30,000,000 caribou and 40,000 musk oxen in the Arctic regions of this country ready to be developed into vast meat resources. But attempted oratorical outbursts like mine regarding our natural resources are of no use; unless we develop those resources. I noticed the other day the Finance Minister spoke with some fluency of our vast natural resources. But I repeat, unless we develop them they are of no use to the country. I notice that Mr. Beatty, the president of the Canadian Pacific Railway Company, in a speech delivered in the western country a few days ago, advised the development of these natural resources.

The reasons I give for the development of these natural resources are as follows: In the first place, we have in this country forty thousand miles of railway, and more than half of that mileage of these railways are nurselings in the hands of the Government. Canada has one mile of railway for every 190 to 200 people. The member for Cape Breton South (Mr. Butts) put a question in this regard a few moments ago; perhaps this will answer it. The United States has one mile of railway for every 400 people; Great Britain one mile to every 2,000 people and Russia one mile to every 4,000 people. Canada has more railway mileage than Great Britain with her 45,000,000 people and than France with her 40,000,000 people; and an equal mileage to that of Germany, with its 65,000,000 people. To make our railways catch up with their development we must increase the population and increase the traffic by developing our natural resources.

Another reason why we should develop these resources is that the debt of this country has jumped from $330,000,000 to $2,000,000,000, and our annual interest charges from $15,000,000 to $115,000,000; and our pensions have reached the sum of $35,000,000 or $40,000,000 per annum. The payment of that debt would be assisted to a great extent if we could work out a proper system for the development of these natural resources, and at the same time provide that the nation should share in the profits resulting from that development. For example, Northern Ontario produced during the last twelve years $220,000,000 worth of gold and silver and about $250,000,000 worth of nickel; yet out of that the nation got very little into its coffers. We are continually uttering the fallacy that if we take out of the earth a million dollars in minerals, we have reduced our national debt to that extent. But that is not the case, so long as the entire profits resulting from these developments go into the hands of corporations and private individuals. So I believe that we should work out some system for the development of these natural resources akin to what we have done in respect to our water-powers, which we no longer permit to be alienated into the hands of private corporations or individuals. The system need not be one of controlling them entirely; but Canada should get part of the profits.

We have guaranteed credits—and the policy has been criticised in this House—for Roumania, for Belgium, for England, for France. I am not going to quarrel with that policy. There is, perhaps, an element of risk in it; but in times like these, unless we dare something we certainly shall not gain anything. I therefore agree that this policy should be carried into effect, even taking into account the possibility of loss. But why not work out some system in the matter I mention.

Another reason why these natural resources should be developed, particularly the three that I have mentioned, is the fact that oil, coal and iron are all exhaustible materials, and that we import practically all our supplies of these from the United States. In the near future it

may be advisable for the United States, as a matter of self-protection, to shut off the export of some of these minerals to Canada. If that time should come, it would be advisable for Canada to be in a position to produce these natural resources within the country.

As to concrete proposals for the development of these resources, there are a number of them; I will simply name them without discussing them in detail.

The first is that the Government itself develop these natural resources. Having regard to Canada's debt, it is doubtful whether it would be advisable for us to put millions into a scheme of that sort.

Second, the guaranteeing of the bonds of a private corporation. That procedure has been tried out in Canada fairly well, with not too happy results.

Third, partnership with private corporations, such as the Shell Oil Company's proposition, which was put before the people recently through the press. That principle might work out fairly well, provided, of course, that the basis of the arrangement were not such that the private corporation took all the cream and the country got all the skim-milk. A scheme might be worked out under which the country, in return for giving more or less of an monopoly of a certain area to a corporation, would get a share of the profits.

Fourth, a bonus or bounty system, such as has been particularly advocated in connection with iron.

Fifth, a thorough investigation into the whole matter. Hon. members, whether protectionists or free-traders, on whichever side of the House they may be, cannot quarrel with a thorough investigation—more thorough than hitherto has been carried out. By the way, our Geological Survey does excellent work. They have their own professional men—men who have taken excellent university courses, but who are being paid the wages, almost, of ordinary labourers. It would be well-spent money if the Government could see its way clear to increase the expenditure on the Mines Department of the Government.

Sixth, and perhaps the best of all, the appointment of a commission or committee of the House to go into the whole question and try to work out some scheme whereby Canada could develop these natural resources. Commissions are unpopular at the present time because there are many, but a committee of the House could be appointed to go into this question, and possibly bring forth some constructive suggestion.

The development of these resources, then, would help to pay our national debt, would increase our population, would increase the home market for our agricultural products, would provide work for our soldiers and for others who desire work, would supply traffic for our over-developed railway system, would increase the prosperity of our country, would make us independent of American raw materials, and, finally, would turn Canada into one of the great commercial countries of the world—always provided, of course, that we can successfully work out a proper scheme to this end. I hope that in the near future, when some of the vast problems now confronting it are solved and set aside, the Government will take up the question of the development of the natural resources of this country.

Hon. H. S. BELAND (Beauce) moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On motion of Sir Thomas White the House adjourned at 11.05 p.m.

Tuesday, June 10, 1919.

The House met at Three o'clock.

SEDITION AND SEDITIOUS PROPAGANDA.

SPEECH OF SOLICITOR GENERAL MOVING ADOPTION OF REPORT OF THE COMMITTEE.

Hon. HUGH GUTHRIE (Solicitor General): I move that the House concur in the report of the Special Committee appointed to consider the law in regard to sedition and seditious propaganda presented to the House on Friday last. In making this motion might I be permitted to say in the first place that the recommendations of the Committee are not intended to have any effect whatever upon the recognized labour organizations throughout this country. I think I can state plainly that the recommendations of the Committee have no such object, and have no such effect. Neither were these recommendations inspired by, nor are they the result of, the Winnipeg strike; the Committee was appointed, and entered upon its duties, before the Winnipeg strike was instituted. I mention this matter on account of an article I saw in the press on Saturday last to the effect that the Special Committee appointed in regard to sedition had brought down a report as a direct result of the strike which existed in Winnipeg, and that the

report might operate adversely upon many labour organizations in Canada. This statement is thoroughly erroneous; the report can have no such operation, and no such effect. It is true that the Committee did look over the whole situation in Canada. It is quite true that the Committee did recognize, what I think must be recognized by every citizen of Canada at the present time, and not only in Canada but in other countries in the world, and that is, that we are to a very large extent at this moment confronted with a new situation, and it will be necessary now and in the future to amend our law, both civil and criminal, as occasion may require, in order to meet that new situation. This particular Committee was only charged with the duty of considering the law in regard to sedition, and in regard to seditious propaganda, and it is only in respect to that subject that the report assumes to deal. It is common knowledge, Mr. Speaker, that in Canada to-day there exist many associations and societies developed and organized for the purpose of carrying on a dangerous propaganda, and which, if permitted to pursue their purpose unhindered or unchecked, may ultimately prove a serious menace to our free institutions and to the authority of government in this country. Fortunately, up to the present time, Canada has not suffered to any marked extent from uprisings or from acts of violence or attempted violence which can be directly attributed to these associations, or as a result of their propaganda. In this respect, I think we have been perhaps more favoured than our neighbours in the United States; but we must not permit ourselves to be lulled to rest in any state of fancied security, because it is well known that the same insidious agencies of crime and of revolt which have been operating so freely in the United States, and in some of the countries of Europe, are actually in evidence in Canada to-day—

Sir SAM HUGHES: Hear, hear.

Mr. GUTHRIE: —although at the present time we may still congratulate ourselves that no serious overt acts have been committed so far in this country. I think it will be conceded that these baneful associations in their origin are not native to the soil of this free country; for the most part they are foreign importations, or Canadian imitations of foreign originals. The growth of these societies in this country and in the United States has been very marked in recent times; it is perhaps a development of the great war, or of post-war conditions. However that may be, one is bound to realize that the growth is continuous and the activities are becoming more pronounced almost from day to day. So the time has come when there is something necessary in the way of positive action by this Parliament to the end, in the first instance, that this pernicious propaganda may be stopped in Canada. At the same time the greatest care will have to be exercised that there be no unnecessary interference with, nor curtailment of the sacred right of free speech.

Mr. ERNEST LAPOINTE: Hear, hear.

Mr. GUTHRIE: —of free printing, or of free political thought, statement or action.

Some hon. MEMBERS: Hear, hear.

Mr. GUTHRIE: It may be very difficult under these circumstances to know where the line should be drawn. However, I think the House will agree with me in this—that a line can safely be drawn at that particular point where free speech itself, and where free and unlicensed printing itself, may be in the greatest jeopardy through the dissemination of pernicious doctrine in this country .

With these preliminary remarks, may I be permitted briefly to discuss something of the general scope and application of the amendments proposed by the Committee; and at the outset let me remark that I think it will require rather more than a superficial examination of the various sections of the Criminal Code in order to appreciate the propriety and the significance of some of these recommendations.

The subject of sedition, including seditious language, libels, acts, assemblies and conspiracies, offers a very wide field for legal investigation and research. It will be found that there is a great deal of ancient learning upon the subject. Happily in Canada, that particular branch of our criminal law has up to the present time received very limited application—there has been little or no occasion for it. The cases in this country upon the subject are few and far between; in fact, I think I may say that there is practically no Canadian case law on the subject of sedition. If we seek a definition of this little understood subject, we will have to go to the legal lore of the Motherland. But in England, although we find that the crime of sedition is of very ancient origin, within recent years, indeed, I think I may say for centuries prior to 1914, the law in respect to sedition

has been of exceedingly limited application. I think it may be admitted that both throughout Canada and Great Britain during a long number of peaceful years, there have been many occasions—I might say occasions without number—when language has been used and acts committed, which, according to a strict application or interpretation, of the term "sedition" would have been deemed seditious. Yet the law has been rarely invoked in such cases in times of peace.

Under the free and liberal usages and customs which pertain in Canada and throughout Great Britain such technical breaches of the law have been allowed to pass largely unnoticed. They have been allowed to run their course and to expend their force without let or hindrance on the part of the authorities, and usually with little damage or injury to the community. Indeed, one might say that the policy of passive inaction seems to have been established throughout the British Empire in regard to sedition in times of peace. The law was certainly not dead, it was on the statute book but it was permitted to remain dormant. Prosecutions were not instituted for every trivial word or act which, upon a strict interpretation, could be called seditious. The ravings of soap box orators upon the street corners of Canadian cities and the inflamatory oratory of the Hyde Park spellbinders in Great Britain were not the occasions of very many prosecutions. In normal, unwarlike times, the good common sense of the masses appeared a sufficient safeguard of the Throne, of the Constitution, of the institutions of the country, and of the rights and privileges of the people.

But a change has undoubtedly come over the face of the world, a change probably attributable in great measure to the war which has recently been brought to a close. The great war has undoubtedly been the author of many changes in the social and political fabric of the world. Many new schools of thought have been established, many new ideals of government have been set up, many former idols have been overthrown only to expose feet of clay. The serenity and tranquility of the former era has been succeeded by a period of unrest which is experienced all over the world—unrest accompanied by submerged excitement and by a good deal of uncertainty as to the future. Canada, in common with the other nations of the world, must be prepared resolutely to face the situation, as it exists in this country, and to provide laws which will reasonably meet that situation.

In the first place we must all fully realize that there is being carried on in Canada at this moment, an organized, concerted, and sustained effort to spread false and pernicious doctrines, designed in the first instance to cause dissatisfaction amongst His Majesty's subjects, to set class against class, to hamper, injure or destroy the public service and designed in their ultimate end, to subvert constituted authority and to overturn government itself. I do not think I have overdrawn the picture of the situation as its exists in Canada to-day.

So far as is known, this propaganda is chiefly carried on by means of associations or societies which have come into existence in great numbers and during very recent times in this country. As a result, of the efforts and operations of these societies Canada is being literally deluged at this moment with literature which one would not hesitate to stamp as seditious even under the provisions of the present law and having regard to the definition of the word "sedition" which I shall give to the House in a moment.

During the active progress of the war, as the House is aware, a fairly strong censorship was maintained under the authority of certain Orders in Council, but since the signing of the armistice that censorship has been very materially relaxed. Likewise, during the war, there have been enactments in force in respect to sedition in its various aspects. These enactments were supplementary to the provisions of the Criminal Code and were embodied in Orders in Council passed under the War Measures Act. Since the armistice was signed these Orders in Council have been rescinded. It has come to the knowledge of the Government, and it came also to the knowledge of the Special Committee through channels which, while absolutely reliable, are more or less confidential, that since the decision of the Orders in Council in regard to sedition, and since the relaxation of the press censorship, which I have just mentioned, there has been a noticeable increase on the one hand in the efforts of certain doubtful associations and societies, and, on the other hand, a large increase in the circulation of seditious literature. The operators are apparently becoming bolder in their operations day by day. It is believed that a considerable portion of this literature is printed, as well as circulated in this country. Perhaps the largest portion of it finds its way into Canada from the United States, through the mails, through express

companies, by freight, by motor truck and otherwise.

I do not know that any useful purpose would be served if I were to exhibit to the House or place upon Hansard samples of this thoroughly pernicious and seditious literature, nor would it serve any useful purpose to enumerate those doubtful or baneful societies. However, this information may be obtained by any hon. gentleman who desires to afford himself an opportunity of examining it.

It has frequently been said that government by Order in Council is not popular, and that consequently such government is not usually effective. We in Canada are in this position to-day: The Orders in Council which were in force in regard to sedition have been rescinded; the old enactments of our Criminal Code still stand intact. I believe that the time has come when action should be taken by this Parliament to put in statutory form some, at least, of the provisions which did appear in those Orders in Council.

The report does not suggest any radical amendment to the present sections of the Criminal Code. Those sections are left intact, with the exception of two slight amendments, to which I will refer in a moment. I might also point out that the new sections proposed by the committee by way of additional provisions and not in substitution of any present enactment. In other words, the proposed amendments are not for the purpose of altering the present law, but of adding to it. An effort has also been made by the committee to have something like uniformity in regard to the various classes of seditious offences so far as the penalty prescribed is concerned.

The committee, I think, fully appreciated and realized the difficulties which beset it. They have made an honest and an earnest effort to bring to the House a reasonable recommendation for amendments which I think are highly necessary to the criminal law at the present time. However, the committee does not feel that it by any means exhausted the subject. In the opinion of the House we may have gone too far, or we may have fallen far short of what we should have done. The committee is quite willing to place itself and its report in the judgment of the House, and if the report can usefully be amended the committee will be only too happy to see it so amended.

The first recommendation which the committee makes is in regard to unlawful associations. There is to-day no provision in our criminal law in that regard. It seems rather odd that there should be none. There is a provision known to every lawyer—section 87—which deals with unlawful assemblies. That section provides that an assembly of three or more persons shall become an unlawful assembly if it is so conducted as to give reasonable fear that a breach of the peace tumultuously is imminent. If the conduct of that assembly become such that anybody reasonably fears a breach of the peace, the assembly becomes unlawful. And once a breach of the peace takes place, the assembly becomes a riot under section 88 of the Code. That is the only provision of our law, so far as I have been able to find out, which renders a meeting unlawful.

The proposal of the committee goes much further than anything in the Code to-day. The committee proposes to make unlawful any society or association, incorporated or unincorporated, one of whose purposes, or professed purposes, is to bring about any governmental, industrial or economic change within Canada by use of force, violence, physical injury to person or property, or the like. If these be the purposes, or any of the purposes, of the association or society, it would become under this section an unlawful society, its officers and members under the following subsections will become liable to prosecution and to very serious penalties, and the goods and property of the society will become liable to seizure, forfeiture and confiscation. It will be seen that the proposal of the committee goes very much further than the present law in regard to unlawful assemblies.

Section 2 of the report deals with the present law as contained in our Criminal Code in regard to sedition and seditious offences. I think there is no offence or crime which is so little understood in this country as that of sedition. I doubt if outside of the members of the legal profession any hon. member has a very accurate conception of what the term "sedition" signifies or covers. Up till perhaps a month or so ago I did not have a very accurate idea of it myself. I doubt very much if many lawyers in Canada have any very accurate knowledge of the full meaning and significance of the term, unless they have had occasion to examine into the law. I have taken occasion recently to ask a number of laymen of undoubted general intelligence what their idea was of the term " sedition," and in nearly every instance they have replied that it was treason, that it meant the destruction of the King or other members

of the Royal family—instigation to rebellion or civil war, or something like that.

The popular idea of sedition is that it is something in the nature of treason; but that is entirely erroneous. One difficulty which I think exists to-day in our Criminal Code is that there is no definition of sedition. Consequently we are thrown back upon the common law of England. And when some of the greatest lawyers in England undertook forty years ago to frame a definition of sedition, they reported to the House of Commons the difficulties which they had in framing any accurate definition. In our Criminal Code we have this provision at the present time in section 132, subsection (1):

> Seditious words are words expressive of a seditious intention.

That does not take us very far.

> Subsection (2): A seditious libel is a libel expressive of a seditious intention.
>
> Subsection (3): A seditious conspiracy is an agreement between two or more persons to carry into execution a seditious intention.

I am satisfied that the vast majority of our people do not know what sedition is, and I doubt very much if when speaking or acting or writing they have any knowledge, in many cases, that they are actually transgressing the law.

In 1880 an attempt was made to codify the criminal law of Great Britain. A Royal Commission of very eminent lawyers was appointed for the purpose and a draft Bill was reported to the House of Commons, but that Bill never became law. However, that Royal Commission did attempt to frame a comprehensive definition of the term "sedition," and their definition—which is rather a definition of the term "seditious intention"—is as follows:

> "an intention—
>
> (1) to bring into hatred or contempt or to excite disaffection against the person of Her Majesty, or the government and constitution of the United Kingdom or of any part of it as by law established, or either House of Parliament, or the administration of Justice; or
>
> (2) to excite Her Majesty's subjects to attempt to procure, otherwise than by lawful means, the alteration of any matter in church or state by law established; or
>
> (3) to raise discontent or disaffection amongst Her Majesty's subjects; or
>
> (4) to promote feelings of ill-will and hostility between different classes of such subjects."

The Royal Commission reported that the definition which I have just given was as accurate a statement of the existing law as they could frame.

When our Criminal Code was before Parliament in 1892 the original Bill contained that definition. But the Special Committee of the House which dealt with the Bill thought it better to strike out the definition and allow the simple term "sedition" to be put in the section so that the word would carry its full common law significance. The section has stood from 1892 until the present time, just as originally framed. In my humble opinion, it would have far more force, effect and usefulness if the definition had been as it was in the English draft code; people would then have had some reasonable idea of what sedition really consisted. The committee propose to leave that section as it is; anything that has been the law since 1892 in respect of sedition will continue the law.

According to the recommendation of the committee, section 133 is to be struck out. Section 132 makes provision with regard to seditious words or words expressive of a seditious intention. Section 133 is a saving clause, which, in substance provides that if the words are uttered bona fide or in good faith, and for the purpose of remedying some apparent grievance or difficulty, then no offence of sedition shall have been committed. In my opinion, the language of the saving clause is too broad; in practice, it has operated as a cloak or shield which has prevented the imposition of penalties upon offenders who are able to point out to the magistrate or judge that any language they used or words they wrote were written or spoken in good faith for the purpose of pointing out some injustice that ought to be remedied, and that consequently, they were not guilty of sedition. In many cases prosecutions have failed on account of that particular section. My objection to the section is this: That if all a man merely advocates is a lawful change in conditions by the employment of lawful means, that is not a seditious offence. If he acts bona fide and advocates only lawful means, it cannot be seditious; the act becomes seditious only when the man advocates the employment of unlawful means to accomplish a purpose or to achieve an end. Consequently, I do not see very much use for section 133; and it is evident from information which came to the committee that recently, under this section, a number of prosecutions have failed in certain parts of the country.

In regard to section 134, which is the penal clause, the committee has recommended that the penalty be struck out. At

present the penalty is only two years; we have asked that the penalty be made from one to twenty years, which is the penalty we have recommended in respect of the other seditious offences as set out in our report.

The next clause of the report deals with a very important subject, namely, that of printing and circulating seditious literature. It may be argued that under section 133 of the Code as it is to-day a prosecution for seditious libel may take place. That is very true, and if a new clause, as drafted by the committee, is placed in the Code, a prosecution for seditious libel may still take place under section 133 or under the new section 97B. The difference between the two is this: in the section which the committee has recommended we have endeavoured clearly to set out what is a seditious publication. The section reads:

"97B. Any person who prints, publishes, edits, issues, circulates, sells, offers for sale or distribution any book, newspaper, periodical, pamphlet, picture paper, circular, card, letter, writing, print, publication or document of any kind, in which is taught, advocated, advised or defended, or who shall in any manner teach, advocate, advise, or defend the use, without authority of law, of force, violence, terrorism, or physical injury to person or property, or threats of such injury, as a means of accomplishing any governmental, industrial or economic change, or otherwise, shall be guilty of an offence and liable to imprisonment for not less than one year, and not more than twenty years.

If the Committee's recommendation is carried out, in the future a prosecution may take place either under that new section or under section 133 of the Code as it now stands, or under both sections.

But we have gone a little further. We have made it a criminal offence to attempt to circulate or to circulate through the mails of this country any such literature as is described in the section which I have just read. At present there is no adequate provision in our law to prevent the circulation of seditious literature through the post office. There is a clause in the Post Office Act, section 9, which permits the Postmaster General to make regulations in regard to certain matters—to provide that no dangerous, contraband or other improper articles shall be placed therein, and also to forbid the use of the mails for the forwarding of any article the importation of which is prohibited by law, but no penalties are prescribed. We have recommended a rather drastic section in regard to the use of Canadian mails for the circulation of seditious literature. In the opinion of the Committee, the section of the Post Office Act to which I have referred was not sufficient, and it is now provided that any person who uses the mails for this purpose and is convicted thereof shall be liable to a penalty of from one to twenty years' imprisonment.

The next clause is a provision against the importation into Canada of seditious literature. As I have stated, we have absolute evidence that a fairly large portion of the seditious literature now in circulation is actually printed in Canada; but there is no doubt that a large portion is imported from the United States. There are provisions in our Customs Act, sections 15 and 17 and schedule C, which together provide against the importation into Canada of any seditious literature, but no penalty is by that Act attached to the offence.

The only power of the Customs Department in respect to such importation would be to seize and destroy it, and the man who imported it into Canada is not liable upon any criminal charge. The section which the committee recommends would make it a criminal offence and subject any one guilty of an infringment of the law to a penalty of from one year to twenty years' imprisonment.

Then there is a general provision which makes it the duty of every employee of the Post Office Department or other departments of the Government of Canada to seize any seditious literature wheresoever it may be found, whether in the mails, or in or upon stations, wharves, yards, cars, trucks, motors or other vehicles, or steamboats, and there is a further provision that the literature when seized shall be confiscated and destroyed.

Sir SAM HUGHES: Is the party to whom the literature is addressed, supposing it comes through the mails, the guilty one or will it be the one sending it?

Mr. GUTHRIE: The party to whom it is addressed cannot be guilty under this clause. It was suggested that the clause should go a little further and that we should make it a criminal offence to have in one's possession any seditious literature. One of the Orders in Council which were passed during the period of the war made the possession of seditious literature a criminal offence. You would, however, subject many innocent people to prosecution if a provision of that kind were included in the Act. A man cannot control the situation for himself. Evilly disposed people may mail seditious literature to you, and it will reach you through the post office. Other persons may systematically

distribute it at house doors, and it gets into the household, and it would be rather a radical enactment to say that a man was guilty of a serious offence in this country merely by reason of the fact that seditious literature was found in his possession. If the House is of opinion that the clause should be extended in that way, a few words will do that. We could insert in the second line of clause 97 B these words:

"Or who has in his possession without lawful excuse."

But in the opinion of the committee that provision was a little more drastic than the occasion required.

These are, briefly stated, the recommendations of the Special Committee. It may by some be thought that they are rather radical and that the penalties imposed are higher than the occasion requires. I can only point out that the Congress of the United States has imposed much higher penalties. It is within the knowledge of us all that in certain prosecutions for sedition which took place in the United States last summer, Judge Landis of Chicago imposed prison terms of thirty years, and last week a Bill was introduced at Washington to provide the death penalty in cases where bombs or explosives are sent through the mails, and to provide the death penalty upon any one who belongs to an anarchist society. The penalties imposed in the United States within the last year or a year and a half are much higher than anything the committee has proposed in this report. The situation is grave, both in Canada and in the United States. Whether much will be accomplished by changes in the Criminal law in lessening the gravity of the situation, it is hard to say, but I believe it to be the duty of this Parliament to make ample and adequate provision for the situation which undoubtedly exists in Canada to-day. I, therefore, move:

That the report of the Special Committee appointed to consider and report on laws relating to sedition and seditious propaganda be concurred in.

Hon. CHARLES MURPHY (Russell): Mr. Speaker, if this motion be debatable now I should like, without any desire at all to interfere with the regular order of business expected to be proceeded with this afternoon, to say a word or two with reference to the report of the Special Committee and the observations of the Solicitor General (Mr. Guthrie). Judging by the manner in which the House received the hon. gentleman's reference to the subject of free speech and the rights of organized labour, I take it that there is, at the present time, in any event, a unanimous opinion in this House that free speech and the rights of organized labour should not be interfered with. However that may be, such was the opinion that prevailed in the committee of which I was a member, and the report from which—not from the whole of which, however—is now before the House. There was in the committee a very sharp division of opinion as to the necessity of amending the Criminal Code, and there was a further division of opinion whether, in the event of the committee being of opinion that the Criminal Code with reference to sedition and seditious propaganda should be amended—in view of the numerous strikes and the general unrest throughout the country—this was the proper time to make such a report to the House and to induce a discussion of matters that would inevitably be discussed by reason of that report and of any action that might follow the introduction of that report. It was on the latter ground principally—coupled with the fact that an opinion prevailed that the present Criminal Code was ample to cover the class of cases to which the attention of the committee was directed—that a portion of the committee, including myself, shared the view that this was not the proper time to introduce such a report as that, the adoption of which has now been moved by the Solicitor General. He himself, in his interesting historical and legal address, showed that that view on the part of a portion of the committee was well founded, because he informed the House that just as soon as the report was introduced, a newspaper, the name of which I do not know, published an article to the effect that this report would have a bearing upon the strike and the rights of labour organizations engaged in the strike at Winnipeg. Such was not the intention of, but such was the fear entertained by a number of members of the Committee. That fact explains why on the day of the last sitting of the Committee there was at one stage of that sitting a majority of the members of the Committee then present opposed to the bringing in of a report at this particular time. As to the determination to maintain law and order in this country and to enforce respect and obedience for law and order, there never was any question amongst the members of the Committee, but the opportunness of action at this particular time was a subject upon which there was a sharp difference of opinion, and it seems to me that the very incident referred to by the Solici-

tor General shows that those who held that opinion had good ground for holding it.

My hon. friend has referred to the fact that in his judgment there is necessity for some such drastic amendments as are proposed by the report, because the Orders in Council dealing with sedition have been rescinded. I have only to observe on that phase, that according to the information given to the Committee, the offences with respect to sedition and seditious propaganda were committed at a time when those Orders in Council were in force, and in my opinion action should have been taken then, and the delay until this Committee sat, deliberated, and a portion of it concurred in the bringing in of this report, should not have occurred.

The time for action with regard to the practices with reference to which the committee was informed has long since passed, and the question in the minds of a portion of the committee was whether it would not do more harm than good to introduce this subject in the House for discussion at the present time. Because of that view prevailing, there was on the day of the last sitting of the committee a majority of the committee in the room at a certain time actually opposed to the bringing in of the report. The others who remained until the conclusion of the sitting did not submit a minority report, for the reason that they wished to avoid the very discussion which has been evoked here this afternoon, and such further discussion as may take place. Having informed the House of the division of opinion that prevailed in the committee, and as to the points on which that division of opinion existed, I shall reserve anything further I may have to say on the subject until a future occasion, if the report of the committee is concurred in and legislation based upon it is introduced in the House.

Motion agreed to, and report concurred in.

VOTES AND PROCEEDINGS AND JOURNALS OF THE HOUSE.

Mr. W. F. NICKLE (Kingston) moved:

That the report of the Special Committee appointed to consider the question of consolidating the Votes and Proceedings and Journals of the House of Commons with a view to economy be concurred in.

Mr. BUREAU: Explain.

Mr. NICKLE: The House will remember that some time ago a special committee was appointed to consider the advisability of preparing a report to consolidate what is commonly known as the Votes and Proceedings, and Journals of the House of Commons. As the House knows, the Votes and Proceedings are what might be termed an informal record of the proceedings of the House, and are distributed from day to day. The Journals are the more formal documents, and at the end of the session are prepared by the proper officer and distributed as a bound volume to the members. The Votes and Proceedings are also distributed as a bound volume. The committee went carefully into the matter and thought the time had arrived when, by a very slight change in phraseology, the Votes and Proceedings and Journals might be incorporated into one document without their being any loss of information to the members of the House. Pursuant to that conclusion, the report of the committee was drawn, recommending that hereafter there be one set only of documents, and that a bound volume be distributed to the members at the end of the session, but that no bound volume taking the place of what is commonly known as the Votes and Proceedings be distributed. It is estimated that this will effect a saving in the neighbourhood of from $10,000 to $12,000 a year. I think that the committee were of the opinion that the House would be equally well served.

Hon. RODOLPHE LEMIEUX (Maisonneuve): I was a member of that committee and concurred in the report, the motion for the reception of which I now second. I must say that at first I was averse to the change contemplated, and when you, Mr. Speaker, consulted me a few weeks before the session opened as to the propriety of this change I informed you that I should like to have the opinion of the then oldest member of the House by many years—the late Sir Wilfrid Laurier. He knew the ancient usages of Parliament and was very familiar with the rules of this House, and I consulted with him and he afterwards consulted with you, Mr. Speaker, and his opinion was that we could well afford to do away with this one volume because it is practically an exact duplication of the other. I have to correct my hon. friend's statement as to the saving which it was estimated would be affected. From the statement which was placed before us it appeared that the saving would be between $25,000 and $26,000 a year. Under the circumstances I thought that I should follow Sir Wilfrid Laurier's advice, as it would mean a considerable reduction in the expenditure.

Motion agreed to, and report concurred in.

INTEREST RATE ON LOANS TO MONTREAL AND QUEBEC HARBOUR COMMISSIONERS.

On motion of Hon. C. C. Ballantyne (Minister of Marine and Fisheries) Bill No. 135, respecting the rate of interest to be paid on loans by His Majesty to the Harbour Commissioners of Montreal and Quebec, was introduced and read the first time.

CIVIL SERVICE ACT, 1918, AMENDMENT.

On motion of Hon. A. K. Maclean, Bill No. 136, to amend the Civil Service Act, 1918, was introduced and read the first time.

SENATE AMENDMENT TO THE CONSOLIDATED RAILWAY ACT.

On the Orders of the Day:

Mr. H. M. MOWAT (Parkdale): In the absence of the Minister of Railways would the Prime Minister be good enough to say as definitely as he can when consideration of the Senate amendment to the Consolidated Railway Act will be taken up.

Sir ROBERT BORDEN (Prime Minister): That matter is under consideration. It may be necessary to have a conference with the Senate on the subject.

THE BUDGET.

Consideration of the motion of Hon. Sir Thomas White (Minister of Finance) for the Committee of Ways and Means, and the amendment thereto of Mr. A. R. McMaster (Brome) resumed from Monday, June 9.

Hon. HENRI SEVERIN BELAND (Beauce): Mr. Speaker, in rising to address the House this afternoon I feel that a duty is incumbent upon me. This is, in fact, the first session during five years which it was possible for me to attend, and I am confronted with an agreeable task in this particular—the task of voicing my sentiments of gratitude for the sympathy and the interest shown me in the years of my exile and captivity. That duty I have endeavoured to discharge on all occasions that presented themselves to me, whether speaking in public or in private, since the day I set my foot on the blessed shores of Canada.

Exile and captivity are necessarily accompanied in all circumstances by sufferings of a mental, moral, and physical nature; and if I dare in your presence, Mr. Speaker, and in the presence of hon. gentlemen in this House—I, whose lot during the universal catastrophe has not been any more unfavourable than that of many others—to refer to my own personal and painful experiences, I pray you to believe it is not that I intend to single them out. But I feel that no word of mine could more adequately express my gratitude, through you to the Government and to members on both sides of this House, than by saying that during the long years of prison life the repeated manifestations of sympathy on the part of hon. members of this House of Commons have been to me a source of consolation, a source of encouragement, and a source of comfort. I had been regularly kept informed of the efforts made, and of the steps taken, in turn by the Canadian Government and the Imperial authorities to secure my release, both governments being, as I know, supported staunchly and constantly by influences, religious and lay, which, on one part for humanitarian reasons and on the other part on personal grounds, had been exercised in my behalf.

To the Canadian Government, to the Imperial Government, and to the influences, beneficent indeed, which have been exercised in my favour, and which have undoubtedly largely contributed, and which certainly aided to a large extent towards my release, and my ultimate exchange, I beg to extend, through you, Mr. Speaker, my deepest gratitude.

When Parliament convened in the month of February, the hon. the Acting Prime Minister (Sir Thomas White) and the hon. member for Huntingdon (Mr. Robb), the chief whip of the Liberal party, both gentlemen obeying the generous sentiments of their hearts, pronounced a few words of praise and of welcome, addressing them to my humble person. The occasion might have been, under ordinary circumstances, propitious for me then to answer, but at that moment Canada was dominated by a deep sorrow and a bitter grief. Her most illustrious son, whose life had been so intimately connected with the history of the country, had been removed from our midst by the inexorable hand of death, and I felt then that any personal reference to me would have been considered an unwelcome distraction from the emotion, and the pious sentiment of sorrow, of pain, and of affection, which penetrated the soul of every citizen of Canada. Had I on that occasion chosen to speak I would not have refused to accept

those words that were pronounced and addressed to me by the Acting Prime Minister and by my hon. friend from Huntingdon (Mr. Robb)—not that I would have thought that I deserved them, but rather because I felt that they were meant for and directed to the tens of thousands—yes, hundreds of thousands—of Canadians, brave men, who had in the course of the last five years left everything behind them—home, and the comforts of home; parents, and all that is tender and cherishable in the home, comforts, friendships—to pass over the deep, that they might uphold on the battlefields of Europe the principles of international faith and justice which were disowned and treated with utter contempt by one of the belligerents.

That those principles of international right and justice have been disowned, I am an eye-witness. It was my privilege, or my misfortune, to be in Belgium at the moment the war broke out. May I in this debate refer just for a moment to that country. Belgium was attacked without provocation. Having been attacked it was invaded. Having been invaded it was conquered, and being conquered it was subjected to infamies political, administrative, and military, which have aroused the universal conscience of the civilized world. It is against the dark background of those infamies that the virtue and the heroism of Belgium shines out in immortal lustre. Two men principally in Belgium embodied the resistance of the nation—one, the King; the other, Cardinal Mercier.

Of these two patriots, one at the head of the army, was the soul of the active resistance; the other, within Belgium, in the occupied territory, was the soul of the passive resistance.

But whether we have regard to Belgium as a nation, or whether we have regard to her king, or whether we consider her civil population, or her army, or whether we take all as they constitute one single, noble whole, the picture excites the admiration of the world.

The glory and fame of Canada attaches to the fact that Canada stood by the word of Mr. Asquith, that word uttered in his famous speech at the Guildhall on the 9th of November, 1914, when, speaking in the name of England, Mr. Asquith said: "We have not drawn the sword lightly, and we will not sheathe the sword until Belgium recovers all, and more than all, of that she has sacrificed." Her vindication is complete to-day, right has dethroned might; the principles of moral and public right, which form the true basis of nations, have entrenched themselves where it was attempted to enthrone the principles of hegemony and cruel domination.

Many forces have contributed to this achievement; Canada has done her share and the men of Canada who participated in the struggle—the forever glorious struggle—are now re-entering their homes. They are welcomed from one end of the country to the other.

But, as they come back, we find they are different from what they were before they left us. During the days of their youth and adolescence they had been taught to develop amongst themselves a spirit of personal initiative. Individualism and particularism had been cultivated among them, but in the years of the war, the energies that were formerly directed towards trade, production, economic development and social welfare were concentrated upon a single aim and under a sole direction in which they had no participation. For four years they have been taught the arts of war, the arts that are destructive and inhuman; now they will have to cultivate the arts of peace, the arts that are constructive and human.

The task that confronts the Government of the country is, indeed, formidable. But, remembering the time when this country absorbed 300,000 immigrants annually, one might very well ask, why should the task be so overwhelming? We know that the bulk of that immigration was absorbed in this country without any dislocation of the body politic or economic. There are many reasons why the returning soldiers should be looked upon in a different light. Their mentality and aspirations are different. There are also their peculiar requirements to be kept in mind. A few weeks ago in this House the hon. the Minister of Colonization (Mr. Calder) referred to this point in particular, and he said very properly, I think, that it was to be expected that soldiers coming back from Europe should have different views and aspirations from those which they had before the war. It may be incongruous to compare the returned soldier to the immigrant—the immigrant comes to this country knowing that he is a stranger. True, he is invited; true he is induced to come, but he cannot help thinking when he is disembarking that he is entering a country where no special place has been marked out for him. The returned soldier comes back to his home, takes his place by the fireside, and has extended to him a cordial welcome. He knows that his memory has

been kept warm in his mother's heart, in his father's heart, in the hearts of his friends, and the warmth of this feeling finds expression when he comes back—many have been wounded, perhaps crippled. Were the conditions prevailing in Canada at the present time the conditions that prevailed before the war, the problem which confronts the people of this country, and in particular the Government which has the authority to deal with it, would be singularly simplified. The war has left upon Canada its mark as it has left its mark elsewhere. It is true that we have been spared the destruction of property and the devastation which has befallen many of the countries of Europe, particularly France and Belgium. But Canada has felt the war very sorely. Industries have been, to a certain degree, dislocated; activities of all kinds have been adapted to the necessities of the hour; woman has found employment in some fields which previously invited only the industry of men. Moreover, a great financial burden is bearing down upon the shoulders of the people.

Faced with these conditions, I ask myself, and I ask the House: What policy would be best calculated to remedy the curse of unemployment? In some provinces, and notably in Quebec, Ontario, Manitoba, Saskatchewan and Alberta, there are still millions of acres of fertile land which await only the sturdy hand of the tiller. As to the fertility and productiveness of the land we can entertain no doubt if we are to rely on the numberless reports that are at our disposal.

In no epoch of history before this has agriculture revealed itself as of more paramount importance. Agriculture is the mother industry, it is at the very foundation of the needs of life itself. Other industries may live, but should it become necessary to select on industry only, that one would be agriculture. The tiller of the soil is king, his realm is nature, her luxuriant beauty is his, his horizon is boundless, the atmosphere he breathes is pure and recuperating. He is unconcerned about the hundred and one niceties and subtleties which surround the beehives of industry, for he serves one master only, the One above, and he caters to our own mother earth, who treats him as her most beloved child.

I would that we had hundreds of Dr. Robertsons, who at the head of a regiment would invade our virgin lands that are fit for cultivation. I am convinced, Mr. Speaker, that in those new and peaceful fields they would accomplish a task no less glorious than that they accomplished in war, and for which a concert of praise ascends from the lips of every true patriot.

Though the captains of agriculture are not as numerous as we would wish, is it to be contended that we should renounce the establishment of our returned soldiers on the land? I say no. The Government has extended to the returned soldier some inducements in the way of cash assistance. The bona fide settler now is, if I judge aright, perhaps in a position to receive as much as $8,000 by way of loan. On both sides of the House I am sure we will consider this move to be commendable. But it is not sufficient. The incentive should be larger; it should not be limited to this loan in money.

And what other inducement can you extend to the farmer? Give him a fiscal policy which will invite him to the land and which will help him to create wealth for the country. Men on the farm have a special claim to our attention, because primarily this is an agricultural country.

That brings me forcibly to a consideration of the fiscal policy which this country should adopt. During the eighteen years that I have had a seat in this House our fiscal policy has been the bone of contention as between free traders on the one side and protectionists on the other. The manufacturing interests and the farming interests have been at loggerheads. The farmer is in Canada to stay, and the manufacturer also is in Canada to stay. Their interests, one is forced to recognize, are in some degree divergent, and whilst I am not prepared to embrace the cause of the one to the entire exclusion of the cause of the other, I am inclined to think that the manufacturer has had the advantage from the different Governments of this country. He was better organized, he was better supported financially for propaganda work, and especially in the period of his early youth and development a full measure of assistance in the shape of a protective tariff was extended to him.

The manufacturer has accomplished great things for Canada—and, perhaps I may add, for himself also. It would be an insult to his spirit of manhood to contend that he still needs to the same degree the assistance which was so generously granted to him by the farmer and the consumer in the days of his youth. I do not want to offend the manufacturer by supposing for one moment that he is not able to compete with his foreign competitor, when in many instances he has held his own remarkably

well in the markets of the world. I do not need any other demonstration of that than the fact that in this House a few weeks ago the member for Simcoe (Mr. Currie)—an avowed protectionist himself—declared that in his own industry he had secured a pronounced success in the markets of other lands.

We are told that this is an era of reconstruction and readjustment. The main feature of this reconstruction is admittedly the civil re-establishment of the returned soldiers, and a pressing invitation is conveyed to our brave boys to enter the field of agriculture. I say to the Government: Extend to them all possible assistance in that direction, especially in the shape of a tariff that will relieve their shoulders from the heavy burden of taxation that is now bearing down upon them.

It is generally contended that the farmer is the most prosperous of our citizens. I myself am in a position to judge quite accurately the condition of the farmer, for I come from a farming constituency, and I am descended from a farming family. I have no hesitation in corroborating the statement that was made at Belleville, Ont., last January by no less a light in the agricultural world than Professor A. Leitch. Speaking there, after an investigation on a number of farms in the county of Oxford, Ont., this eminent professor was of the opinion that the farmer was barely making a living. He said in particular—and this will be a very short quotation:—

> It is next to impossible, unless a man has an enormously large farm, to make over $2,000 a year, and that only by working thirteen hours a day.

Professor Leitch continues to say that the results are not due to bad management, because some of the most efficient men, the best animals, and the highest crop yields were to be found on these farms, but in most of the cases that were brought under his observation on farms of about 45 acres, with about 40 acres of tillable land and 32 acres of actual crop, the owners only averaged $524 of labour income, representing the salary of the farmer and of his wife and children.

The farmer wants free agricultural implements; he wants the free admission into Canada of articles which are necessary in the furnishing of a home. The farmer wants these concessions, because he needs them—I say to the Government: Grant them to him.

As the years go by it is apparent to me that Canada should have ratified the reciprocal trade agreement with United States in 1911. The fact that a large portion of the community refused to endorse the scheme is not, in my estimation, an indication that the country was against it. A keen observer of the political events of that day will admit with me the reciprocity proposal was refused for other reasons than economic reasons. Moreover, during the few months that I have been back in this country I have noticed, as you, Mr. Speaker, and members of the House have no doubt noticed, that resolutions have been adopted generally by farming communities asking for the enforcement of the Fielding trade agreement. Can we ignore the request of what I sincerely believe to be the majority of the Canadian people?

Mr. EDWARDS: Did the Fielding reciprocity agreement provide for free agricultural implements?

Mr. BELAND: A very substantial reduction was provided for in the reciprocity proposals submitted to Parliament under the Laurier Administration.

I can hear the strong protests of the member for Brantford (Mr. Cockshutt) and the member for North Simcoe (Mr. Currie); I can hear their words of warning—perhaps I should say their words of threatening. Should this Government go one step further in lowering the walls which constitute an almost insuperable obstacle to the entry of foreign goods into Canada, then, according to their view the whole industrial fabric of Canada would be washed away as a chip on the sand by the wave of low-priced imports.

And then, the argument of the adverse balance of trade is invoked. I shall not busy myself even for a moment with these exponents of the argument concerning balance of trade. I shall content myself with saying that trade, well-understood trade, rests upon the interchange of goods. Endeavour to flood the market of the foreigner, succeed, if that is possible, in excluding the foreigner from your market, and the process will lead to abnormal charges, to abnormal rates of exchange; and, if the two countries are of about the same population, to the impoverishment of the country you are exploiting, the inevitable result will be the destruction of the customer whom you prized so much and whom you were exploiting so merrily. Yes, trade, in order to be profitable and enduring, must be reciprocal.

The Government, by its new proposals, has taken steps to secure new markets. I was not aware that Canada needed markets at the present time; what she needs especially is commodities—the products of

the farm and the products of manufacture. But be that as it may, the Government has taken steps to advance credits to some nations—to Roumania, to Greece, to Belgium, to France, and, if I am correctly informed, to Italy also. I believe that much could be gained from the markets of France and Belgium, especially during their period of reconstruction. But Roumania and Greece are in too close proximity to countries where social and political conditions are still unsettled and in doubt, and I would urge the Government to be very cautious about extending credits too large to those countries.

But we have markets; there is the market to the south of us, and we have the market of England. Although our goods are admitted free to England, the United States is still the country with which we have the largest trade. That shows that you cannot combat the laws of geography and the laws of nature. Perhaps some hon. gentlemen will be surprised when I say that before the war Canada supplied to England only one-fifth of its import of wheat. In the line of leather and leather goods, our trade with England was pitiably low; in fruit and in cattle it was not what it should have been; in the line of lumber, of pulp and of paper, products which are very closely allied, the market of England should open an almost boundless field for our exporters. The products of the fisheries should have a good place in the market of England. It would be an error to develop this country too much on the side of manufacture and not enough on the side of agriculture. But let me refer to one or two lines of manufactured products so far as our export to England is concerned. England in 1913 imported $40,000,000 worth of carriages, and out of that amount Canada supplied almost nothing. The same may be said of England's imports of shoes.

It is hinted in the newspapers that England should enter on a policy of Imperial preference. If she should do so, the produce of Canada would enjoy a protection or preference on the English market. Let us then develop our trade, especially with the natural resources of this country.

As regards the subject of immigration, what should be the course to adopt. Whatever proportion of returned soldiers may conceivably be placed upon farms, a large number will have to be absorbed by industry. Unemployed men are walking the streets of our cities by tens of thousands. Should this army of idle men be increased? I say: No. I say: Stop immigration for a while at least. I am ready to concede that an increase in population is conducive to prosperity, as is demonstrated by the example of the United States in the last century and by the example of Canada since 1896; but at the present moment I believe our immigration should be confined to farm labourers and domestic servants of irreproachable physical and moral soundness. It is very doubtful whether unrestricted immigration at this time would not increase our present unfavourable social and economic conditions.

One guarantee of the early restoration of normal conditions in Canada is the conviction that must prevail in all sections that, during the years of heroism and stress through which the country has just passed, Canada's autonomy as a nation in the great British Empire has been preserved in its integrity. Can we boast—can the Government boast of having preserved our complete autonomy during the war? I am afraid that under the spell and influence of the war, the representatives of Canada in the councils of the British Empire have allowed unsound advice to prevail with them. They have listened too complacently to extraneous influences; and mark you, Sir, in making these remarks, I am making them in the interest of the British Empire itself. Statesmen whose political inheritance is highly prized: Sir John A. Macdonald, Sir John Thompson, and Sir Wilfrid Laurier, have reiterated the theme that complete autonomy exercised without undue pressure or influence is the greatest safeguard for the permanency and solidity of the British Empire.

I deeply regret in this connection the Siberian expedition. Am I alone in this House in regretting it? Am I alone in the country in looking upon it with dismay? No, the number of those who disagree with the Government is, perhaps, greater than is thought. After eight months of sojourn in Canada, I have yet to meet a man who approves this scheme, much less one who is enthusiastic over it. Whether the expedition to Siberia should have been undertaken at all is a debatable question, which might well be answered in the negative. But granted, if you like, that the Siberian expedition should have been embarked upon, by what process of reasoning should Canada, after a contribution of 400,000 men to the Allied armies of Europe, be called upon to supply a share, especially when we know that one of our allies, and not one of the least, Japan, one

of the Big Five, has not contributed any more than a few thousand men, and that those few thousand men from Japan were used to wrest from Germany, Tsing-Tau, the only foothold, the only fortress that Germany had in the Far East. One may refer to the part played by Japan in Mediterranean waters against the submarine menace, and I am ready to concede that Japan has done something in the Mediterranean sea. I do not want to minimize her effort; but apart from that, it must be admitted that Japan has been absent from all theatres of war. A situation which is considered serious develops in eastern Russia, in the immediate neighbourhood of Nippon island. Japan has an available army of 3,000,000 men, well equipped, well trained and well disciplined, one-quarter of which would be sufficient to remedy any situation that was considered deficient in eastern Russia. Japan, moreover, is within a few hours of the new theatre of war. But we are confronted with the bare, cold and shocking fact that Canadian troops, after a contribution of men unexampled in this country, after the sacrifice of 50,000 lives, after casualties that have reached a total of over 100,000, after an outlay in money of about $1,000,000,000, are despatched to the Antipodes to fight whom? Nobody knows. This expedition was a political error, a military mistake, and a wanton extravagance. Are the people of Canada responsible? Is Parliament responsible? The people of Canada and Parliament were not consulted. Who, then, is responsible? The Government is responsible. A few weeks ago, when this subject was broached in Parliament, the President of Privy Council (Mr. Rowell) and the Minister of Militia and Defence (Mr. Mewburn), in their eagerness to exonerate the Government, answered that the expedition to Siberia had been asked for by the Imperial Government. Either the representatives of Canada in the War Cabinet have agreed to this or they have dissented from it. If they have approved the scheme, then they have shown a disposition to yield that is lamentable and that will be so considered by the country at large. If they opposed the idea their opposition was disregarded; they were outvoted. If that be the case, I ask: What becomes of Canadian autonomy? During my stay in London last year it was represented to me that a body of men, some Canadians and some English, not members of this Government, were the power behind the Throne, the inspiring mind behind this scheme.

If it succeeded, it would be perhaps a decisive move, and the principle of the shaping of Canadian policy in London, if not resented and condemned in Canada, would have been accepted and consecrated. It is of the utmost importance in the re-establishment of normal conditions in Canada that our people should not be under the impression that a body of men whose motives and interests are foreign, if not adverse, to true Imperial and Canadian interests, have a commanding voice in the shaping of Canadian policy. On the score of autonomy, as on the score of the franchise, the Canadian people are sensitive. Both prerogatives are of the highest political order, and interference with either must lead to dissatisfaction and unrest. With a full sense of my responsibility as a member of this Parliament I say to my hon. friends: preserve both the one and the other. Autonomy for the nation, and the franchise for the individual, are the twin pillars upon which rests the magnificent structure of a free Canada in a free British Empire.

The declarations which have been made so far in connection with the new Franchise Bill are of a very vague character, so much so that it is impossible for any one outside of those engaged upon its preparation to foresee what its main features will be. Since my return I have found in Canada the opinion prevalent among many classes that the War-time Elections Act has accomplished very little for the country, while, it has caused any amount of discontent and dissatisfaction. Indeed, in unpopularity, it ranks next to the Siberian Expedition. But I shall refrain from discussing the merits or the demerits of the Act which is now the law of the land; I may not have been able to grasp the situation that existed at the time of its adoption; but whether necessary or unnecessary the law is certainly unfortunate. By it thousands of citizens have been deprived of the most precious privilege of a British citizen—the franchise. In every British country the franchise is the corner-stone of all liberty, and let not the House construe my advocacy of a generous franchise as advocating that the full privileges of citizenship should be granted to men who are not in perfect accord and sympathy with our established institutions and our ethics of nationhood. Nothing could be more remote from my mind. But we want to make it clear that this is a country with democratic tendencies, as opposed to the accursed and now obsolete system of rule

by the few. Let me repeat here what I have said elsewhere, that a franchise law in the hands of a government may be as dangerous a weapon as a sword in the hands of the despot. Not one, I hope, wishes to disfranchise men simply because they do not share their views as to the policy that should be adopted for promoting the advancement of the nation, moral, economic, and social.

Mr. BUREAU: That is their only reason.

Mr. BELAND: In this Parliament there are now five or six vacant seats. Why should not those constituencies be represented? In the early part of the session the hon. member for George Etienne Cartier (Mr. Jacobs) introduced a Bill providing for the holding of a by-election automatically in case of a vacancy occurring. The rules of the House preclude my hon. friend from pressing his Bill to a conclusion at this stage of the session, but I appeal to the Government to take it up and make it a government measure. I can assure them that it would pass this House and become the law of the land within fifteen minutes. Then when a vacancy occurred by reason of the death or resignation of the sitting member the people of that constituency would be called upon within sixty days to elect a new representative. We are very prone to take our examples from Great Britain—in England a by-election automatically takes place within six or seven weeks of a vacancy occurring.

The conviction is widespread that this horrible war with its cortege of suffering and bereavement has been accepted and fought by the allied nations for the safeguarding of liberty—of liberty threatened by a despotic power—and the hope has penetrated all our souls that out of the terrible chaos of the last four years something may emerge better than what the world had hitherto known. A sad hour indeed it would be for the people of this country, and of all countries, if they should realize that freedom of thought,

5 p.m.

freedom of speech, freedom of the press, and freedom of the franchise, have been curtailed instead of enlarged as a result of the severe ordeal which has been undergone. There are those who think, or profess to think, that government without the concurrence of the people or of Parliament is to be preferred. On the other hand, there are those who contend with Abraham Lincoln for government of the people, by the people, and for the people.

In Belgium in 1915, during eight months of the German occupation, and later in Germany, I was in close contact with the protagonists of the first-mentioned theory, with the disciples of him who believed that rule by the few was preferable. When I left this country I think I was a democrat, but I can assure you, Mr. Speaker, that now after having come in contact with the men who shared the view that rule by the few is preferable, I have decided to remain unalterably attached to the largest possible measure of popular liberty. At the present moment, when clouds which are slow to dissipate overhang all nations, when in some instances established institutions have been overthrown, when unrest and disquietude is felt in some quarters, it is of paramount importance, both with regard to the franchise and to autonomy that the Government, like Caesar's wife, should be above suspicion.

I had intended, Mr. Speaker, to say a few words on the financial situation, but I will not dwell at any length upon this subject which was treated in so masterly a manner by my hon. friend from Brome (Mr. MacMaster) yesterday. I cannot refrain from admitting that the Minister of Finance displayed a good deal of frankness in presenting his Budget proposals. He depicted the financial situation of Canada as indeed not very rosy and as being rather gloomy; but, Sir, I believe there is no room in this country for pessimism. The burden is serious, but it can be carried. The debt of Canada being $2,000,000,000, and the nation within a few months having to pay $40,000,000 for pensions, the annual outlay on these obligations will reach a total of $155,000,000. This is a very large sum indeed, and yet after we have met it we shall not yet have spent a single dollar to carry on the affairs of the country. The sum of $155,000,00 is about double what the whole revenue of Canada was twenty years ago. The national debt will be $2,000,000,000 next year. What will it be the year after next? And what will it be after even another year has expired? I venture to say that within three years it will reach the figure of $2,500,000,000. There is a saving feature about it: we owe the money to our own people. The Minister of Finance laid a good deal of stress on this point, indeed he contended that it was very much more advantageous that we should owe the money to the Canadian people. It is true that when you come to pay the interest on the public debt you pay it to your own people; but we must not overlook the fact that although the

money was spent in Canada it was money out of the pockets of the people and not money brought into the Dominion from a foreign country. Therefore, while in one respect that fact is advantageous, in the other it is not. Production and economy is the motto preached by the Minister of Finance. I admit that we must produce; it is the only manner in which the affairs of the country can be carried on to a successful end. At this moment, when a large portion of Europe is devastated, when the people there are clamouring for commodities of all kinds, the duty of the Government should be to tap the natural resources of Canada to the uttermost; and these words of Mr. Auckland Geddes, pronounced at the Imperial Chamber of Commerce a few days ago, have their full application here:

> Trade on a huge and hitherto unexampled scale is the only way by which we can make good the losses of the war.

We must practise economy. That was the predication of the Minister of Finance. I am afraid the advice will be futile because the Government of which the hon. gentleman is a member has not supported the predication by example. Large amounts of money have been expended. The cost of registration, to which reference was made yesterday, to the country, has been $650,000. The Minister of Public Works said the brakes must be applied and applied very soon, but it is not for us to do that,—the responsibility rests upon the Government. We have been voting moneys during the present session, (and I notice the same thing occurred in the previous session,) for works that are not productive of revenue, and that are not advantageous to the country. They create, perhaps, an ephemeral inflated prosperity, but that will only lead in a few years to further unrest.

Although the Minister of Finance has not intimated it very plainly, a loan of a very respectable size will be launched in Canada before long, a loan probably of $300,000,000. Next year, with a deficit in sight of some $320,000,000 or $340,000,000, another loan will be launched, and then perhaps the year following, a third loan. I want to impress upon the Government the importance of not exempting these loans from income tax, because if that is done the taxation will have to be imposed on consumption and then the poor, the masses of the people, that are less able to carry the burden, will be overladen, which in due course will lead to further unrest and dissatisfaction.

The hon. member for Fort William (Mr. Manion)) last night in a very able speech, which I followed with the greatest pleasure, referred to the existing labour unrest in this country. In that hon. gentleman's estimation there are several causes for the industrial trouble. In my estimation, Mr. Speaker, these are the causes of labour unrest: First, the conviction, properly arrived at, that the war was carried to a successful end by the masses, second, a keener realization on the part of the masses of the people of the shocking inequalities of the social world, and third, a common suffering everywhere, because of the high cost of living. What is the remedy? It is to try to afford a better standard of life to the labouring community, and to reduce the cost of living. Reduce the cost of living, is a fine phrase, but how are you going to do it? It seems to me, Mr. Speaker, that you can reduce the cost of living by applying yourself to the three following activities: Increase production, reduce the taxation on consumption, and in particular bring the profiteer to account. The two former methods I have already referred to during my remarks; but whatever may be the amount of production, be it ample or small, the cost to the consumer may not be diminished by reason of an immoral disposition on the part of some human beings to take undue advantage of a faulty system of distribution. There exists the law of supply and demand. If that law is allowed to have freedom, if it is allowed to follow its natural course, it will operate according to reason and will prevent the oppression of the masses.

But, the just and free operation of the law of supply and demand has been ignored or rather interfered with. Contact has been lost between the original producer and the ultimate consumer. Between the two a parasite or tremendous dominating power has entrenched himself. He is to be found in the warehouse, in the cold storage plant, where he accumulates and holds for a rise in price and a scandalous profit. You would have found him between the consumer and the producer seven or eight weeks ago when the price of butter was sent up to seventy-five cents a pound. Had not spring threatened him, the price might have been carried to $1 a pound. Have we not in this country an Act known as the War Measures Act which gives to the Government almost unlimited powers? By the War Measures Act brick can be changed into stone. What was the reason for non-interference in this particular instance on the part of the Government?

When such exactions are perpetrated can we wonder at the industrial and social restlessness in Canada? It is claimed that there are dangerous leaders, that there are men who are agitators, that there are in this country—as was affirmed in this House this afternoon by the hon. Solictor General (Mr. Guthrie)—men who want to overthrow our established institutions. No quarter for them, is my advice. But, Sir, no quarter also for another objectionable, and not more desirable, party—the profiteer. Let us try to assist the honest endeavour of labour to gain in this country a better standard of life. This effort is commendable, and anything in reason that can afford a better standard of living, together with some of the comforts of this world, should not be denied the most important, after all, of the factors of production and wealth. It seems to me that if this condition should be reached, social strife would come to an end.

Mr. Speaker, after my release, and as I entered Holland passing out of Germany, I experienced emotions which it is beyond my power to describe. It was on a spring day when nature awakens to a new life. I passed from a world of horror and strife into a world of peace and happiness. It was, as I said, on a day in spring when nature takes on new life. The luxuriant vegetation, the warbling birds, the fragrant atmosphere, the green pasture fields, the splendid herds, the placid streams, the happy children at play—everything appeared to me so beautiful and so entrancing, that I realized in the twinkling of an eye the immense chasm which separated me from a world of horror created by man and from which I had been transported to a world of happiness such as must have been created by God for the use of man. I could not resist the impulse of my soul, and a hymn of praise ascended to Heaven. I expressed the wish that an inspiration might come from above upon the two big elements in this social world who are engaged in conflict one with the other. I wished for an inspiration for the rich, for the employer, for the master, that he might be generous, and an inspiration for the one below, the one who toils, the one who suffers, the one who works, that he might be reasonable in his demands. Victor Hugo, in his magnificent study of Shakespeare, claims that there is a point where the spirit of man and the spirit of God meet and that point the great poet calls l'Ideal. Comparisons are odious, but I will take that as an illustration only, and I will ask the House whether in this cruelly tormented world the point may not soon be reached where the mighty and the rich can extend the hand to the poor, to the working man, a point of contact where both hands shall feel the grasp of friendship and understanding, and where there shall be a movement of generosity on the part of the one above, and a movement of reasonableness on the part of the one below. This appealed to me as the cure for the ills from which society suffers at the present moment. It is nothing more nor less than the adequate apppli-cation of the law of christianity.

This war has come to an end. Several forces have contributed to it—the economic force, the financial force, the military force, the moral force and the naval force. I refer to the naval force in particular, because I will ask you the favour of allowing me to narrate what I was a witness to when I passed from the shores of Holland to the shores of England. It was on the first day of July—Confederation Day. The moment of departure from the shores of Holland was unknown even to the passengers; all that was known was that the passengers should embark upon the ships at 4 o'clock in the afternoon at Hoek Van Holland. There were five passenger ships laden with human beings, mainly women and children. The moment the passengers had boarded the ships all communication was cut off with the land. There we waited for a day, we waited for a night, and we waited again for half of another day. Then the five ships cut loose from the wharf. We came down the Maas river, the ships turned to the north, and followed the coast of Holland. Nowhere could be seen any ships to convoy and protect us against any attack that might come upon us.

Then when we had reached Scheveningen the five ships headed for the high seas, and suddenly in the far distance a little cloud of smoke was visible which grew larger and larger as we approached. Every one was wondering what it was, whether it was a detachment of the German navy or a detachment of the British navy. But after a few minutes the news was spread over all the five ships that what we had noticed in the distance was the incoming convoy—the convoy that had left the shores of England in the morning and was arriving in Holland. And then what a pageant was offered to our sight! This convoy which was coming through the North sea—the field of operations par excellence of the German pirates—consisted of seven passenger ships convoyed by seventeen war ships. When we came together, after a moment of apparent confusion, the seven ships in-

coming from England entered Dutch waters —the zone of security—and we were heading for the coast of England in single file preceded by a grim cruiser and having on each side of us eight torpedo destroyers, scurrying to and fro like hounds of the sea with a speed unimaginable. We continued until one o'clock in the afternoon, when we entered a field of floating mines, and there the British gunner was at work. These mines were visible at the surface of the water as little dark points, and the British gunner after two or three shots revealed the fact that he had recorded a bullseye—a mine was exploded and a column of water shot into the air. Then we proceeded until at nine o'clock in the evening we noticed in the distance two big lights, which indicated to us the mouth of the Thames. Suddenly those sixteen warships closed upon us as in a movement of affection, and as we passed the line which united those two lights we felt that we were in a zone of security from which the German pirates were excluded. And then with blinking signals the seventeen warships turned about and started plunging into the night, into the tossing waves on another mission of protection and humanity.

That was, Mr. Speaker, one of the most impressive sights which it was ever given me to contemplate. The British navy has during this war played a wonderful part. It has, indeed, saved the British Empire. And in times of peace the British navy is there. But to perpetuate the British Empire, to have it as we want to have it, a galaxy of united nations, one thing is of paramount importance, and that is that each component part should be entirely autonomous.

In the British Empire the law of autonomy should apply; in Canada, as between races and creeds, the law of toleration should find its application; in the social world moderation in demands from the employee and generosity in concession from the employer should prevail; and in the economic world production and economy should go together. These seem to me, Mr. Speaker, to be the stars that should guide Canada towards her glorious destiny.

Mr. FRANK S. SCOTT (Waterloo South): Mr. Speaker, it is well known that on the occasion of the Budget debate a good deal of latitude is allowed in the subjects that may be referred to. We understand the circumstances under which the hon. gentleman spoke this afternoon, and I rejoice upon those circumstances; but he will not misunderstand me when I say that I shall not attempt, in the few remarks which I shall make upon this occasion, to follow him in all the subjects which he has introduced.

He made reference to the Canadian Expeditionary Force to Siberia, and I may be pardoned, perhaps, for referring to that for one moment. As I understand the situation that force was sent from Canada after consultation with the British Government, and it was designed to operate upon the eastern front against Germany and against her allies, Lenine and Trotsky. As is well known, at that time the position on the western front was most critical, and it was recognized by the British military authorities that something should be done to bring additional pressure to bear upon the German eastern front. For that reason the force was sent from the Dominion of Canada. But in connection with that the point which occurred to me was this, that in the matter of autonomy at a critical time like that, if that western front had been broken, what would have been the position of the hon. gentleman who has just taken his seat, and what would have been the position of the Dominion and of all the rest of the world.

Now I will pass on to matters in which I am more particularly interested. I listened with a great deal of interest to the speech delivered yesterday afternoon by the chief financial critic of the Opposition in his reply to the Minister of Finance, and the criticism which I would make of the position taken by the member for Brome (Mr. McMaster) is that he had given most careful consideration to this question, but entirely from a theoretical standpoint. While theory has its place and must always be considered, I submit that on an important question of this kind there is a great deal of the practical to be taken into account, and I feel that the member for Brome would have been very well advised, having reached certain conclusions from a theoretical standpoint, to get into consultation with some of the business men in the great city of Montreal from which he comes and to discuss those conclusions before he brought them to the attention of this House.

One of the first points that he made in his speech was that owing to the delay in bringing down the Budget this session there was stagnation in some parts of the country, and that great loss of business had resulted. I cannot agree with him in that conclusion. I may point out, however, that as a result of the introduction of the low tariff, free trade resolution by

my hon. friend in this House on March 25 last, a great deal of doubt and uncertainty was created in the minds of the business people of the country and a great deal of real loss took place. Let me illustrate. In the city from which I come a manufacturer told me that his firm had prepared plans for a new addition to their plant, but that when the resolution of the member for Brome was introduced and the controversy which took place at that time went from one end of the country to the other, they felt that they would not be justified in going ahead with the extension, so that it was held up—at any rate, for the time being.

This controversy with regard to the tariff seems to come up in this House with regularity. It certainly is not a new question in Canada; it is not a new question in the Motherland or in the United States. For a hundred years they have been debating in the United States whether or not the fiscal policy of that country should be governed by free trade principles or by the principles of protection. During all these years, while the cause of free trade has not been without its advocates, the keen business sense of the American people asserted itself from time to time, and the United States, during a century of the most remarkable industrial development of any country of the world, has stood fast by the policy of protection.

The member for Brome said that it always amused him when the advocates for protection asked where the revenue was to come from. I shall not refer at length to that phase of the question; for the sake of argument, we will allow that matter to take care of itself. But I wish to say a few words upon the policy of protection and to state what I believe to be its merits—because from business experience I believe it to be the policy which is in the best interests of the country. I shall take one or two lines of industry with which I am familiar and endeavour to outline what I conceive to be the working out of the policy of protection as applied to them.

The first industry to which I shall refer has seen its greatest development in the neighbouring province of Quebec. I refer to it because I have some personal knowledge of it, and because it has been singled out by the advocates of low tariff and of free trade as one of the industries that was not playing the game fairly and that was taking undue advantage of the tariff. I refer to the boot and shoe industry, which has been referred to by newspapers throughout the length and breadth of the country as an industry that was taking an unfair advantage of the tariff. I have a number of extracts here; I shall not burden the House by reading them all. Perhaps the following will be sufficient to emphasize my point; it is from an editorial published in the Ottawa Citizen on April 10:

> The American manufacturer sells a pair of shoes to the American retailer at $5; the retailer adds his profit and sells to the consumer. When the American manufacturer sold the shoes at $5 he made his legitimate profit. The Canadian manufacturer makes the same quality and same priced shoe, but knowing that he is protected to the extent of a 30 per cent duty he adds that duty, of $1.50, to the shoes, and sells them to the Canadian retailer at $6.50 instead of at $5. Yet at $5 he would be making his legitimate profit. Now, who gets this "protection" money? Not the government. Not the Canadian retailer. Not the consumer. The money goes into the pocket of the Canadian manufacturer, and simply adds that much to his legitimate profit. Let us see how this worked out in 1913.

Then follows a statement of the importation of shoes and so on. That kind of propaganda has gone from one end of the Dominion to the other. But perhaps the newspapers are not to be blamed; there was a very good excuse for it. On March 25 the member for Brome introduced his resolution for free trade on certain articles and reduction of tariff on others. Speaking to that resolution, he said:

> Now, the man pulls on his boots. If they came from England they were taxed 22½ per cent; if from the United States, 32½ per cent, and if they were made by a Canadian manufacturer I beg leave to suggest that you will find their price was just a little under what they could have been produced for abroad and brought into the country, freight and duty paid.

His contention is that the Canadian manufacturer takes the American price and adds the duty of 37½ per cent, and that is his price to the Canadian consumer. After all, Mr. Speaker, that is the basis of all this controversy. In the remarks which I am about to make, I shall endeavour to show that that contention is absolutely false and incorrect.

I said a moment ago that the newspapers were not to be blamed for carrying on propaganda of this kind, having regard to the fact that a member occupying the important position of the member for Brome, who is chief financial critic of the Opposition, and who comes from the great commercial city of Montreal, made a statement of that kind. The least that he could have done under the circumstances was to have secured people

engaged in that business or made inquiries in some other way and found out the exact facts. As a result of the working of the tariff on shoes, what is the situation? Some years ago there was a duty of 25 per cent on shoes. In 1907, representations were made to the Liberal Government of that day that fancy shoes, or the higher grades of shoes, were being imported into this country, and that it was desirable to increase the duty to 30 per cent. The present hon. member for Shelburne and Queen's (Mr. Fielding), who was Minister of Finance of that day, took these representations into consideration, and on the higher grades of shoes he increased the duty to 30 per cent and on staple lines of shoes he left the duty at 25 per cent, where it is at present. What is the result of the increase in duty on fine shoes to 30 per cent? Certian American factories which had been doing business in Canada, paying the 25 per cent duty and shipping their goods in here, found, with the increase in the duty and the progress made by Canadian manufacturers, it increasingly difficult and wellnigh impossible to meet the competition and pay the duty, and the result was that in more than in one instance factories which had connections over here started branch factories in the Dominion of Canada. The first point I want to make is this, that if it had not been for that duty, those Amreican plants would not have moved to Canada. How does this policy of protection work out as regards costs?

Some days ago I wrote to the Canadian branch of one of the most successful shoe manufacturing concerns in the United States, stating: You should be in a position to know perhaps more than any one else just what there is in all this talk that we hear about the Canadian manufacturer taking full advantage of the duty, which with the war tax is at the present time, 37½ per cent. I asked him if he would give me the prices charged by his American plant and by way of comparison the prices charged by his Canadian plant, and I am going to give these figures to the House for its consideration. He gives me the prices on three classes of high grade shoes. On a tan calf bal, the United States' price is $7.50 as compared with the Canadian price of $8.25. The difference is, therefore, 75 cents, or an increase, not of 37½ per cent, but of 9 per cent. On a gun metal bal, the American price is $7.15 as compared with the Canadian price of $7.60. The difference is, therefore, 45 cents, or an increase of 6 per cent over the American price. On a vici kid shoe, the American price is $7.40 as compared with the Canadian price of $8.35, the increase being 13 per cent over the American price.

Just allow me to point out this difference: If the argument of our free trade friends were correct, that Canadian price of $8.25 would have been $10.30; that price of $7.60 would have been $9.85, and that price of $8.35 would have been $10.15. Then I am met with this question: Why, after all, should there be any difference? There is a difference in the price of those three articles varying from 6 to 13 per cent, and that difference is arrived at in this way: All hon. members know that we pay duty on our raw material. Since this war began we have had a duty of 7½ per cent on hides, and a similar duty on leather, and wherever these commodities have been imported from the United States the Canadian manufacturer must of necessity add that duty to the cost of his goods. We are told that our customs receipts amounted last year to about $150,000,000, part of which is taken up in the small difference to which I have just referred between the Canadian price and the American price on shoes. As an example, upper leather coming into Canada from the United States is subject to a duty of 22½ per cent; patent leather, 32½ per cent; sole leather, 25 per cent; cotton lining, 32½ per cent. That comparison in prices is on the finer grades or the more expensive shoes. An investigation at the present time into the cost of shoes as between Canada and the United States on the more staple lines will, I believe, show that where Canadian goods are made from materials produced in Canada the prices will be just about the same; perhaps in Canada some will be lower. I have here a statement prepared by the War Purchasing Commission with regard to the purchase of army shoes. The Canadian War Purchasing Commission kept a close record of the prices paid by the Canadian Government and those paid by the American Government. The United States Naval Department, in 1918, were paying $5.99 for shoes, while the Canadian Naval Department were buying shoes of a similar character for $5 a pair. Those were more staple shoes and made of Canadian material. I am not going to burden the House by reading this statement too much in detail, but in September, 1918, the Canadian Militia Department were buying Canadian pattern boots at $5.40 per pair, while the United States War Department were paying $6.45 for their pattern boot, and

their boot had no better wearing qualities than the Canadian, as they permitted the manufacturers to use a lighter leather. Therefore, the conception that the Canadian manufacturer is governed by the duty in the selling price of his goods is absolutely incorrect.

There is another industry closely allied with the shoe industry, and I want to refer to it to-night, because it bears out perfectly my contention as to how the tariff has worked out and is going to work out when applied to Canadian industry. As hon. members all know, shoes are made upon wooden lasts, and the manufacture of lasts is quite an important industry. Some years ago lasts were largely imported from the United States, although we had some small Canadian factories. There was a duty of 30 per cent on lasts.

As the Canadian manufacturers improved their methods, American manufacturers found it difficult to ship their goods into Canada, and the result was that the best and most successful last manufacturers in the United States established plants in Canada. There has been a duty right along of thirty per cent on lasts. What has taken place? The price of lasts in the Dominion of Canada to-day to a shoe manufacturer is exactly the same as the price in the United States, which means that the manufacturer has taken absolutely no advantage of the duty. As I discuss these question with our friends from the West and elsewhere from time to time I sometimes hear this argument: "If we can manufacture goods just as cheaply in Canada as they can in the United States, what is the object in having a tariff at all? Why not do away with it?" On this very point I am going to read a statement made by the member of this House prior to 1911, on a motion to reduce the duties on agricultural implements:

> My belief is that if this motion were passed we would strike a severe blow at one of the great industries of the country. I believe the International Harvesting Company in Hamilton would find it to its interest to close up its business, at least as much as is devoted to mowers and binders, and have them made at the American branch and bring them from the United States. The factory in Hamilton is an American concern. With a moderate duty we have induced American capital to come into Canada and to establish that great industry, and after we have brought it in and established it Canada, I believe that if they were to pass this resolution that the Company operating that industry would find it profitable to close their Hamilton factory and bring in the goods which they make in the United States.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. SCOTT (Resuming): Mr. Speaker, when the House rose at six o'clock I had just concluded the reading of an extract taken from a speech delivered in 1907 by the then Minister of Finance (Mr. Fielding) on the importance of continuing the tariff. It seems to me that if it was important, from the standpoint of maintaining our industries that the tariff should be upheld at that time, the necessity for doing so is far more important now. I return again to the question why, if Canadian manufacturers are producing goods, as I know they are in a great many cases, just as cheaply as they are being produced in the United States, the tariff should be maintained. My answer to that question is this: We are living side by side with the greatest industrial nation in the world, a country which is a great deal larger and stronger than ours from an industrial standpoint, and a much richer country. What is the position of that nation at the present time? We know the the Government of the United States, and their business men and captains of industry, are reaching out to all corners of the earth in order that they may take advantage of export trade. Consider the close proximity of this Dominion to that great country; look at the great advantage that the American manufacturer enjoys with regard to the Canadian market. If the tariff that now exists between the two countries were removed it would mean the equivalent of adding to the market of the American manufacturer eight or ten additional states. Look at the strong position the American manufacturer already enjoys. Take almost any line of manufacturing and the tastes of the Canadian people are just about the same as those of the people in the United States. We read the same magazines that they do; they advertise at great expense, and if it were not for the present tariff the American manufacturer would be able to ship his goods into the Dominion and dump them here, and Canadian manufacturers, at least in but very few lines, would be unable to compete with him. The reason for that is that the industries of the United States take care of their own market. In so doing, all working charges, all overhead expenses, and all salaries are met. Open up the Canadian market, without a tariff, to the American manufacturer, and what will be the result. He can produce goods at a lower price and the charges which I have enumerated, having already

been provided for, he can quote for the business offering in this country much lower figures. Therefore, just as the hon. gentleman (Mr. Fielding) pointed out in 1907 that it was good business for the Canadian people to maintain the tariff, I contend that at the present time it is particularly in the interest of our people that we should follow the same policy. We have heard a great deal already in this debate about the great financial obligations that are burdening our people as a result of the war. In my opinion the only way in which Canada will be able to successfully meet these financial obligations in future is by increasing business and trade. Rather than consider at this time the reduction of the tariff, it occurs to me that we might better find out how we can encourage our industries and develop our business so as to successfully meet our financial obligations in the years that are to come. Great Britain had not been very long engaged in the recent war until she discovered that her great necessity at the outset was the manufacture of shells, and she turned to Canada, to the United States, to every country from which she could hope to secure supplies of shells. The Mother Country had only been a short time engaged in the struggle when her public men realized that in a long, drawn-out encounter such as the war promised to be, even with the great wealth which Great Britain possessed she could not carry on the fight along these lines to the limit that her adversary, Germany, could, unless she changed her methods. Why was that? It was because Germany was making her own shells, spending the money within her own borders, and giving employment to her own people. Therefore, Mr. Lloyd George and the Parliament of Great Britain soon realized that if they were to be able to continue the war, maintain Great Britain's financial equilibrium, and carry on as they should they had to establish great shell industries in Great Britain, and they did so. It appears to me that, now the war is over, we in Canada are confronted with exactly the same conditions of affairs, from a business standpoint, as Great Britain was at the time to which I have referred. We have great financial obligations and in my opinion the only way in which we can meet those obligations is by manufacturing and producing at home.

These are one or two thoughts in connection with that viewpoint that I would like to leave with the House to-night. I am not one of those who say that the tariff is a cure for all evils. I do not maintain for one moment that there are not individuals who are taking unfair advantage of it. I do not say that the tariff at all times works out in just the way it should. We never saw any method of taxation yet that is perfect in its operation. Take the operation of the tariff in connection with the motor car industry. It does not appear to me that things are not working out in the industry just the way they should. Considering the scale on which the purchase of motor cars is carried on it is a great big burden on the Canadian people, and the quicker we find out some way of making these motor cars in Canada the better it will be from the Canadian standpoint. What is the situation in regard to the motor car industry? It is true we have so-called manufacturing establishments in Canada, but as a matter of fact they manufacture comparatively few of the parts that go into a motor car. These parts are imported from the United States and the customs duty is paid on them. Well and good. It would be a great thing if these goods could be made right here in this Dominion so that, instead of having an adverse balance of trade and an exchange rate of 3 per cent against us, such as we have at the present time, these things would be made right here and a new industry would be built up.

There is another industry that I would like to refer to along the same lines. Some years ago Parliament put a duty upon sugar. As a result there was established in Canada, on a very small scale, what is known as the beet sugar industry. In 1902 there was under cultivation in sugar beets in Canada an aggregate area of 2,000 acres. In 1918 the acreage had increased to 25,000. In 1902 the production of sugar was 3,000,000 pounds; by 1918 it had increased to 50,000,000 pounds. In 1918 the total consumption of sugar in Canada was 600,000,000 pounds. I am informed that during the year 1919 the beet sugar factories of Canada will produce one-twelfth of the sugar consumed in this country. If we had no beet sugar establishments here, and if we had to import all our sugar we would send out of Canada $7,000,000 that at the present time is being left in this country, while employment in agricultural production is being given by this industry to 1,500 men. Beet sugar agriculture is one of the most profitable agricultural employments that any man can engage in. I am informed that in the county of Kent, where that business is largely centered a man engaged in sugar

beet cultivation can clear $100 an acre, and that land values have increased there, as a result of beet sugar cultivation proving so successful, from $100 to $250 per acre. In 1918 the Dominion of Canada sent abroad in payment of her sugar bill $40,000,000. Is it not a proper thing for this country to have regard for a situation of that kind? What are we doing to bring about a condition under which 85 or 90 per cent of the sugar that we consume in this country will be grown and manufactured here? Are we going to make a big success of the beet sugar industry as they did in Germany? Germany took up this same proposition, developed the beet sugar industry, and as a result enriched her soil and placed herself in a splendid position as a country of agricultural production. If we do that we will have in Canada 250,000 acres devoted to the production of the sugar beet. This area will be in the highest possible state of cultivation, because it is a well known fact that the cultivation of the sugar beet does more to enrich the soil than any other crop. We would, I repeat, have under this culture 250,000 acres and our farmers would receive $27,500,000. This industry would give employment to thousands of men in our fields and factories. Instead of talking about revising the tariff, if the Government would try and encourage industries of this kind, we would be going about things in the proper way.

I would like to speak briefly upon the question of the business profits tax. I am rather inclined to think that my hon. friend the Minister of Finance (Sir Thomas White) will agree that this is not a very desirable method of taxation. I have heard that view expressed by men occupying prominent positions in this Government. When it was first introduced, I did not like it. I did not think that the principle was sound, but the war was on, and people after all were ready to assume pretty nearly any obligation they might be called upon to assume as a result of the war. It may be that we are considering this as a war year. For that reason perhaps I should not too strongly criticise this tax. I do not know that the Canadian business man will object to paying that tax once more, but I submit that it is not a proper or a fair tax. I am going to take what may perhaps seem an extreme case to illustrate the operation of this tax; I am going to take a business with a capital of $100,000 and making $25,000 in profits. By careful management, by turning their capital over several times, I have no doubt, some businesses will be able to obtain that much.

With a capitalization of $100,000 under the operation of this business profits tax your business institution would be exempt on $7,000, or 7 per cent on its capitalization; the tax takes 25 per cent of the earnings from 8 to 15 per cent on the capitalization; 50 per cent of the earnings from 15 to 20 per cent; and 75 per cent, or three-quarters of the earnings, over and above 20 per cent. Figuring that out, the tax on a business making those earnings would be $8,250; if the business earned $50,000 instead $25,000, the tax would be $27,000. That is an illustration of what a man would have to pay who is carrying on an industry and giving employment to a great many people. I am going to contrast his position with the position of a capitalist who has perhaps retired from active business. He has secured a fortune of, I am going to suppose, $500,000. His income from that $500,000, properly invested, is $25,000. If he has invested his money in some ordinary security he will pay, I think, under this new income tax, about $2,800 or $3,000; under last year's income tax he paid considerably less. Now you see the difference. Here you have a man engaged in business taxed $8,000 if he makes $25,000, and taxed $27,000 if he makes $50,000; while the other man, engaged in no business—playing golf perhaps in the afternoon, with nothing at all to worry him—gets off with a great deal less; and if he is fortunate enough to have that money invested in Victory bonds he pays absolutely no tax.

The point I want to make is that no individual in this country wants to avoid paying his fair share of taxation, but that this is an unfair discrimination. I do not consider such a burden taxation; it is confiscation of a man's property. I know in my own district more than one manufacturing institution that has been borrowing from the bank more money than in ordinary times they ought to borrow, and now they have to go to the bank to borrow still more money to pay their taxes. I submit that that is not a proper condition of affairs.

If you are going to have an income tax you can apply it just as you are applying it at the present time to a manufacturing or business firm and you can make that concern pay the tax the same as you make an individual pay. But I do submit that if we are going to have an income tax we ought to have it applicable to all people, and that a small part of the community should not be singled out in this way. I think it is a mistake from a national standpoint. There is no money of more impor-

tance to the people of this country than money invested in industry, and I maintain that this $40,000,000 a year that has been taken from a few through the operation of this business profits tax has been taken out of industry, and that by far the greater part of it should have been left with the owners in order that they might extend their organizations and in that way build up the trade of the country.

Since I became a member of this House I have heard from time to time a good deal about the income tax, and I understood that when the farmers were liable to the tax everything would be perfectly satisfactory to them. Well, I do not know how the other members find it, but I am convinced that when the income tax—we have not really started to operate it yet—is in full operation, it is going to be the most unpopular method of taxation that ever struck the Dominion. As a rule the farmer goes to the bank manager of his county town about certain matters of business. The farmers of this country are going to their bankers to-day about this income tax, and my conversation with a number of country bank managers leads me to the conclusion that this income tax is not very well received by the farmers, and that they are more concerned about how they are going to get out of paying than they are about paying it.

The income tax as we have it at the present time is being paid by a certain class of people; by the salaried man whose salary is fixed and it is known just exactly what his earnings are; by the industrial worker, because the manufacturer is required to make a return to the Government of just exactly what his men earn; and by the man that I referred to a moment ago, the man of wealth who has interest coming in from his investments. But in so far as the ordinary individual is concerned, the Government is not getting any income tax from him, and I do not believe that by any system we could work out the Government will be able to get a fair return of income tax from the people generally.

The neighbouring republic has been working on this income tax longer than we have. There are 6,000,000 farmers in the United States, and last year only 15,000 of them paid income tax. Does any one believe that when the war was at its height and prices for agricultural products were never so inflated, that out of those 6,000,000 farmers only 15,000 were liable to income tax? We have heard a great deal during the last year or so since the Democrats came into power about the great change that came over the people of the United States on the tariff question. I admit that when the Democrats came into power some tariff reductions were made. But what is taking place in the United States at the present time? President Wilson before he landed in New York on his return from the Peace Conference sent a cablegram to this effect—I have not a copy of the message itself: We have to revise our tariff, and we have to have a tariff with some kind of teeth in it. Take the proceedings of the Ways and Means Committee of the House of Representatives right at the present time. They have been discussing the question, and the views of the chairman are given in the following extract:

> The importance of the home market is emphasized by Chairman Fordney of the Ways and Means Committee of the next United States Congress who has forecast a higher tariff for the United States. "I am not in favour," he says, "of chasing rainbows around the world to find a market for our surplus—which in amount is only about 7 per cent of our normal production—and at the same time neglect our home market and open the bars to the flood of goods offered us, made by the cheap labour of the world, to the detriment of the labouring people."

The first resolution dealt with by that Ways and Means Committee in the House of Representatives in the United States is in favour of an increase in tariff—I have the items here with respect to certain articles. The United States, as I said before six o'clock, have had over a hundred years of this tariff controversy. There have been times when they weakened upon this question—public opinion ebbs and flows—and when there have been changes of Government; but every time there has been a weakening of the tariff in the United States, bad times have followed. You may point out that there has been an exception during the last four years, since the Democrats came into power. But that is not a fair criterion, because the great war came on and all the energies of the industries of United States were directed to supplying the needs of Europe and of other nations of the world. But, make no mistake, the trade policy that has built up the United States will build up Canada.

I was present in this Chamber the other day—I think you were present, Mr. Speaker, as well as most members of the House—and had the privilege of listening to an address delivered by a distinguished Canadian, Professor McLennan, who told us something of the work carried on by him and by others in connection with the efforts to meet the submarine menace. He told us

what could be accomplished by the application of science and research work to trade and to commerce, and he made inspiring references to the resources of this great Dominion. You will remember how he went from province to province and pointed out the great natural resources possessed by each. The great thought that he had for members of this Parliament and of the Senate was this: Faced as we are with this great debt and with the obligations resulting from the war, we have to look at things in a new way. His idea was that we had to call to our aid science and industrial research, and that we had to develop the industries of our country. I believe that is the policy of the future; that is the thing that we have to do. Suppose we had gathered around a table representatives of all the provinces, and suppose we were proceeding with the policy outlined by Professor McLennan. Suppose we had a report from British Columbia telling us of their great resources and suggesting how those resources might be developed; what would we think if some representative from Ontario or Quebec said: That may be all right, but British Columbia is a long way off; we have no direct interest in the matter? If that view were taken we would not get very far, from a national standpoint. What would you think if the people of the Maritime Provinces represented that certain things should be done in order to bring about the development of that part of the country, and the people of Saskatchewan or Manitoba said: No, we are a long way removed from the Maritime Provinces; we have no direct interest in the thing? If we follow a policy of that kind we shall never get very far in a national way; but that is exactly what the Canadian people are doing in regard to this tariff business. We are looking at it from the sectional standpoint when we ought to be looking at it from the national standpoint. Only by having the national interest in view can we hope to bring about the proper development of this Dominion; of that I am assured.

I confess that as I listened to the remarks of the member for Brome (Mr. McMaster) yesterday, I became just a little pessimistic, just a little depressed. He painted such a gloomy picture of the mistakes that had been made that I wondered whether, after all, we had done as well as we might have done. I have since had some time to think over his speech, however, and I am persuaded that, looking back over the past, looking back to the days when the National Policy was introduced and we began to develop our industries, and looking back over events of the past five years in Canada, no man has any reason to be ashamed of Canada's record. There is in Canada too much minimizing and belittling of our national effort; there are too many class jealousies, too many cleavages. From now on, if we are to face the future successfully and meet the heavy obligations that confront us, we must look at these things from a different viewpoint; we must work for a common purpose. With our friends from the West we may have differences of opinion on these questions, but one thing is certain—we are all Canadians. There can be no doubt about that; the war has shown it, and it is only necessary that we should look at matters from the national standpoint in order that the future of Canada may be assured.

Mr. JOHN PATRICK MOLLOY (Provencher): Mr. Speaker, I listened very attentively to the remarks of the member for South Waterloo (Mr. Scott), and he certainly ran true to form. He told us the same story that has been told by every other manufacturer-member and every other member representing the manufacturers during the last ten years, during which time I have been in this House.

The hon. member speaks about sectionalism. He does not have to go outside the boundaries of his own province for sectionalism; it does not exist in Western Canada. He is supporting the Budget brought down by the Minister of Finance (Sir Thomas White)—and he well might; he did not find fault with a single item in the whole thing. Why? Because it is a protectionist Budget, a Budget in the interests of the protectionists of this country, to which we, representing the farmers of Western Canada, object. I hope you will bear with me, Mr. Speaker, while I read from the Ottawa Citizen of June 6. In an editorial published on that date, the Citizen deals with the effect of the Budget. It says:

> Sir Thomas White's latest Budget is likely to have one stimulating effect: it should cause the people of Canada to study their economic position in the world with an intense personal interest, more than ever before. It is a conservative Budget. High protectionism is still maintained as the fiscal policy of Canada. The Finance Minister proposes no substantial step towards a low tariff policy.
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> It is true that the war tax of five per cent against British trade, and the 7½ per cent tax against the commerce of other countries, both taxes added to the tariff in 1915, have been taken off. But the tariffs are still maintained sufficiently high to promise no considerable reduction in the cost of living.

Further on, it says, speaking of the manufacturers and the loss of $17,000,000

which the Government promise to take off and which they are going to replace by an income tax—to which I have no objection:

When they—

That is, the people of Canada.

—paid 17 million dollars customs revenue, they also contributed about 51 millions a year to private protectionist enterprise, above necessary prices.

And further on it says:

The Government will still take about $130,000,000 from the people in customs taxes; and protected interests behind the tariff will enjoy the privilege of adding about three times as much to prices of goods produced in Canada.

That is what I object to. I am not going to follow the advice of the Minister of Customs (Mr. Sifton) and attempt to discuss the tariff scientifically, I am going to endeavour for a short time to discuss it in a common sense way. The Minister of Customs said last night that the tariff is only for a year. But I have heard the same story for at least thirty-five years. I have lived over forty-three years in Western Canada, as long or nearly as long as the Minister of Customs has. As a pioneer and as the son of a pioneer I have seen the struggle of the people in Western Canada. I have seen the farmers of that country besieged and put out of business by the machine men and horse dealers in the old days. I have seen men there struggle for years endeavouring to make a living for themselves and their families, and in the end the majority of those that I knew threw up their hands in despair. I remember in October, 1895, the night that I, as a mere boy, attended a meeting in Emerson at which Sir Wilfrid Laurier, then plain Wilfrid Laurier, spoke. Wheat was then selling in the town of Emerson, which is in the county of Provencher, at 38 cents a bushel. I had bought oats myself at 11 cents a bushel, and to my personal knowledge these were the prevailing prices in Western Canada for many years. I remember one year in the month of March coming home from school and passing down the main street I saw a group of farmers congregated. They could hardly contain themselves because wheat that day had gone up to 50 cents a bushel.

Statements have been made as to the money farmers have made in Western Canada. I will deal with that matter first and come to the other later on. On a previous occasion, we had before the House, if I may be allowed to say, an amendment somewhat similar to the one that is now under discussion. As a man who has lived in Western Canada all his life and who has been returned to Parliament three times by the people who know him best, I believe I know what is uppermost in their minds. I will not take upon myself, as some hon. members do, to speak for the whole West, but I will speak for the county of Provencher, and what is true of that county applies, I know, to the province of Manitoba. Some western members said that they could not support the amendment to which I refer because it would have meant the defeat of the Government. That statement is not correct; it would not have meant the defeat of the Government had they all voted for that amendment, nor will it mean the defeat of the Government should they all vote for the present amendment. And speaking for myself, the last thing I desire is the defeat of the Government at the present time. I am a good enough Liberal to wish that they would remain in power a little longer, to stew in their own juice. They can put up a little longer with some of the troubles and inconveniences that they are now undergoing. They were anxious for the position, and, as far as I am concerned, they can find a way out as best they may. I say the western members should have voted for that amendment. My position in this House is somewhat unique. Coming here in 1908, I came as a low tariff man; I have remained as such ever since, and I will remain as such as long as I am privileged to hold a seat in this House. I came here with Mr. Clifford Sifton, the one other Liberal member from that province, and he jumped the job. Later on I was elected on the question of reciprocity with the hon. member for Dauphin (Mr. Cruise) and he jumped his job, for he did not vote for the McMaster amendment. As far as the province of Manitoba is concerned, I am alone. With this amendment before us, every rural member from Manitoba can vote for that which he represents, and while high-brows may hold a different view, I hold that it is my duty while I am a member of this House to vote in accordance with the will of the people who sent me here and not to attempt to represent the whole Dominion of Canada. Perhaps that is a debatable matter, but that is the position I have always taken and the one that I am going to maintain. It makes no difference whether members from Manitoba were originally Conservative or Liberal, the people of that province, with perhaps the exception of the people of one constituency

in Winnipeg, are straight low-tariff people, and there is an opportunity for members from that province to set themselves right before the people they represent. If they do not do so—and I understand some are not going to do so—that is their business, but at the next election the other fellows who come in will be those who will represent the views of the people. One of the members of the present Government, who was formerly a Liberal and who, I hope, is still a Liberal, the Minister of Immigration and Colonization (Mr. Calder), speaking in this House, said that the people of western Canada are a unit on the tariff question; that they are all for a low tariff; and that is true.

Speaking from actual personal knowledge, let me say that farming in Manitoba has not been the paying proposition that some hon. members seem to think it has been. Not long ago, I heard an hon. member say that all the farmers of Manitoba and the other western provinces were clearing from $15,000 a year up. As a matter of fact, the history of Manitoba as regards crops is as follows: In 1912, to take as an instance the farm of Mr. Morrison who, at that time, represented the county of Macdonald, there were over 720 acres of wheat that he never cut, and thousands of farmers were in more or less a similar position; in many cases a binder was never put in the field. In 1914, throughout all western Canada, including Saskatchewan and Alberta, there was drouth. In 1916, there was rust, and in 1918—only last year—millions of acres of grain were destroyed by the prevailing high winds. That is every second year. The year 1915 was a banner year, but 1915 only partially made up for the losses of 1912 and 1914. There are, it is true, in western Canada individual cases where men, on account of high prices and being fortunate with their crops, made some money. Some of them voted for Union Government and in some instances managed to keep as many as four sons and in others seven sons at home; but the average man who was either without help or had to pay the prevailing high wages did not make money. Therefore, I say that the farmers of western Canada did not make the amount of money that some hon. members would lead us to believe they did.

What is preventing the western farmers to-day from making money? First of all it is the high price of machinery; secondly, the high price of labour; and thirdly, the high price of lumber and cement. Wages have more than doubled. For example, I have working for me a boy twenty years of age. Three years ago I paid him $40 a month. Last year I paid him $45, and $50 for the last five months of the year. This year I am paying him $70 a month and board, which is equivalent to $100 a month. Last year in the province of Manitoba, on my own farm, and on everybody else's for that matter, we paid for threshing oats and barley 12 cents a bushel, and 18 cents a bushel for wheat.

I want to say a word as to lumber. In the province of Manitoba, the oldest settled of the Western Provinces, the people are trying to go into the raising of live stock, and the first thing they run up against is the prices of lumber and cement, which are almost prohibitive.

As to the reduction this tariff effects in the price of machinery, that does not amount to shucks; there is practically no reduction whatsoever. The reduction in the freight rate does not amount to anything either and we will not accept it. The first to benefit from the 7½ per cent duty taken off coal are the railway companies. The deficit on the Canadian National Railway—and there will be a deficit—will be paid largely, and altogether so far as Western Canada is concerned, by the men who ship their grain over that railway. Freight rates have been boosted within the last year and a half. My grain cost 12 cents per hundred to carry. The rate was raised to 16 cents per hundred, and now the railways are asking for a further boost, and as usual, if they desire it very much, they will get it. What will be the difference in freight rates so far as Western Canada is concerned?

1916 rate from Chicago to Regina on car load lots, 6th class freight (Agricultural Implements)—82 cents.

1916 rate from Hamilton to Regina—86 cents.

1919 rate from Chicago to Regina—$1,.02½ made up of 27½ cents being the rate from Chicago to Minneapolis, and 75 cents being the rate from Minneapolis to Regina.

The present rate from Hamilton to Regina is $1.12½.

With respect to the present rate from Chicago to Regina il should be stated that between April 1, 1918, and February 1, 1919, the rate from Chicago was $1.13, made up of 27½ cents rate from Chicago to Minneapolis, and 85 cents from Minneapolis to Regina.

It will be observed that in 1916, the difference in the rates was only four cents, but the difference between the price of every machine used on a western farm, and a similar machine used in Dakota and the Middle States of the Union, is represented in dollars, not cents.

We contend that at this particular time more than at any other, the farmers of the West are not making the money that people imagine, and it is due to the high cost of machinery, lumber, cement and wages. Wages is the highest item of all. This Government could very well put implements on the free list. That would have encouraged more men to go on the farm and stay on the farm, and would have done something towards reducing our national debt, which after all will have to be paid out of the natural resources of this country —the forest, the farms, the mines, and the fisheries. No encouragement whatsoever is given to the farmers in this Budget; that is not the intention of the Government. There are no objections from the manufacturers' point of view to these items being left as they are. I am sure that the Budget will not be accepted by the people of Western Canada. No matter how I or any other hon. gentlemen in this House may vote, the people of Western Canada have made up their minds that from 1878 down to the present time the manufacturers of machinery in this country have been unduly protected, and the protection has been wrenched from the producers of this country who have had to pay an undue amount of taxation to make up the revenues of the country.

The reduction on the cost of machinery by reason of the lower freight rate will not amount to anything whatever. I heard a man say the other day, who has farmed out West for many years, that he never objected to the price he received for his products of the farm, but the thing he objected to was the price he had to pay.

9 p.m.

It is the price we have to pay that we object to to-day. Everything that is used on the farm is taxed to the very limit. In 1912, the year when farmers' crops were destroyed by rain, binders were worth $160. This year they will be worth $248. Ploughs have doubled in price. Drills which cost $135 a year or two ago, now cost over $200. I bought a wagon a few years ago for $65; I bought another last November and had to pay $135. I objected to the price, but I paid it. The dealer who sold me that wagon met me on the street about two weeks after and told me that the wagon I paid $135 for was now costing $168. The manufacturers of Canada last November or December fixed the price of the binder that will be used next August, and the same is true with regard to wagons and every other piece of machinery that will be used on the farms of Western Canada, and Eastern Canada as well.

As to the national debt, the amount is beyond my comprehension, and, I think, of the majority of the people of this country. It is simply appalling. The Government, instead of making the farmer pay taxation on every implement he buys, might better have taxed some of the land in Western Canada held by speculators. One hundred million acres of land are held by speculators to-day, and I think I am safe in saying that the majority of these men do not live in Canada. When I was home at Easter a farm that a few years ago was raw prairie was selling for $50 an acre, or $25 an acre cash. The owner of the farm, an American citizen, had not seen it in twenty-two years. My neighbours and myself, and men like us, who have taken our chance in that country and spent our time and money in building roads and schools, in erecting churches and post offices, and establishing little towns, have increased the value of that man's land from, I suppose, $6 or $7 an acre to $50 an acre—$50 an acre cash is the market price in some sections now. Let the Government, as was suggested by Mr. Buchanan, writing in the paper of my hon. friend from Springfield (Mr. Richardson), put a tax on the one hundred million acres of land held for speculative purposes by wealthy men. For all this land is held by wealthy men; the poor man cannot afford to speculate, he does well if he is allowed the privilege of living on the land and working it.

By imposing this tax the Government, of course, would ease the burdens of the taxpayers and the burdens of the producers in Canada; they would receive from that source money which would doubtless make them inclined to reduce the duty on agricultural implements and on the necessaries of life.

Now, so far as regards the farmers of Western Canada—and those of Eastern Canada also, because they are agreed on the matter—I maintain that the proposition is an absolutely fair one. They say to the Government and to the people: Give us free agricultural implements with which to produce food, and make all food free. I say, Mr. Speaker, that the offer is unanswerable. They are not asking for any favours—they have never asked for any favours, and they do not want any now. What better or fairer proposition could they put before the people? As regards free wheat, that was granted by Order in Council in April, 1917, and it has now been made law. But we are not going to ship any wheat to the United States this year. The people there are pro-

ducing the largest wheat crop in the history of that country, which will amount to twelve hundred million bushels. Furthermore, I do not know that the United States would be very anxious to admit our wheat. The American Government has set a price on the wheat produced in that country, they have guaranteed the price, and they will see to it that their own wheat is disposed of before the Canadian wheat is allowed to be thrown on the United States market, because it will not be needed. The farmers of this country are standing for what might be termed a human, even deal. They propose to get it, and get it very soon. We are not worrying about the Government. They can keep the club that is wielded by the manufacturers and by some of the big interests of this country over the people for just so long; but there will come a time when the people will resent it and resent it in an unmistakable manner.

In passing, I wish to say that there is a strong feeling of unrest in the province from which I come, and I charge the Government with being responsible for a lot of that unrest, outside altogether of the high cost of living. The statement which I make is this: The Government does not represent the people, and has not represented them since the 17th day of December, 1917. My ground for making the statement is that the Government was not chosen by the free people of Canada. That fact, together with the actions of the men who compose the Government, and the language used by the press of this country, the terrorism and the intimidations which were resorted to, the climax capped by the War-time Elections Act, prove to me conclusively that this Government does not represent the people. A great many of the people are of the same opinion, and that is one of the causes of the prevailing unrest, to say nothing of the high cost of living, and the waste of public money that has gone on.

In the amendment which has been moved we are asking not only for free wheat but that the reciprocity pact of 1911 shall be given effect to, which will not only take in free wheat but also barley, oats, and many other articles. The American tariff of October 3, 1913, provides for a duty of fifteen cents a bushel on barley, six cents a bushel on oats, two and a half cents a pound upon butter and butter substitutes, and twenty per cent ad valorem upon cheese and substitutes therefor, one cent a pound on beans, and so forth. Free wheat alone will not satisfy the people of Western Canada; we want also a free market for everything we have to sell and everything we need to buy, and we are willing that everybody else shall enjoy the same privileges that we do.

The agriculturists of Western Canada do not entertain—nor have I heard a single man at any public meeting, or anywhere else, express any such opinion—a feeling of antagonism towards the manufacturers of this country. The agriculturists of the West and of the East alike are anxious and desirous to see the manufacturers prosper in whatever lines they may be engaged. But the one thing the people refuse to do is to continue to pay the manufacturers that undue tribute through the taxation which has been levied for so many years past. The manufacturers of this country have, we believe, received protection at the expense of the common people for too long a period and have in fact enjoyed an undue amount of protection; and if, after all these years they cannot stand, so to speak, on their own feet, or on their own merits, and cannot compete with the manufacturers of other countries, as the grain-growers and the stock-raisers of Canada have always been prepared to do, then as far as I am concerned they can shift for themselves—they have received all the patronage and protection to which they are entitled.

From the proposals that have been brought down by the Finance Minister, it would appear to me that the same interests that were out for the defeat of reciprocity in 1911 are behind this Government and behind this Budget. We see the same Italian hand, the same leaders, and the same Government that defeated reciprocity in 1911. I charge the Government with having catered, and purposely catered, to the rich as against the poor. And the best proof of that is to be found in the way the Victory Loans in Canada have been handled. Those loans, to begin with are drawing interest at five and a half per cent, whereas a lot of the money invested in them was formerly drawing but three per cent. A lot of those bonds have been sold to people who can ill afford to pay for them, and who have in many cases defaulted payment. In other cases, by the most desperate efforts, the purchasers accumulated the money which they promised to pay. But where are these bonds now? The Victory Loan bonds of Canada are gradually getting into the hands of the very wealthy, and into the hands of the profiteers—the pets of the Borden Government and of the Union Government—and the Flavelles of Canada. That is where those bonds are go-

ing, and the common people of this country will have to pay the interest upon them. Nothing of any value has been accomplished by this Government although it was heralded far and near as the best administration that ever existed, or would ever exist, in Canada. Instead of being a success, it has been an absolute failure from the day its members took office until the present time, and no one knows that better than the Government itself. There are vacancies in the representation in this House from Prince Edward Island to the province of Saskatchewan, and yet this Government is afraid to hold one single by-election. Unless I miss my guess the present vacancy in the Cabinet will not be filled on a by-election either, unless some gentleman from the city of Toronto should be chosen as Minister of Agriculture. If the Government would accept a hint from me I would suggest that they choose as Minister of Agriculture the editor of the Orange Sentinel. I think he could be elected in the city of Toronto, but he would not be elected for any constituency in Western Canada, and I doubt whether he would be elected for any seat outside of the city mentioned.

Mr. BUREAU: He has not got to be elected under the law as passed last year.

Mr. MOLLOY: No, he can just walk in. I have heard the statement made that all Western Canada supported Union Government at the last election. I understand from the last three or four hours that I have spent in this House, that a number of hon. gentlemen who were believed to be opposed to the Government are going to support it, but that is their business. The War-time Election Act, which should have been entitled "Thou shalt not vote unless thou votest for Union Government," was a big factor in returning the Union Government in Western Canada.

I am going to mention something else that was a big factor in returning the Union Government in Western Canada. I remember, on the 29th of November, 1917, being called up by a friend of mine and asked how I was getting along, and about my chances of election which I thought were very good. He said: "As far as you are concerned, you can stay at home; the farmers of this country are going to elect you." It just happened that that night five or six others did the same thing and gave me the same encouragement. I watched these men very closely. There were those who said that there were farmers in Provencher who were opposed to this Government but who were bound to vote against me because their sons were exempted, something that the Government had no right to do—If the law of the land was conscription, why should the Government exempt a man's son, your son or anybody else's son? And I know cases where farmers, who had four, five and six sons who were not conscripted. I know one farmer in particular in the county of Provencher, who happened to be one of the men who called me up. He had four sons at home during the entire four years of the war. He walked out of town last year with $85,000. He refused to give anything to the Victory Loan, to pay any income tax. The sons of a man with that amount of money could have gone to the war as the sons of other men went, and he was not the only one whose sons were permitted to remain at home. A large percentage of the people in Western Canada did not vote for the Union Government because they thought it would be a better government. They were opposed to the Government but they supported it because their sons were exempted in a good many cases. Not all of Western Canada supported Union Government but if Union Government got support in Western Canada it was due largely to these things,—western farmers' sons being exempted, the War-time Elections Act, intimidation and fraud.

There is one other consideration in connection with the matter as far as farmers are concerned. In almost every district in Manitoba there are a number of Canadian-born farmers who had moved to the United States, remained there a certain length of time, and then come back. These, without exception, say that they are sorry, due to the taxation which this Government is going to maintain, that they did not remain in the United States because there everything they require is much cheaper than it is here—their machinery, boots, shoes, clothing, fruit, canned goods and practically everything you wish to mention. Why should machinery, boots, shoes, clothing, fruit and so on not be as cheap in Manitoba as in the bordering counties of Minnesota and Dakota? If this Government were not controlled by the big interests we would have cheaper goods. As long as they are controlled by these interests the manufacturer will get his and the farmer will get his—but in another direction. The manufacturers will get all the assistance they require while the producers will be left to shift for themselves.

I want to say a word to the hon. the Minister of Finance in regard to the Budget as it affects the people of Western Canada. The Minister of Finance can mail the Budget back to his friends, the same people who opposed reciprocity in 1911, namely, the mighty manufacturers, the Mackenzie-Mann bunch and the rest that go with them, and I am sure they will find it interesting reading. I would like to suggest another thing to the minister, and that is when he retires—and that will be very shortly—he write a book and entitles it, "The Four Big M's". The first "M" will deal with the Mountebanks who placed him in the Government and the big business people of this country who are looked upon as his discoverers. Second, he can deal with the Millions that he has unduly wrenched from the pockets of the poor people of this country. Under the third "M" he can deal with the Mountains of debt that he is going to leave to the people of Canada when he does retire, and which, I repeat, will be very shortly. Under the fourth "M" he can devote several chapters to the Misery he has brought about, the Mountains of debt and the waste of Millions by the Mountebanks of this country.

Mr. HENRY HERBERT STEVENS (Vancouver Centre): Mr. Speaker, on the occasion of this debate on what is undoubtedly the most important Budget ever presented to the people of Canada through its Parliament, my mind runs back to the war session of 1914. It was a very brief session, a matter of only a few days, but the country at that time was faced with stupendous problems, problems the extent and magnitude of which we did not then know. At this particular time we are again faced with immense problems. The problems of to-day are different, it is true, from the problems of 1914 and the subsequent years, but notwithstanding, there are problems just as complex and just as difficult of solution as were the special problems of those fateful years. Not only is that the case but, Sir, contrary to the remarks of the hon. gentleman (Mr. Molloy) who has just taken his seat, one of the main problems we are faced with is the immense debt. It is not due, as stated by the hon. gentleman, to the action of the hon. Minister of Finance (Sir Thomas White), but it is due to the events of the past five years. I think it is the duty of this House to set aside, in so far as we possibly can, all personal animus and look these immense problems squarely in the face. It has been stated by a statesman who held one of the highest places in our Empire, in presenting the Budget to the British House on an occasion fraught with difficulties, that the best way to overcome these difficulties was to look them squarely in the face. That should be the key note of this Parliament at this important session and with these momentous problems confronting us.

The other day the hon. member for Brome —who has assumed the role of financial critic for the Opposition—made a reference to the Minister of Finance which I did not think was worthy of the occasion, and, indeed, Sir, I am quite confident that his leader would not endorse it. Nor do I believe that it is becoming to the House or to one occupying the high position to which my hon. friend aspires, to deal frivolously or lightly with one of the noblest hymns in our literature. The hon. member used the paraphrase which I will quote. He said:

> White moves in a most gracious way,
> His blunders to perform.

And upon that he based his criticism of the Minister of Finance. If the hon. gentleman had been in his seat I would have directed his attention to the fact that one of the most important rules of the House is to refrain from naming an hon. member personally. I certainly think that he does not carry with him a very large degree of the intelligent opinion of this country when he refers to the Minister of Finance as having performed a series of blunders. I am of opinion that the minister's work during the whole period of his term of office, and more particularly during the most perplexing years that have just passed, has been marked with that high degree of ability and devotion to duty which will earn for him a high place amongst the statesmen of this country. What is the sense of casting what are really personal aspersions upon a minister who is at this time literally expending his very life blood in trying to carry on the financial affairs of this country? Personally, I wish to pay my tribute to the Minister of Finance for the excellent manner in which he has directed the important affairs of his office.

With the indulgence of the House I will deal with some of the criticisms of the hon. member for Brome. He speaks, of course, officially for hon. gentlemen opposite, and I invite them to consider with me some of his criticisms. Let us see if they have any merit. If they have any merit, it is due to the House to give them every consideration. On the other hand, Sir, there may be honest

differences of opinion between the two sides of this House as there might be between two individuals, and an expression of those differences may permit of some solution, or at least of an effort to that end.

My hon. friend very strongly condemned the Government for its policy of financing Rumania, and I presume—subject to correction—that he included in that the financing of other European countries. Let us see if this is fair criticism of the hon. Minister of Finance and of the Government. The facts are that a market existed in Rumania for our manufactured goods. There was a demand for goods; we had the goods to supply. Directly, as a result of the war, the credit of the average trader in Rumania was nil; not only that, but it was physically impossible to carry on business. His storehouses and places of business had been physically destroyed by the invading enemy, and there was a complete disruption of the financial and commercial affairs of the country. Therefore it was impossible for the manufacturer or for the trader in Canada to sell goods to the trader in Rumania, although the market was there. What happened? The Rumanian Government, recognizing the chaotic condition of the country, stepped in and said: "We will take the position of our traders for the time being until the country is reinstated in the ordinary conditions necessary to carry on business. And if you can assist us in the financing by making the nation a loan of $25,000,000, we shall be able to carry on." So instead of getting the credit of the individual trader, we got the credit of the nation. I have absolute confidence in the trading done under those circumstances—for that implies absolute confidence, Sir, in the Minister of Finance and in the Chancellor of the Exchequer of the British Government, who has been our adviser in these affairs. That is briefly the situation, and it applies also to the loans to other countries which have been referred to. I argue from that that the criticism of my hon. friend was not fair, it was not sound; and I venture to say that it does not receive the support of those manufacturers or traders who claim allegiance to the Liberal party. I am quite sure that as business men they will support the action of the Government in this regard.

My hon. friend criticised very keenly indeed and deplored the bond issue in Canada of $1,500,000,000. He pointed out that it is a tremendous loan. Undoubtedly it is. He also pointed out that it is an exceedingly heavy burden, and he made a comparison between the landlord at home and the absentee landlord, and remarked that the former was sometimes more troublesome than the latter. But, Mr. Speaker, he refrained from saying that from one and a half to two million people, citizens of Canada, came forward and tendered this loan to the Government from time to time when called upon to do so. Out of our 8,000,000 population from one and a half to two million—I have not the exact figures, but it is between the two I have named—came forward and helped their country to carry on. In my estimation that is a complete answer to the allegation that the moneyed men escaped taxation by subscribing to the loans.

What large institutions subscribed to the war loans outside of the individuals I have mentioned, who formed the bulk of the subscribers? It was the banks, insurance companies and other institutions. And whose money was it? Was it not the money of individual citizens which those citizens had entrusted to those institutions? We often refer to a bank or to an insurance company as if it was some individual who in his own right held the full capital of the institution, whereas it is held by hundreds, thousands, and in some cases tens of thousands of individuals. So when you analyse these criticisms you find they are based on this fact, that one and a half to two million people subscribed, and that even in the case of the large subscriptions they are again subdivided among a large number of individuals.

Now I come to my hon. friend's criticism of the tariff, and if I might be permitted, Mr. Speaker, without violating the rules of the House—and I shall, I think, keep within the rules—I would refer to a resolution proposed by the hon. gentleman some weeks ago—I think it was on March 25th—in which he gave expression to certain suggestions. I shall not read it, because that would not be in order, but I shall refer briefly to the views that he enunciated on that occasion, and then I desire to deal with the amendment before the House. He suggested at that time, in a resolution moved in amendment to the motion to go into Supply—it was really a want of confidence motion—first, that the most should be made of our natural resources. No one has objected to that; as a matter of fact, one of the objects of the proposals brought down by the Minister of Finance is to give effect to that principle. I will point out very briefly one or two facts in connection with this phase of the question.

We produce in Canada very large quantities of lead and copper, yet during all the years that we have been producing these things we have been shipping them to the American market in very crude condition—in the form of ore or of copper matte and spelter. For some years I have advocated consistently that these metals should be refined in Canada in order that a market might be created in our own country for refined lead and copper and in order that we might encourage the manufacture of these articles and their shipment to foreign countries in manufactured form. New Zealand, Australia, China, Japan, the Singapore district, all import manufactured copper products, so that there is a large market for goods of this kind. Yet all these years we have been shipping the raw material to the United States and reimporting into Canada the manufactured articles of copper and lead. Now, the placing of a moderate duty on lead and copper will materially assist us in that regard; so I suggest that we are giving effect to the first point made by the member for Brome in his resolution of March 25.

Then he says that taxation should be imposed upon those best able to bear it. A moment ago my hon. friend (Mr. Molloy) offered some criticism of the business profits war tax and of the income tax. I am not going to debate the point, other than to say this: it must be admitted by hon. gentlemen opposite that we have taken a decided step towards imposing these taxes upon those, to use their own phraseology, most capable of sustaining the burden.

Then, the resolution of March 25 asks for reciprocal trade with the United States. But the next point is a rather striking one; they advocate the repeal of the five per cent war tax and the seven and a half per cent war tax. Have we not done that in the proposals which are now before the House? The five per cent war tax in respect of the British preference has been completely wiped out; the seven and a half per cent war tax has been wiped out in respect of something like two hundred articles. Is this not a decided step towards meeting the views of my hon. friends as expressed on March 25? Yet we are told in the resolution now before us that the action of the Government has been entirely unsatisfactory. What will satisfy hon. gentlemen? What do they want? We meet them, as it were, half way; yet we are told that the proposals of the Government are entirely unsatisfactory.

Then, we were asked on March 25 to put on the free list staple articles of food. We have done that. We have embalmed, as it were, in the statutes of Canada the Order in Council of a few years ago, virtually meeting the requirements of the reciprocity pact of 1911, without doing so at the dictation of the Washington government.

The next point suggested was with regard to agricultural implements, and so on. Just at this point I invite the attention of members of the House who differ from the Government to the phraseology of both resolutions—the resolution of March 25, and the motion now before the House. On March 25 the member for Brome, in his request with regard to farm implements, and so on, suggested that anything done should be without derogation from the provisions of paragraph (b) of his resolution. What is paragraph (b)? It is that the offer of reciprocity contained in the reciprocal trade agreement of 1911 should be accepted. In other words, the hon. member says to the western members on this side of the House: we will give you free implements—and he leaves that impression on their minds. But, tucked away in the phraseology of the resolution, we find words to this effect: "subject to the provisions of the reciprocity agreement." In other words, he intended to limit any concessions made with regard to the tariff to the reciprocity agreement. I submit that the provisions of the schedules placed before the House by the Minister of Finance meet that situation practically in its entirety.

Then he went on to request substantial reductions in the tariff. I invite the attention of hon. gentlemen opposite, and also of hon. gentlemen on this side who seem to think that the Government did not go far enough, to these words: "having regard always to the requirements of the public revenue" and the affording of "reasonable opportunities" for adjustment, and so on,—he would reduce the duties. That was in the resolution of March 25. In his resolution of to-day he uses language a little different, but almost the same. He proposes a general reduction in the tariff, "as may be expedient and just to all concerned." I repeat that I invite an examination of this language. What does it mean? My hon. friend who preceded me, (Mr. Molloy), said: We want a free market; we want free agricultural implements; we want free this and free that; and we intend to have them. But where is he going to get them? He certainly is not going to get them from a government of which the hon. member for Brome may

be Finance Minister, because that hon. gentleman, officially representing his colleagues in this House, on two important occasions—once in moving an amendment to the motion to go into supply, and again in moving an amendment to the Budget—uses the language to which I have directed attention, "having regard to the requirements of the public revenue." Is that not exactly what the Finance Minister is doing to-day—trying to face Canada's enormous debt and at the same time to make substantial reductions in the tariff? It is to be noted that the Finance Minister did succeed in making substantial reductions in the tariff, in spite of the necessity for revenue, and also in meeting the demands of hon. gentlemen opposite in that the added taxation is imposed upon those who are best able to bear it. I ask hon. gentlemen opposite, in all reason, if we have not met their views as expressed a few weeks ago, almost in their entirety? As a matter of fact, in some respects we went beyond what they had hoped.

So much for that phase of the question. But the member for Brome did not stop there. He went on to blame the war upon protection. He said he believed the great war was due to two great, "and, as they have worked out, evil principles,"—imperialism and protection. I ask the hon. gentleman, did the fact that Great Britain was a free trade country keep her out of the war? Great Britain could have kept out of the war quite easily, but she did not do so, because it was not a war in which the issue was protection, free trade, or taxation; it was a war precipitated by the violation of solemn treaties, and it would not have made any difference whether we had protection or free trade; we had to take part in this war or lose our status as a nation.

Then, my hon. friend says that free trade is the panacea for all ills. I quote from his remarks:

> I cherish the opinion that if the international gospel preached and practised by great apostles of free trade, Cobden and Bright, had been followed by the rest of the civilized world, this war. . . . . would not have happened.

Let me call your attention, Sir, to his argument. He is presumably suggesting to the country that the party to which he belongs and for which he spoke on that occasion officially were standing for free trade. What does he say? He says that free trade would be possible had it been followed by the rest of the civilized world. That is quite conceivable. I confess that there is much in the theory of free trade that has attracted my attention for many years, but here is the stone wall to which I have always come in debating or reasoning this policy of free trade, namely, that as long as there is another nation which exercises what is termed the selfish policy of protection, so long will you be interfered with in the freedom of trade. That, of course, is a maxim that you cannot, perhaps, apply generally, but it certainly applies in a country like Canada, and it applies in a manner that you cannot escape from, as is demonstrated by the very language of my hon. friend from whom I quoted a few moments ago. His language in both resolutions was to the effect that he proposed reductions in the tariff if expedient, having due regard to those interests, and I say that is made necessary by the fact that we are alongside of a nation of 100,000,000 with tremendous capabilities of manufacture, and a density of population making her market so great that our manufacturers cannot hope to compete with hers, at least, for a great length of time.

Let me briefly bring to the attention of the House the condition of Canada as it affects this policy. The fiscal policy of a country is one or other of two—either free trade or protection. If the policy be that of protection it may be a moderate protection. Nevertheless, you are confronted with the choice of one or the other. We have in Canada a very wide diversity of interest. On the extreme West we have British Columbia with its mining, timber and fishing. In the middle West, you have the three Prairie Provinces, so far as the settled parts are concerned almost an entirely agricultural population. But in the northern sections of those provinces, you have huge natural resources in the nature of oil, coal and other minerals. But when you come eastward into the great provinces of Ontario and Quebec, what do you find? You find not only large agricultural resources, but stupendous water-powers which twenty-five, forty or fifty years ago meant little but picturesque scenery. To-day those water-powers are measured by horse-power; they are measured as units of energy, capable of producing tremendous power for manufacturing concerns. While Ontario, perhaps, at the time of Confederation and for many years after was not fitted to compete with the coal areas of the Eastern States, because industry depended upon the presence of coal for the development of steam energy, with the development of electrical machinery and power, Ontario and Quebec in particular are destined to become among the

greatest manufacturing centres of this continent. This, however, cannot be brought about in a day; it is not something that can be evolved over night; it is a process of time. What has been the policy of Canada under the governments of Sir John A. Macdonald, of the late and revered leader of the Opposition, Sir Wilfrid Laurier, of Sir Robert Borden and under the present Union Government? The policy has been a continuity of one idea, namely, to give an opportunity for the utilization of those great natural resources in the way of industrial development in order not only to develop the one great basic industry of agriculture—and that is desirable—but to develop those other industries the combination of which go to build up a great nation and people. For after all, history proves, beyond all peradventure, that the trading nation, the nation that can send its goods into and meet and trade with other countries is a nation which is going to rise to the highest standard of civilization. That has been history repeated over and over again, and I shall not weary the House with illustrations. Therefore, I say that with our wonderful resources of agriculture, mining, lumbering, fishing and manufacturing, Canada is most fortunately situated to build up such a nation and people. I said a moment ago that we were faced with the alternative of one of two policies—free trade on the one side and protection on the other. Protection is capable of being moderate. You can have a high protection, such as Germany and the United States have, but we do not believe that is desirable. We on this side believe that a fair, decent protection, to enable our industries to get solid footing and to compete with the great country to the south, with its intense industrial life, is the type of protection we should have. We believe that this carried out in a moderate and sane degree is in the best interest of the country. On the other hand, I ask my hon. friends opposite this question: Are they in favour of free trade? I am reminded at this point of the words of their leader (Mr. McKenzie), an hon. gentleman who has distinguished himself during the past few months in filling the very difficult position in which he found himself so suddenly and unfortunately placed. That hon. gentleman the other day stated in the House what in his view was in the interest of Canada, and it was not free trade. My hon. friends opposite must frankly, if they would so address themselves to the House, say that it is, to say the least, a partial free trade. What difference is there in the terms? Moderate protection and partial free trade are synonymous terms; there is no difference between them, and well do hon. members opposite know that. I would invite the attention of hon. members who have a faint hope that it may be possible to introduce a complete free trade policy in this House and in this country, to the language I have repeated on more than one occasion to-night of the hon. gentleman who represents the financial policy of the Opposition.

The other evening my hon. friend (Mr. McMaster), in referring to the high cost of living, used two phrases, and again I take from his own mouth what I consider to be a complete answer to the criticism that he has hurled at this Government On page 3365 of Hansard he is reported to have said that the high cost of living was due to the scarcity of goods. He is absolutely right in that. The Minister of Finance (Sir Thomas White) described that situation to us at greater length than the hon. member for Brome did, and for some days now we have been sitting as a parliamentary committee studying the high cost of living, and every witness who comes before us impresses upon us that one fact, that the great fundamental, underlying cause is the scarcity of goods. Without labouring the question, as it has been reiterated so often, we have millions and tens of millions of men taken out of productive life and used in other lines, leaving a shortage of labour in the civilized world. My hon. friend knows that; he enunciates it as his reason. He says that the high cost of living is also due to an inflated currency. This we know, and inflated currency is not confined to Canada, nor to this continent; it is common to the civilized world; Great Britain, France, Belgium, Germany, Austria, Norway, Sweden, Russia and the other nations of Europe have very much inflated currencies.

Perhaps I should not have included Norway and Sweden. This is owing to world conditions; it is one of those peculiar phenomena known to finance. The high cost of living is due to scarcity of food stuffs, goods and so forth, and to an inflated currency. How does my hon. friend propose to remedy this? By reducing the tariff as it may be expedient and suitable to those who may be affected. That was his answer; you could get nothing else out of his speech but that. " As it may be expedient." That is an intimation to the manufacturers that should hon. gentlemen opposite happen at some future time to come into power the manufacturers need have no

fear, because their interests will be carefully studied before there is any reduction. So those of my hon. friends who are interested in manufacturing and may have felt a little anxiety should take heart; there is nothing in my hon. friend's amendment to make them anxious. His proposals are simply a repetition of the policy of hon. gentlemen opposite in the years that have gone by. I congratulate them upon it, but I do think it would be better to be frank about the matter and say exactly what they mean.

Let me draw the attention of the House to what we have done. We do not say to the people that we propose to reduce the tariff as it may be expedient; but we have reduced it. We have placed on the Table lengthy resolutions reducing duties in a very marked degree, to the extent of some $25,000,000 of revenue at least. We may not have gone as far as some extremists would like, but we have given these reductions. We do not say in camouflaged language that we will make reductions as it may be expedient after due consideration. We say that we have studied the situation, have estimated the amount of revenue that is necessary to carry on, and have succeeded in devising a scheme for getting revenue to replace the amount that will be lost in duties, through the positive and definite reductions we have given. We say to the people of this country: We have to increase your taxes. I am quite sure that the leader of the Opposition, when he speaks in this debate will say something to this effect. He will not talk nonsense and say that he is going to reduce taxation, but will tell the people: "We have a big national debt consequent upon the war, and Canada's part in that war. That debt has to be faced, and the people of this country will have to pay heavy taxes for years to come." I am certain he will face the facts in that way, and that is what we are doing. We say we must raise the revenue whether it is pleasant or unpleasant, but we also say this: We look into the future and have absolute confidence in Canada's ability to rise to the magnitude of this task. We believe that Canada is able to bear the burden, and will bear the burden, but in placing that burden upon the shoulders of the people we are considering the best and most just method of distributing it. We have placed a larger burden upon the shoulders of the rich than upon the shoulders of the poor. In the resolutions which are now before the House, and which we on this side, generally speaking, support heartily, we have reduced the cost of living to some degree at least, and we are endeavouring to find better and more effective means of reducing it. We have done our best in that regard. We have laid the burden of taxation very, very largely upon the shoulders of those best able to bear it.

A word on one or two other points before I sit down. I wish to impress upon the House the importance of the very much criticised bargain, so-called, made with the railways regarding freight rates. I have been trying for a great many years, so far as my feeble influence goes, to secure some reduction in freight rates, and I have found it a very difficult task. The freight rate question is a very important one. The Minister of Finance has succeeded in securing a substantial reduction in freight rates from eastern Canada to the Prairie Provinces. I have one thing to ask of him now. I invite his attention to the desirability of reducing commodity rates from the Pacific Coast to the Prairie Provinces, and from the Prairie Provinces to the Pacific Coast. Without labouring the question, I will put on Hansard this fact: Up to about ten years ago a merchant in Vancouver could ship goods as far east as Golden, about 450 miles distant, at the same cost that a merchant in Montreal could ship the same articles to the same point, a distance of 2,600 miles. In other words, ten years ago we used to be able to ship 450 miles as against 2,600. That has been reduced until to-day a merchant in Vancouver can ship as far east as Calgary as against the Montreal rate, or 600 miles against 2,300 or 2,400. Some articles we can ship as far east as Regina, or 900 miles as against 2,000 miles. I state these facts merely for the purpose of asking the Minister of Finance and the Government to make an effort to extend this reduction on commodity rates to the West, because it would materially and decidedly assist in reducing the cost of goods to the Prairie Provinces.

10 p.m.

I have this one further suggestion to make: Not only the Government but this Parliament should address itself to the development of the immense natural resources of this country. In eastern Canada, in the provinces of Ontario and Quebec, as well as in the province of British Columbia, there are immense deposits of iron ore. There are also throughout this country tremendous deposits of copper, lead, zinc and silver. These are remarkably rich sources of revenue for the country, and I believe that any capital wisely expended on the development of these resources will bring splendid returns to this Dominion.

Mr. ROCH LANCTOT (Laprairie-Napierville) (translation): Mr. Speaker, the hon. gentleman who spoke before me may pardon me, I hope, for not replying immediately to his speech, as I find myself in a peculiar predicament, having to go back to 1914, from the very inception of the war to this day.

During the session of 1914, when the war broke out and the Government of the day asked the House to vote $50,000,000 for a contingent of 22,500 men, I did not deem it my duty to protest.

But, in the following session, in 1915, when the same Government asked for an appropriation of $150,000,000 and for arms, I thought that the members of the Opposition, who then had as their leader the right hon. Sir Wilfrid Laurier, should take a decided stand and fix a limit to our participation in the war.

During the session of 1915, I stated that a son should help his father, but that he should do so only in proportion to his means. Such was my attitude in 1915, 1916 and 1917.

Then came on the elections of 1917, I took no part in the debates of last session (1918). Now that the war is over, I do not hesitate to say that the stand I have taken on those different occasions is warranted by the spectacle offered to this House by the followers of the Government, especially those from the province of Ontario who are now complaining about the taxes to be imposed.

This is not all, not only have we furnished our quota of men, and spent enormous sums of money, but moreover, in 1917, the Government caused to be enacted by means of the gag, the famous Conscription Act. Why should conscription have been enacted in our country, after the magnificent effort—voluntarily put forth by Canada? Such is the question I often asked myself and such is the query the people have also made.

The Prime Minister told us that it was to reinforce our divisions overseas and to help our boys at the front. Another gentleman, the Solicitor General, told us that it was because there was a province of Quebec in the Dominion. I take it that the latter statement is the frankest and most sincere of all.

At all events, the Conscription law was enacted and approved of by the people of this country. How was it approved of? By an electorate chosen by the Government or rather by the Government of the day, several members of which are now holding portfolios in the present Administration. They took mighty good care to strike off the voters' lists the names of those who opposed the Union Government, and adding to the same the names of their own supporters. It would be no difficult task for any Government, or any municipal council to remain in power by taking the same precautions as were taken by this Government.

Reverting to the argument of the Prime Minister that we were bound to support our boys at the front, my answer it this: That had France held such a language, she would not have been in need of Allies to prosecute the war. As you know very well, Sir, France alone had to carry on her own shoulders the burden of the war for a year and a half, in other words, she had to defend 90 per cent of the trenches for a year and a half.

If it be true, as stated by the Prime Minister and his followers, that we were bound, cost what it might, to support our boys at the front and to send reinforcements overseas, France should have spoken to the United States as follows: "Do not enter the war, we do not need your services," because, if that argument is a sound one for a colony, why should it not hold good for another country?

An additional ground on which it may be stated that no conscription law should have been enacted in this country, is this, that the United States had just entered the war, with a population of 100,000,000 and money galore, so as to come to the assistance of the Allies to the bitter end, and had the United States been allowed to furnish the quota we have ourselves furnished, they would have sent overseas from six to seven million men.

Had the war been protracted five years longer, I wonder whether the hon. gentlemen who are now at the helm would have kept saying that they were bound to send overseas reinforcements, now that we are all agreed that the Government are in a quandary, and in straitened circumstances, and they do not know how to tide us over the financial difficulties of the time, not for meeting the interest, or the cost of the public service, but to find out how many more million dollars we shall have to borrow every year. I say, Sir, that we are facing bankruptcy.

When the election was over, what happened? Before going any further, allow me, sir, to acquaint the House with a particular case in my own county.

On the morning of polling day, December 17, 1917, the returning officer called me up over the phone and told me: "The Caughnawaga Indians are going to vote in your

county." To me it was a thing unheard of till the morning of polling day, and I inferred therefrom that in many other places throughout the county, they had taken the same stand, namely, that the voters' lists had been handed over to the Opposition candidates a few days before polling day, so that, under such circumstances, it was no easy matter to have names struck off or added to the lists.

Now, Mr. Speaker, I have heard again and again gentlemen on the floor of this House casting reflections upon the province of Quebec, not only during this session, but for many years past. My hon. friend, the hon. member for Brantford (Mr. Cockshutt), on April 9th last, speaking about the slackers and evaders in the province of Quebec, made the following comparison: "A father has five boys in his home, all good strapping, sound lads; he is attacked by a bunch of bandits over night and, when the old gentleman calls for help, four out of the five sons only need to know that the father is in difficulty and needs help to get them to the spot. But the fifth lies in his bed upstairs and says: Let the old man and the other boys fight it out."

The hon. member for Brantford went no further. He should have informed us whether the fifth boy had been treated as the others had been. Had he received a similar treatment, I say that he was wrong in not lending them a helping hand; but I take it that he was the drudge in the family, and if he did not answer the calls of his father, I congratulate him for it.

I say that we, the people of the province of Quebec, who are looked upon as slackers, as evaders, and who are being thus treated by the English-speaking people of Canada, I say that we are in the position of the fifth boy above referred to; that we do not receive at the hands of the majority the treatment we should get and that is the reason why we do not respond to the call as readily as our English-speaking fellow countrymen do.

The participation of the counties of the province of Quebec in the war has often been referred to in this House, I often noticed that my hon. friends to your left, sir, endeavoured to show that the soldiers from their constituencies had cast their ballot in other counties. As far as I am concerned, I do not complain on that score. I do not know the exact number of soldiers who have enlisted in our county—I may say that I did not insist upon recruiting—but I know that three soldiers did cast their ballots overseas for the county of Laprairie-Napierville. I cannot complain, as I have taken 33 and ⅓ of the vote. To tell the truth, with such opinions, as I have frankly given expression to in this House, I never believed that I could get any soldiers' votes. Yet I have taken one-third of the military vote in my county, and I am quite satisfied.

I was rather amused to hear hon. gentlemen, on the floor of this House, refer to our marine and militia. So far as I am concerned, I should like my hon. friends to stop talking about our navy and our militia, because when a country is bankrupt it can no longer do anything in that direction, and it behooves that country to let alone those matters for a while.

The people of this country are disgusted hearing all that talk about shipbuilding and militia matters. Those who travel a little, see in the large centres, Ottawa, Montreal, and aboard the trains, many young soldiers who apparently never were wounded—and so much the better for them—who are still wearing the uniform. At a time when farmers are lacking labour for production I wonder why the Government should keep those soldiers idle in the large cities, and thus waste the money of the country. Officers are thus allowed to strut about with gold lace and to live in idleness. We have a good many of those officers walking around in uniform, who get 7 or 8 dollars a day and their living expenses, I believe, in first-class hotels. And both political parties apparently wink at all that. I have condemned in the past both political parties as to our participation in the war and unfortunately, they do not seem to be willing to back me in order to put a stop to what is actually taking place in the country; for soldiers are still to be seen, at every street corner, at all hours of the night. And yet we are at peace. The war came to an end on November 11th last, or at least, the armistice has been signed and peace will soon be concluded. Again, I ask, why so many soldiers?

But, brushing aside for the present that question, I now come to the speech of the hon. the Finance Minister. The hon. minister on the 5th of this month, told us that our national debt, in March 1920, will stand at no less a figure than $1,950,000,000 or in round figures $2,000,000,000. The minister always shows us the net debt. The net debt does not mean much to us. I had rather be told the gross debt. At all events, what I am concerned about is the gross debt of a man, of a government, of a municipality, of a company. Let us take the case of a farmer, for instance—I am speaking of mat-

ters I am familiar with—who owns a good farm which is mortgaged to the extent of $4,000 or $5,000. According to the Minister of Finance, that would be the farmer's net debt. But if he owns the grocer, the butcher, the baker, the blacksmith, $2,000, that must be added to his net debt. His debt will then be $6,000. Now, the minister's accounting is apparently similar to that of the farmer whose farm is mortgaged, but who does not say: "I owe $2,000 more." No, Mr. Speaker, a country's actual debt, is its gross debt.

I tried to-day to get the "Official Gazette." In the past, the actual debt was to be found there every month. There was a page which gave the assets and liabilities. I do not know whether it was the hon. Minister of Finance who prevented it, but for some time the public debt has not been mentioned therein. I really believe the hon. Minister of Finance must be somewhat ashamed to show it because it is enormous. However, if I remember rightly—speaking from memory—in the month of April last, the gross debt of Canada amounted to $2,682,000,000, in round figures, and the net debt, on the same date, was twelve hundred and odd millions of dollars. If $300,000,000 have been added to it since, then I can assure you that the gross debt must have reached, if it has not exceeded, three billions. The Minister of Finance may not understand my remarks; I regret it, but he may read them later on. In the same column which gives the net debt, the assets of the country are shown to have been $1,243,000,000 in the month of April last. I ask the Minister of Finance what these assets are worth. How much hard cash could he get to-morrow in exchange for the $1,243,000,000 of assets which he had in the month of April last.

I surmise that funds have been advanced the British Government for ammunition, for provisions of all kinds and that, as a set-off, the British Government have paid for our men overseas, for their maintenance, for their food, for the military stores spent upon the battlefields—which we shall have to pay for because we entered the war, as some hon. members on the other side said, so as to pay for everything. Very well, but it is expensive. Now how much is debited to England and is a part of our assets, and what constitutes the balance of those assets? I understand it is money loaned to railways, to Mackenzie and Mann and others. We also have the railway, it is true, but that part of the assets is not worth a cent in my opinion. Then, our gross debit is now nearing three billions and shall be three billions and a half two years hence. And while making that assertion I stand in no fear of deceiving anybody. I said so in my constituency a year ago, I shall repeat it this year: At the end of the war, the gross debt will exceed three billions.

Where do we stand with all these liabilities? We have a population which scarcely tops seven million inhabitants. In our liabilities are not included the railways which we have taken over. Besides, we intend to secure the Grand Trunk which will increase the debt to four billions. Why? In order to please some politicians and to open situations of $25,000 a year. I am opposed to that, Mr. Speaker.

According to the Budget speech of the Minister of Finance, the situation is such that we shall have to pay next year $115,000,000 as interest and pensions amounting to thirty or thirty-five millions, that is, in round figures, $150,000,000. The hon. Minister of Finance has not included anything for the maintenance of the hospitals erected throughout the country for our returned soldiers. I often pass through St. Anne's in the county of Jacques Cartier, where I notice that the Government have erected buildings for the accommodation of 1,500 to 2,000 diseased soldiers. You must agree with me, Mr. Speaker, that had the money been expended by business men, by men knowing what is in the interest of the people of Canada, the hospital would not have been erected at a distance of 23 miles from Montreal, but close to that city, so that later on, when the soldiers would have been cured and would have left the hospital, the buildings might have been turned to account by the city of Montreal. At all events, I consider that that hospital is very badly located.

I am told that in Toronto the Government have done better than that, that the hospital is close to the city. So much the better.

Now, what will be the expenditure entailed by these hospitals? That I do not know, but I understand that it will be no less than from twenty to twenty-five millions for the next year, and perhaps two or three years. So that to the cost of our silly meddling with the war will have to be added not only $150,000,000 for interest and pensions, but twenty to twenty-five millions for the up-keep of our hospitals during a few years. That is where Canada stands. Why are we in that situation to-day? As I said at the beginning of my remarks, it is the consequence of the policy of the Govern-

ment. During the elections of 1917, the object of that policy was to strike at the province of Quebec, which, it was contended, was not doing its duty during the war. Such reproaches were hurled at us by people from Ontario and the West in order to carry the elections and to be able to cry out that Englishmen are the only loyal subjects of the British Crown.

Mr. Speaker, so far as I am concerned, I stand for my "step-mother," but I stand above all for my country, my native land, Canada.

This country is large enough for me; I am fond of it and love it, but above all, I love the county of Laprairie-Napierville.

I say without any hesitation, that before going to fight overseas, either for England or for France, or any other country, should the English-speaking people of this country wish to force me to do so, they shall have to change foremen. It is not so much my mother-in-law I am complaining of as of Canada's foremen, I mean the men who have been at the helm and running this country since 1917. We have other foremen in Ontario, in Manitoba and in Saskatchewan. They are the very men who have been gradually despoiling us of our rights and privileges for twenty-five years, and who aim at depriving us, French-Canadians, of the right of sending our children to French-Canadian schools.

As I said, before going overseas to fight for the small nations of Europe, to prevent the violation of Belgium's neutrality and other causes, I want first to be respected at home and to be able to have my children taught French, their mother tongue, their catechism and later on, the English language, which, besides, is being taught in all our French-Canadian homes. Yes, sir, we want our children to learn English, so as to be better fitted out for the struggles of life.

Let us now pass to the Victory Loan.

My hon. friend from South-Waterloo (Mr. Scott) who, I believe, has been selling boots for war purposes, is now complaining of having to pay taxes. I did not sell any boots and yet I am not complaining too much. We have to pay taxes, when we have created debts, but what I object to is the action of the Finance Minister, who is unduly favouring the millionaires who will be the only ones exempted from this income tax, through their buying of Victory bonds.

I have made, in a small way, a calculation which I am glad to submit to you. A man has a fortune of $1,818,200—leaving aside fractions—at 5½ per cent, that gives him a yearly income of $100,000. Should he lend the Government $1,000,000, that million dollars will yield to him $55,000 interest, every year, paid semi-yearly. Therefor he has $818,200 left, which he invests in other undertakings, and that amount, at 5½ per cent will yield him $45,000. And I gather from the Budget Speech of the Finance Minister that that millionaire will be taxed only on that $45,000 which he will receive from another source and he is going to pay only $7,680. Had his fortune, $1,818,-200 been lent to some one else, instead of being lent to the Government, he would have to pay to the State $31,190. So that in lending $1,000,000 to the Government, he happens to save $23,510. So far for the first million dollars. Now let us take the case of Mr. Flavelle—I do not know how much he has lent to the Government, he must have realised several millions of profits on the sale of his bacon, which he sold at his own price. As to the second million it will be double the figure that I have just mentioned, and so on for the third million. But including the other amounts to be added, that gives in fact practically 8 per cent.

If we take the second and the third million, we reach a figure twice, three or four times higher. So true it is that the big wigs are always protected, because it is they who make and unmake governments. But in the long run, the people are undeceived and to-day their eyes are opened and the Government knows it. To tell the truth, there are not many people in this country with a million dollars revenue. I now come to the high cost of living. In the opinion of my hon. friend from Vancouver (Mr. Stevens) the great, underlying cause of the increase in the cost of living is due to the scarcity of goods and foodstuffs in this country. Who is responsible for such a state of things? It is the Government, because we have shipped out of the country more than our surplus products. In a producing country like Canada, would it not have been wiser on the part of the Government to see to it that there was no scarcity of foodstuffs among our people before allowing these products to be exported abroad, and more particularly, to feed the Germans? In fact, for some time past, wheat and other products are being shipped from the port of Montreal for feeding the German people. I think it would have been better for us to keep our foodstuffs for feeding our own people and to ship to Germany but our surplus products.

You remember, Mr. Speaker, that no later than last year, the Canadian Government commandeered our butter production—of September and October, or October and November—for two months at any rate. And the hon. Minister of Agriculture stated then that this butter was required for feeding the people of Great Britain. It may be that the people of Great Britain needed all that butter, but we know that we also needed it in this country.

And what was the result of that selling of butter at a relatively low price—as we have paid for some time as much as 70 cents a pound for butter, and, if I am correctly informed, British traders bought it for 56 or 58 cents in England. During that time we had to pay from 10 to 15 cents more than the British consumer for our own butter, and we had to eat a lot of margarine as a substitute.

After that, they wonder that there is dissatisfaction among the people. There may well be. People must eat. You see what happened in Winnipeg and many other Western cities. Bolshevism exists in our country. Is it a surprise to you, Mr. Speaker? I am not surprised at all. We have a Government who have let in that Bolshevism. I do not say there are Bolshevists in the cabinet, but I declare that our Government is autocratic. We have an Administration which enacts legislation in order to be elected anyway, which adopts orders in council for its friends, etc. People imitate what is done higher up.

I remember quite well the questions which were put to me in my constituency when I was discussing pensions in the House. One would ask: "Can you let me have a position so that I may have nothing to do?" Many such inquiries were made. People said: "For instance, like the Minister of Justice, Doherty, who gets a pension of $4,666, and who, besides, is a judge and a member." My answer was: "There are none. We are not in power and even if we were, there would be no such things." It is facts like that which drive people to decline to work and to claim wages just the same. That is Bolshevism. That is a soviet government. I do not say that we have one, but there is a certain likeness.

It is said that the cost of living is too high. There is quite a simple reason for that: Our exports are excessive. Employees ask for living wages. I do not blame them. But I blame the working man when he wants to work but eight or six hours a day. I am a farmer and I know what farming is. People say: "Well, the farmer makes a lot of money." The farmer who could get help at home since the beginning of the war made money, but the farmer who had to hire labourers made no money at all. Labour is hard to get now, and a day's work must be short as it is upon the railways.

See what happened in the United States. Take the McAdoo legislation. The present Government who wanted to have nothing to do with the Yankees in 1911 copied everything Americans have done in the last five years. What a change these gentlemen have undergone. In 1911, they were saying: "No truck, no trade with the Yankees," but as soon as they needed money, they appealed to the Americans. Ten years ago, even five years ago, before the war, men who were working ten hours a day upon railways earned $1.75 or $1.65; now they only work eight hours a day and they are getting $3.20. Such is the McAdoo legislation. Freight rates are nearly twice as much as they were; they will still be increased, if not at this session, during another session. It must be done, as labour costs twice as much in many cases. In consequence of all this, farmers will have to pay more to ship their produce to the markets; they are paying more for labour and consequently they cannot sell cheap.

But on behalf of the farming class which I represent, I would never have objected to the Government fixing the prices of food products, of ammunition, of "bacon" as soon as the war began. Instead of that, they lent money to Mr. Flavelle to enable him to ship to Europe food which he has kept for months and months in cold storage so as to enhance the prices, as was done in several localities.

The hon. member from Westmount-St. Henry (Mr. Leduc) I think knows it better than I do.

Last winter there was a big slump in pork; the price fell to $16 or $17. What occurred? The Montreal packers, Harris Abattoir, Davies, in short, all the barons of the pork and meat trade sent their commercial travellers all over the city of Montreal to sell to the retailers in lots of two, three or four thousand pounds pork and beef meat for lower prices than they had to pay elsewhere. Why have they done so? In order that traders would not buy in the country and so as to be able to recoup themselves later on. And they have done it.

Three weeks later, the very same companies, instead of sending their travellers to sell their wares to the retailer of Montreal and in the neighbouring centres, told them to go and buy bacon at comparatively low prices

so as to be able to re-sell for $24 or $25. And those gentlemen have the ear of the Government, they are all powerful and everything goes on as well as possible with them.

Those are the people who make and unmake governments: hands off.

I am much less concerned about the fiscal question than about the rights which we have in this country. I have always been a free-trader, and am still a free-trader, because I know that those manufacturers who are always clamouring for a high protectionist tariff only aid at rounding off their fortune. They are in their right in demanding an increase in the tariff, but they are no more in earnest than the hon. minister was in 1913, when the Bill for giving dreadnoughts to Great Britain came up for discussion before the House. The right hon. Prime Minister then declared that warships could not be built in Canada. Mr. Churchill had cabled to him from England that we were too backward in shipbuilding in this country and that it would take fifty or perhaps seventy-five years before we could undertake anything in that line of business. Then the war broke out and we did build warships. Now, when manufacturers come and tell us that we cannot turn out agricultural implements as they are making them in the United States; when they tell the Minister of Finance that in order to protect them, 20 or 25 per cent duties have to be imposed, I do not take any stock in their sincerity, and if the minister does believe them, I am bound to say that he is very credulous. No, sir, the protective system was devised to rob the people, and I use the word robbery because that is the only word that I can think of to express my idea. Protectionists may well be likened to thieves who steal apples in an orchard. While one shakes the tree his pal picks up the apples on the ground and drops them into the bag. Let me add that in their work, the protectionists have the backing of the Government.

See what is happening in the United States with their high tariffs. Some individuals in that country have piled up colossal wealth, hundreds of million dollars. Can a man live long enough honestly to amass such a fortune? The span of life for a business man is from 30 to 40 years at most. Dare you tell me that it is possible for him honestly to pile up hundreds of millions? Surely not. He piles up those millions because he has the backing of the Government who lets him plunder the people by preventing foreign competition. That is what you call protection. Protection makes the consumer pay for his goods three times what they are worth.

Give the people of this country absolute free trade—that is what I advocate—and free trade will give you honest governments. When you directly tax the consumer, he knows what he has got to pay, but when you tax him indirectly, as he is being taxed today, through customs duties, you make him pay unawares four or five times more than through direct taxation.

Should I go and tell the people in Laprairie-Napierville: "We are going to remove the duties and impose a tax of $20 per capita." What would the farmer say: "My dear sir, what do you mean by doing that? Are you crazy?" Yet he is paying now, through indirect taxation $20 per capita and the increase in price given to the commodities by duties ranging from 25 to 30 per cent, which, in many cases, doubles the sale price. And not only does he pay the duties, but he pays four or five times more for his goods.

Let me tell you, before resuming my seat, that I am interested in that reciprocity question, but I am still more interested in the well-being of our Ontario brothers. Western Canada is becoming Americanized. The Ontario imperialists who wanted to save the Empire at any cost, are now bending their efforts towards destroying it. Canada is actually in the same state as the town of Maisonneuve, at the time of its annexation to Montreal, in bankruptcy. Personally, as a Quebec man, I deprecate it; but our Western friends are clamouring for secession from the rest of Canada, because they look unfavourably upon the stand taken by the Ontario high protectionists. And later on they may say: "We are drifting towards the United States!" I deprecate such a stand, but as I already said that is bound to happen. What should the Ontario people do? Let them fraternize with the Quebec people; let them do away with the 17th school regulation and allow our French-Canadian children to attend French-Canadian schools. After all, I believe that the Ontario people are not more wicked than other people and in aspersing the French-Canadians, and reflecting upon Sir Wilfrid Laurier, they only aimed at remaining in power. They bluntly say what they think; but as to the Western people, they so badly deceived us at the last elections that we can no longer trust them.

Mr. Speaker, I have spoken at greater length than was my intention at the outset, but it was because I wanted to clearly define my position.

On the motion of Sir Thomas White, the House adjourned at 10.54 p.m.

Wednesday, June 11, 1919.

The House met at Three o'clock.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

STEAMER CANADIAN WARRIOR.

Mr. SINCLAIR (Antigonish and Guysborough):

1 Where is the Government steamer Canadian Warrior?
2. Is she under charter? If so, to whom?
3. What rate of freight is she receiving, what cargo is she carrying, and to and from what ports?
4. Is she insured? If so, by what brokers, in what companies, and for how much?
5 Is her freight insured?

Hon. Mr. REID:

1. Vessel arrived at Barbados June 1.

2. No. Canadian Government Merchant Marine, Limited, have booked cargo themselves in both directions.

3. 2,000 tons D.W. cargo and 6,000 feet of lumber from Montreal to Barbados and Trinidad, B.W.I. On return trip she will have a full cargo of sugar from Havana, Cuba, to Montreal. Standard rates were charged on miscellaneous cargo carried.

4. Yes. Insured through Wilcox, Peck and Hughes for $750,000.

5. Freight on downward trip was prepaid. Cargo would be insured by shipper.

TADOUSSAC-LABRADOR WINTER COMMUNICATION.

Mr. SAVARD:

Are there communication facilities on the North shore of the St. Lawrence river between Tadoussac and Labrador, during the winter months?

Hon. Mr. BALLANTYNE:

1. So far as the Department of Marine is concerned, there are none.

QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. DUFF:

1. What amount has been paid by the Government to the Canadian Car and Foundry Company, Limited, for the use of certain buildings at Amherst, Nova Scotia, as barracks?
2. What claims, if any, are outstanding?
3. How long were said buildings used?
4. How much was paid for lumber supplied for said barracks, and how much of this amount was paid to the Brooklyn Lumber Company, Limited?
5. How much has been received for lumber from the dismantling of the said barracks, and from whom?

Mr. COPP:

1. What amount has been paid by the Government to the Canadian Car and Foundry Company, Limited, for the use of the Malleable Iron Works, so called, at Amherst, Nova Scotia, as an Internment Camp for alien prisoners?
2. Is this property held under lease? If so, when will the lease terminate?
3 Are there any outstanding accounts with the above named company against the Government? If so, what is the nature of these accounts and the respective amounts thereof?

Mr. LANCTOT:

1. In how many cases was the Honourable Albert Sévigny, K.C., of Montreal, employed to represent the Government or any department thereof, at Montreal, or any other place in the province of Quebec, between the 1st of April, 1918, and the 1st of May, 1919?
2. How much was paid by the Government to the said Honourable Albert Sévigny for his services in each case?

*Mr. BROUILLARD:

1. What rentals have been paid by the Government during the years 1914, 1915, 1916, 1917, 1918 and 1919, to Mr. Huntley Drummond, of Montreal, for the lease of the Drummond Building?
2. What Departments of the Government were, and are located in the said building?

Mr. ROBB:

1. How many licenses to operate purse or drag seines on the Pacific Coast and adjacent waters, were issued this year, to whom were they issued, and on what dates?
2. Are any of the licensees returned soldiers? If so, what are their names?
3. How many new licenses were issued this year, to whom, and were they returned soldiers?
4. What were the names of the applicants, and the territory applied for in each case?
5. What were the names of the returned soldiers who were sole applicants for particular sections?
6. Were their applications refused in any or every case? If so, for what reason?

IMPERIAL BOARD OF INVESTIGATION.

STATEMENT BY PRIME MINISTER IN REPLY TO MR. J. E. ARMSTRONG.

On the Orders of the Day:

Right Hon. Sir ROBERT BORDEN (Prime Minister): On the 9th of June the hon. member for East Lambton (Mr. Armstrong) asked the following question which will be found in Hansard of that date:

Mr. J. E. Armstrong (East Lambton): I should like to ask the Government whether it is true that the Imperial Government has appointed an Imperial Board of Investigation for the purpose of inquiring into trade relations between different parts of the British Empire; whether Sir George Perley has been appointed a member of that board, and when the findings of the board, if such has been appointed, may be expected. I should also like to know whether the

board will inquire into trade or tariff agreements, and into the tolls or arrangements entered into between the different shipping companies within the Empire?

In answer to this question, I would say that:

1. No such Board has yet been constituted; but the Government have under consideration certain proposals submitted by His Majesty's Government for the constitution of an Imperial Investigation Board to be set up by the Governments of the Empire in pursuance of Resolutions XI and XIV of the Imperial War Conference, 1918. It is proposed that the Board shall have power to inquire into complaints with regard to ocean freights, facilities and conditions in the inter-imperial trade and into similar questions referred to them by the various governments; to survey the facilities for maritime transport within the Empire and to make recommendations for the co-ordination and improvement of such facilities.

2. Such a board not having been finally constituted, no definite appointment has yet been made.

3. Answered by paragraph 1.

4. Since the receipt of the proposals mentioned in paragraph 1 a proposal has been put forward to the Imperial Government by the Prime Minister of Canada on behalf of the Government of Canada that full power as to the control of ocean rates and the disposition of the shipping of the British Empire be conferred by concurrent legislation upon a temporary commission representative of the United Kingdom and the Dominions; and that a committee representative of the United Kingdom and the Dominions shall be immediately set up for the purpose of framing a permanent scheme for the same purpose and for the general development of ocean transportation within the Empire. The Prime Minister has further suggested that this proposal be considered in connection with that described in paragraph 1 and has declared that the Government of Canada will be glad to join in the discussion as soon as the Government of the United Kingdom is prepared to consider the matter.

THE WINNIPEG STRIKE.

On the Orders of the Day:

Mr. McKENZIE: In view of the serious news that we get from the press of this morning with regard to the conditions in the city of Winnipeg, would the Prime Minister be able to give the House any information?

[Sir Robert Borden.]

Sir ROBERT BORDEN: In so far as is concerned the serious occurrence to which my hon. friend (Mr. McKenzie) alludes, the Government have requested that an investigation be made as quickly as possible into the circumstances so that we may have reliable information as to the injuries which are said to have been sustained by some of the returned soldiers and especially by one very distinguished soldier who won the Victoria Cross. The latest information that we have as to the conditions in Winnipeg to-day is that they are quite disturbed, but the arrangements which have been made for coping with any difficulty that may arise, are believed to be adequate.

ACCUMULATION OF CANADIAN FISH IN GREAT BRITAIN.

On the Orders of the Day:

Mr. WILLIAM DUFF (Lunenburg) Mr. Speaker, I would like to ask the Government a question and in order to do so intelligently I would ask to be allowed to read a cable that appeared in the Gazette on Wednesday, June 11, and dated London, England. It reads as follows:

One and a half million tons of Canadian fish will be presented by the Canadian Overseas military authorities to the Salvation Army. Under the arrangements during the war for the supply of fish to Canadian soldiers, a surplus has been collected in England. It is understood it has lately been costing the country about $400 a day for storage here. Efforts have been made to dispose of the product, but they have been unavailing, and finally it was decided to offer the whole thing to the Salvation Army, who will oversee the distribution.

I would like to ask whether that statement is correct, and if so why such a large amount of fish has been allowed to accumulate in England, and how much the country stands to lose by the transaction.

Sir EDWARD KEMP (Minister of Overseas Military Forces): I shall make inquiry by cable as to the accuracy of the report to which my hon. friend (Mr. Duff) refers, and as soon as I receive a reply, which will doubtless be within a very few days, I will inform him.

THE BUDGET.

The House resumed the debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means (resumed from Tuesday, June 10).

Hon. THOMAS ALEXANDER CRERAR (late Minister of Agriculture): Mr. Speaker, in view of the fact of my severing

my connection with the Government, I think it is only proper on this occasion that I should refer briefly to the circumstances which led to my joining the ministry in October, 1917, as well as to those which led to my withdrawal from it. In the summer of 1917 it was quite clear that a very serious and difficult situation faced the Canadian people. There had been in Western Canada, and particularly in the case of the organized body of public opinion in that part of the Dominion with which I had been identified, a strong desire that some sort of national or union government should be formed in order that Canada might more effectively, or as effectively as possible, contribute her share to the winning of the struggle that was being fought out on the fields of Europe. Consequently, when the Prime Minister invited me to join his Government, in a sense representing that body of organized public opinion to which I have referred, I considered it my duty to do so. I took that step at that time entirely from a sense of duty, and I have to say that under similar circumstances I would take the same step again.

Some hon. MEMBERS: Hear, hear.

Mr. CRERAR: When I joined the Government I made it perfectly clear that I had not surrendered or given up any of the principles that I believed in and as to which I had endeavoured, in my small way, to educate this country prior to that event. However, there was one outstanding issue at that time, and everything else was overshadowed by the importance of that issue. But now, Sir, the war in over, the armistice was signed over seven months ago, and we are shortly, we hope, to witness a peace among the nations of the earth that will be lasting in its character and will forever in the future prevent a repetition of the catastrophe that has overwhelmed the world in the last four and a half years. Such being the case, when it came to a consideration of what the fiscal policy of this country should be in the future, I found myself in sharp issue with the Government, and holding the views that I did, and representing in the Cabinet, in a measure, the opinion of the farmers of Canada—although I quite recognized that I was not a representative there of any special class, I want to make that clear—and knowing the opinion of the farmers of Western Canada on the fiscal question, and believing absolutely in it myself, there was I felt only one course for me to follow when I found myself at issue with my colleagues and that was to tender my resignation to the Prime Minister, which I did.

Some hon. MEMBERS: Hear, hear.

Mr. CRERAR: Having said so much, Mr. Speaker, I shall endeavour to sketch briefly before the House the reasons that induced me to take the step that I did. The war is over, and we are now facing the settlement of the accounts that have arisen by reason of that war. The one fact to my mind that stands out like a beacon light in the Budget proposals presented to the House the other day by the Finance Minister is, that the national debt of Canada at the end of the present fiscal year will be $1,950,000,000, and that Canada will require to raise annually a revenue of at least $300,000,000. Moreover, if we examine the circumstances of the case, we shall find, I think, that even that sum will scarcely suffice to meet our requirements. The Finance Minister has estimated that this year we will require $102,000,000 for interest on our public debt, and he further estimates that at the end of the fiscal year the obligation in that respect will have grown to $115,000,000. For pensions, we have to provide $30,000,000, and I quite expect that before the aftermath of the war in respect of the allotment of pensions is cleaned up, that our pension bill will probably run to $35,000,000 a year. In addition we have, as the result of shall I say mistaken policies in the past, and I do not wish to attribute blame anywhere in that regard, to provide for several years to come probably $10,000,000 a year to meet the deficits on our national railways. In other words, Mr. Speaker, we will be obliged to produce from the revenues of Canada at least $150,000,000 a year more than was required in pre-war days. Canada we must bear in mind is an expensive country to govern. The boundless distances of our country, our scattered population, and the necessity of carrying on needed and necessary public works in the various portions of the Dominion mean this: that for years to come our expenditures in a capital way upon river and harbour improvements, and the various other public necessities, will run into very considerable figures. So I think I am within the mark when I state that the public revenue of Canada will require to be at least $300,000,000 a year for a good many years to come, and even that makes no provision for a sinking fund to retire our debt as it matures. Now, how is this bur-

den to be met? That is the paramount question in my judgment before the Canadian people to-day. The amount of money that a country raises for its public needs is of importance, but the manner in which that money is raised is of vastly greater importance, and here is where I take issue with the present proposals of the Finance Minister.

No question has so agitated civilized nations—in fact, I think I am well within the mark when I say that no question has been so influential in bringing about reforms in governmental administration down through the ages than that as to the method by which the taxes of a country are levied. It is the paramount question for the people, because, if your tax burden is inequitably distributed, you have injustice and discontent, and, as has been proved by past history, you sometimes have had produced thereby the seeds of revolution itself.

Now, we propose, under the present Budget, to raise our taxes mainly by the imposition of customs and excise duties. Before I discuss that, however, let me say this: In my opinion the present Budget is a protectionist Budget. I think there is no disguising that fact. In 1915 special customs taxes were imposed for the purpose of raising revenue. There is no need now for my discussing the merits or demerits of that action; but by that Act $45,000,000 of additional taxes were levied on the Canadian people last year by way of customs taxation. The proposals that have been placed before the House contain certain provisions that mean a reduction of that taxation to the extent of $17,000,000 a year, and if the present values of imported goods hold we shall collect this year under that arrangement $28,000,000. Just here I offer my first criticism. By what virtue of justice or equity is the 7½ per cent removed from certain articles and left on others? That, to my mind, can find no justification. There have been reductions beyond the 7½ per cent, which has been taken off a limited number of articles. The 7½ per cent that was imposed in 1915 has been removed from all agricultural implements, and we have further concessions in the matter of agricultural implements to the extent of 5 per cent on farm wagons, hay-loaders and certain other implements; a reduction from 27½ per cent to 15 per cent on cultivators, seed-drills, etc., that is, including the elimination of the 7½ per cent, and a reduction from 27½ per cent to 17½ per cent on ploughs, engines and tractors.

[Mr. Crerar.]

But there is another aspect of this matter that is open to criticism. The removal of the duty of 5 per cent, in addition to the removal of the 7½ per cent on the items that I have specified, does not mean any lessened protection to the manufacturer in Canada who is making those goods, because an arrangement has been made with the Canadian railways for a reduction in freights from manufacturing points, chiefly in Ontario, to Western Canada, in order to offset what is lost by the withdrawal of the 5 per cent. On the other hand, the railways are to have the benefit of the abolition of the 7½ per cent duty on bituminous coal coming into Canada. Here I have another criticism to offer. Why is the discrimination made in favour of the farmer in Western Canada as against, say, the farmer in the Maritime Provinces? In my judgment, the proposal is unsound in that respect. It is quite clear, at any rate to me, why that provision has been made. Western Canada—at any rate, the agricultural portion of it—has stated in unmistakable terms its opinion on the matter of customs duties on agricultural implements, and this concession in the Budget is merely a concession to attempt to satisfy opinion in Western Canada and to do it in such a way that the manufacturers do not suffer, and the users of implements throughout the rest of Canada are discriminated against. That, Mr. Speaker, is not a sound proposal; it is not a logical proposal; it is introducing into the shaping of our fiscal policy principles which are unsound, which are not in the best interests of Canada, and which are calculated to bring about dissension and difficulty. It is a poor policy to mix up freight rates with tariffs.

I should like to examine for a few moments the effect of the policy of protection upon the national development of the Dominion. If we are to overcome the tremendous burden of debt that is upon us—and I do not think there will be any disposition on the part of the Canadian people to shirk that duty—and if we are to obtain the enormous revenues that we shall annually require to carry on the business of the country, how best can we do it? After all, that is the practical question which faces the House and the country to-day.

Now, Canada is a country of great natural wealth. We have our agriculture, our minerals, our fisheries, and our splendid timber resources; and the problem before this House to-day is, how best can these resources be soundly and wisely developed? I have never been able to see any virtue

in the principle of protection. Theoretically, if the principle of protection is sound, why not build your tariff wall so high that no goods can come in? But if you build your tariff wall so high that no goods can come in, then no goods go out, because goods are bought with goods. If we export goods from Canada, whether agricultural products, manufactured goods, or whatever they may be, those exports must be paid for by imports. If the protectionist theory is sound, it should be carried to the extent, I believe, suggested by the hon. member for North Simcoe (Mr. Currie) when he was discussing this matter in the House on a previous occasion—the building of a tariff wall so high around Canada that all goods would be kept out. Well, that does not appeal to me as a very sensible proposition.

But if we are going to develop our resources, how best can we do it? Shall we do it most effectively and efficiently by imposing burdens of taxation upon the machinery and the equipment necessary to this development and to this production? Canada is one of the finest agricultural countries in the world; she has a wonderful future, agriculturally, if we are but wise in our policies. We are aiming to place returned soldiers on the land; we are providing in our financial proposals of this year $25,000,000 for that purpose. We are hoping to secure from Great Britain immigrants who will go upon the land. There is a consensus of opinion that our immigration in the future should be of a class of people who will go upon the land and develop our agricultural possibilities; we already have enough people in the cities.

But when we place a returned soldier upon the land, we have to start him out with equipment. It is useless to put him down on a homestead and say: Now, here you are. He cannot grow grain nor raise cattle with his hands alone. He requires equipment, agricultural machinery, horses and harness to put on those horses. But when we ask him to do that work, we immediately say to him, on the other hand: You must, however, in the purchase of the equipment that goes into the production of the stuff you hope to produce from your farm, pay to the State twenty per cent of the value of the equipment you get. What does that mean? If a returned soldier or an immigrant has $2,000 and wishes to go on to the land to develop it, he first buys his equipment. If he could buy it tax free, so far as customs duties are concerned, he could buy it for $1,600, and he would have $400 as a working capital to start upon, to carry on his operations.

Mr. BURNHAM: How could he be free from taxation? Would he not have to pay taxes somehow?

Mr. CRERAR: I was speaking about customs taxes, and I think if my hon. friend reflects a moment, he will get my point.

The same thing is true in respect to the development of our mineral, lumbering and fishery resources. It is sound policy to provide as cheaply as possible the equipment required by the people who are going to dig the wealth out of the earth where, after all, it must come from. Therefore, any fiscal policy that imposes handicaps on that, that throws disabilities around it, retards, in my judgment, just to that extent, the development of the country. But what have been the results in agriculture in Ontario—and I would direct attention to that, because Ontario is probably the greatest manufacturing province in the Dominion? It is a fact that nobody can deny that agriculture has gone back in Ontario since the introduction of the National Policy in 1879. Prior to that time the rural population outnumbered in great degree the city population, but there has been a steady decline in the rural population of Ontario. It may be argued, and, I recognize, with some force, that that is not due to the tariff; that a number of Ontario farmers have moved to Western Canada, and that perhaps a number have moved to the United States.

Mr. EDWARDS: My hon. friend argues that Ontario has gone back agriculturally because its rural population is less now than it was some years ago. Then it must be true that the West has gone ahead because its rural population is greater now than it was some years ago. Does the hon. member accept that position?

Mr. CRERAR: If my hon. friend will be patient for a moment, I think I can elaborate my argument so that his question would have been unnecessary. I repeat again that agriculture has been going backward in Ontario instead of forward, and the evidence of that lies in this, that the volume of agricultural products produced in old Ontario under normal conditions—I am not speaking of the higher values that appertain as a result of war conditions—are less to-day than they were thirty years ago. Furthermore—and the hon. member for Frontenac (Mr. Edwards) knows it—he can travel

through Ontario as I have travelled through it, and he will find not hundreds but thousands of abandoned farms in that province.

Mr. LALOR: Will the hon. gentleman tell us where those abandoned farms are?

Mr. GAUVREAU: Let the canners keep quiet.

Mr. BUREAU: Can your question.

Mr. CRERAR: Within the last two years I saw myself in a twelve-mile drive in the county of Huron, one of the best counties of Ontario, six vacant farms, and I have no reason to doubt the statement I have made. With the decrease in the rural population of Ontario, there has been an increase in the city population. If hon. members will study the municipal statistics of Ontario, recently published, they will find that the decrease in the township population of Ontario for the years 1916 and 1917 was 36,000, and the increase in the city population of that province during the same period was practically the same. The reason of that is that the farmers of Ontario—I am speaking of the average case—have found it difficult and are to-day finding it difficult to make more than both ends meet. I have here a statement published by the department of farm management connected with the Ontario Agricultural College at Guelph, giving a survey of a large number of farms in Oxford county which, next to Huron county, is probably the banner county of Ontario from an agricultural point of view. It is a great dairying county. This is the conclusion reached by the department of farm management:

> It is plain, therefore, from the above figures that to give the average dairyman of Oxford a fair return for his labour, 7 per cent interest on his investment, and 2 per cent additional on his capital for a reserve fund and a reasonable profit that he should have received at least an average of $2.49 per hundred pounds for his milk during the year ending February 28, 1918.

What is the average price he received? According to the same report, it is $2.20 per hundred pounds. That is the reason why agriculture is backward in Ontario. How can it be set up? You must, in my judgment, cheapen the processes of production. If you place a handicap on production, if the equipment—I do not care what it is called—that enters into that production has the price of it enhanced, the result is inevitable that the margin of profit to the farmer shrinks, and as is the case in this instance, gets practically to the vanishing point.

As regards the western farmers, in those localities and districts where farmers secured their land years ago at reasonable prices and where they have been favoured with good crops, they have done very well, but I am certain that if you take the average of the farmers of Western Canada, if you take into consideration the vicissitudes they have suffered from in crop failures of one kind or another, the average return is not very great. We have spoken about an immigration policy, and we need immigration into this country. We must increase our population, but the best immigration agent in Canada is the contented citizen. If you have a country in which the average ordinary man can make a living and provide against want in his old age, you have a good country to live in, and that fact will be made known throughout the world, and will attract people to your shores.

I come to another aspect of the question, namely: Do our implement manufacturers really require the protection which they enjoy? On looking up the statistics I find that in 1914 exports of agricultural implements from Canada amounted to $7,900,000; in 1915, $3,650,000; in 1916, $3,850,000, and in 1917, $4,040,000. You will note that there has been a decline in the last three years, but that I attribute to the fact that the energies of our manufacturing plants were directed into other channels. In other words, there was scarcely a foundry or factory in Canada that was not pressed into the urgent and imperative need of manufacturing war supplies. But the year 1914 is a fair year to take, and I ask this question: If our agricultural implement manufacturers can export $7,900,000 of goods in one year into the markets of the world, where they have to compete with every one else who is making agricultural implements, why cannot they compete at home? That is the question. Why should it be necessary to impose taxes to the extent of 15, 20, 25 or 30 per cent on agricultural implements necessary to the development of this country when our implement manufacturers in this country have been able so to establish their business—and I am proud of it, great credit is due them—that they can compete in the markets of the world to the extent of almost $8,000,000 a year.

There is another item. Over twenty years ago one lone agricultural implement was placed on the free list in Canada. That was cream separators. What has been the result to the cream separator industry in this country? Did it languish and die because protection was withdrawn from it? It did

not. On the contrary, I am glad to say that it has gone ahead, and to-day we have eleven plants in Canada manufacturing cream separators, and three plants manufacturing cream separators exclusively, and not only are our manufacturers selling their cream separators in Canada in competition with separators manufactured in other parts of the world, but they are selling cream separators in the United States in competition with cream separators manufactured in that country. What enters into the manufacture of a cream separator? Precisely the same elements as enter into the manufacture of any other agricultural implement. In fact, if anything it is more difficult to manufacture a cream separator because, being a more finely adjusted machine, its manufacture requires much more skill and ingenuity than for instance a wagon or a seed drill.

There is another industry in Canada that has been carrying on without the protection of the tariff, and that is the binder twine industry. I find, according to the Canada Year Book, that in the year 1916 Canadian made binder twine was exported from Canada to the extent of 17,000,000 pounds, to compete with twine manufactured elsewhere in the world. Let me say again, I am proud of the fact, because it shows what our Canadian manufacturers standing on their own resources can do. I am satisfied that our manufacturers with the application of the same methods could obtain the same results in any line of agricultural implements.

There is one other way in which the tariff bears very heavily upon the people at the present time, and that is in the cost of living. It was perhaps inevitable that serious unrest would develop as a result of the cataclysm through which the world has been passing during the last four or five years. There is no patriotic Canadian who loves his country who does not regret the fact that there is such unrest in Canada to-day practically from one end of the country to the other, for I doubt if there is a city of any magnitude in this country where there is not at the present time labour disturbance of some kind or another. Whenever the question is raised, the invariable answer is that the problem to be solved is the high cost of living—that there, the remedy lies. I submit that one of the most effective means of striking at the high cost of living in Canada to-day is through the customs tariff. What does the ordinary man in Canada require—and, after all, we must bear in mind that the great majority of Canadians are humble citizens doing their work in humble walks of life—they require food, clothing, shelter. These are absolute necessities to any person living in Canada. When the workingman in Canada buys much of the food that is necessary for his sustenance, its cost is made greater by the fact that it is taxed anywhere from 20 to 25 per cent when it enters Canada, and the same is true of his clothing and boots and shoes. Why cannot we do in Canada what they have done in the United States, make boots and shoes free to the people? I have not had an opportunity of reading yesterday's Hansard, but I notice in the press this morning that the hon. member for South Waterloo (Mr. Scott) stated in the House yesterday that there was very little difference between prices of shoes in the United States and Canada. If that is true, there is absolutely no need of a protective tariff to the extent of 30 per cent to keep American shoes out of Canada, but I am afraid that if the hon. member will search his sources of information a little more closely he will find that the facts do not substantiate entirely what he has stated.

Mr. E. LAPOINTE: We knew better.

Mr. CRERAR: I was recently talking to a man who was pricing shoes and clothing in the United States in comparison with Canadian prices, and in every case he found that prices were higher in Canada, practically to the extent of the duty imposed. That is inevitable. Why is the duty imposed if it is not to keep other goods out, because they are cheaper? Consequently, if we are going to strike at the high cost of living we can do it effectively in this way, and I know of no other way at present in which it can be done.

We have a commission travelling over Canada—and it was a laudable effort on the part of the Government—endeavouring to ascertain, and if possible harmonize, the conflicting views of employers and employees in Canadian industry. We have to-day a committee of this House investigating the high cost of living. It is one of the paramount questions before the Canadian people to-day, and it does seem to me that one effective way to solve the problem is the one I have suggested.

For the year 1913, the family budget for five persons amounted to $1,051.74. That budget to-day amounts to $1,668.91, or an increase of almost 60 per cent. I have also another illustration which I desire to place before the House. The information

I am about to give was furnished by a clothing dealer in the city of Winnipeg, and I have every assurance that it is entirely reliable. In 1914 the invoice price of a suit of clothes from the Old Country was, say, $10. The duty added would be $3, and after calculating the profits that would go to the various people handling the clothes, the value of the suit at the time it was purchased by the wearer amounted to $22.36. Now, at that time, without a duty of 30 per cent which was levied, the suit would cost $17.51. But what is the situation in 1919? The suit of clothes has gone up in value to the manufacturer to $25, and the duty added is $8.75—that is, up to the recent change in the new financial proposals—with a result that when you add the various profits the suit of clothes costs the wearer $58.21. If it had come duty free the person purchasing it would get it now for $43.12. These are facts, and I think that it is beyond any question of doubt that so far as clothing is concerned the customs tariff does add to the price and thereby increase the cost of living.

Mr. MIDDLEBRO: Would the hon. gentleman tell us how many bushels of wheat it would take to buy that suit of clothes?

Mr. CRERAR: With wheat at 80 cents a bushel in 1914 the farmer could purchase this suit of clothes with 28 bushels. In 1919, with the increased cost he requires to get $2 a bushel for 29 bushels of wheat to buy the same suit. Furthermore, a wage earner could get a similar suit of clothes for nine days' work at $2.50 per day in 1914; now, he has to work nine days at $6.50 a day to buy it.

4 p.m.

In this connection I should like to quote a newspaper item which I am confident is quite correct from the manner in which it is given. It deals with profits made by the Dominion Textile Company last year and during the past few years. Let me read it:

> Manufacturing profits for the year recently ended were $3,434,752, against $1,803,371 in 1917-18, an increase of $1,561,381, or in excess of 83 per cent, and substantially more than double those of the previous year. After all deductions, including $1,100,000 for war and income taxes, a newly-established pension fund, and replacement reserve, there remained for common stock distribution the sum of $1,559,888 or equal to 31.2 per cent, against 21.9 per cent in 1917-18, and 15.6 per cent the year before.

Now, Sir, in all reason and conscience is it necessary to have a protective duty of 30 per cent on textiles coming into this country in order that concerns like the Dominion Textile Company may make such profits as I have just mentioned? Let me ask again, do our manufacturers really require the protection they enjoy? I am satisfied that they do not in the case I have just cited, but we have further evidence. Take Canada cement, which enjoyed, previous to the changes made in the Budget, a duty of 10 cents per 100 pounds, which was in the Budget proposals reduced to 8 cents per 100 pounds. I read a statement in the daily press from the general manager of that concern to the effect that his company is making arrangements to place its cement in practically every country of the world that imports this article, and I have not the slightest doubt he will do it. If that can be done, if our Canadian cement can compete with that of the United States, in South America and Europe and other cement purchasing countries, why can it not compete at home?

I have also seen a statement of Mr. Lloyd Harris, our Trade Commissioner in London, on his return to Canada. Mr. Harris is one of the shrewdest and ablest business men in Canada, and a man who, in my judgment, is doing excellent service in London for Canada at the present time. What does he say? He says that the cost of production for an unexampled number of articles is now lower in Canada than in any place in Europe, and that even cotton yarn is cheaper in Canada than it is in Lancashire. The Canadian manufacturers are being urged to take advantage of every opportunity to get into foreign markets and I hope they will do so. If they do, and if they can compete successfully, may I ask why we should require to penalize the Canadian consumer?

I was interested recently in reading in Industrial Canada, the official organ of the Manufacturers' Association, the reports of several companies which had closed their business year. The first one to which I shall refer is the Monarch Knitting Company. The article is headed: "A seventy-five per cent increase in profits made by this Ontario Company."

The report says:

> Net profits, after providing for depreciation and war taxes, were $351,654 as compared with $202,413 in 1917, and $145,534 in 1916. The company's financial position proves to be so strong that a few weeks ago a dividend of 4 per cent on the common stock was declared.

Then it continues:

> The directors look forward with confidence to the business of the coming year, but they do not yet feel justified in placing the common stock

on a regular dividend basis. . . . . The company is selling in the United States markets, having established a factory at Buffalo which, during the past year, made profits of $43,416, after provision for income, excess and war profits taxes.

That, sir, appeals to me as being rather an extraordinary way in which to build up Canadian industry. I would have preferred, rather, to have seen this company manufacturing these goods in Canada and exporting them to the United States instead of establishing factories in that country to sell goods over there. However, I have no doubt that there are very good reasons for doing that, and in this respect the Monarch Knitting Company is following the line of least resistance and establishing its business under natural conditions.

The Canadian Fairbanks-Morse is another company that shows handsome earnings for the year. I have no objection to this, but if the Canadian Fairbanks-Morse can earn splendid profits and pay dividends on common stock—and I would remark, in passing, that common stock in almost all these concerns has nothing tangible behind it, it was practically all bonus stock from the first—why is it necessary to levy import taxes on gasoline engines and scales coming into Canada in order that the Canadian Fairbanks-Morse people may earn the profits they make? Every time a tax of this kind is levied you handicap production and increase the cost of living to those who are endeavouring to make a livelihood in this country.

I shall refer to one other, and I am through—that is, Canadian General Electric, which has also made substantial gains for the year 1918.

I merely cite these cases, not for the purpose of singling out any particular company. These reports all happened to be in one issue of Industrial Canada that I picked up. It does seem to me, Mr. Speaker, that if these companies are so prosperous, there is no reason why we should not consider a reduction of the tariff on the goods that they manufacture at the present time. There will never be a time in the history of Canada so opportune to do this as now. Industrial concerns in Canada have done well as a result of the war and they are in an excellent position to stand the transitions that are bound to follow any tariff readjustment.

But, there is another bit of evidence, Mr. Speaker, that I desire to submit to the House as proof positive that the heavy duties on these articles might be reduced. Rubber goods of the moulded type are required in almost every district in Canada. I have before me the prospectus issued by the K. & S. Canadian Tire and Rubber Company, Limited, of Toronto. I find on looking over the document that this company has complied with the statutory requirements regarding companies in the province of Ontario. It sets out a very fine statement of its position in its appeal to the limited number of persons to whom the request was sent to invest in its bonds or stock. The whole case is practically summarized in one paragraph which I shall read to the House, and which states:

At Weston, Ontario, we have the only plant in Canada for making moulded Rubber Goods exclusively. Our capacity amounts to 3,000 pieces per day. This class of goods in the past has been imported principally from the States. It would not be policy to state our margin of profit, but believe that we are able to manufacture at United States costs. There is a protective tariff of at least 35% (and up to 42½%) in our favour. We are thus able to sell at a lower price than any foreign competitor and still have a good profit.

The quality of our Rubber Sundries is admitted to be the equal of the best imported goods.

Here we have the frank admission of this concern that it can manufacture in Canada as cheaply as in the United States, and yet we find the goods that it is selling to the Canadian people protected to the extent of 35 per cent.

Naturally, the question comes up, if we diminish the revenue from customs, by the reduction of duties received from the importation of goods free or at reduced rates into Canada, how is the revenue to be made up? I offer this suggestion. The platform of the Canadian Council of Agriculture offers three or four suggestions for the raising of revenue. The important ones are by way of income tax, federal inheritance tax, and by way of a tax on the unimproved value of land. Our income taxes in the proposals before us are on a basis about on an equality with that prevailing in the United States. The tax, however, is much lower than that in Great Britain. Let me give you a few comparisons between the taxes collected on the income of a married man in Canada and in Great Britain. The statement is as follows:

Income.	Canada.	Great Britain Earned.	Great Britain Unearned.
$ 5,000	$ 120	$ 750.00	$ 937.50
10,000	590	2,250.00	2,625.00
20,000	1,990	6,812.50	
30,000	3,890	11,187.50	
50,000	9,190	20,937.50	
100,000	31,190	47,187.50	

I would suggest that the rate of the income tax should be raised. If I had an income of $20,000 I would be very glad indeed under the existing financial condition of the country to pay $5,000 or $6,000 to the State. When we consider the amount of revenue that we have to raise, we have to take into account the fact that this troney must be secured from the source from which it can best be provided and that again is a sound axiom of taxation. I find that in New Zealand in 1917 according to the information supplied me, and which was taken from the New Zealand year book of that year, that this little country with approximately 1,000,000 of a population raised $20,000,000 by income tax in 1917. If we made a similar levy in Canada the amount we would raise would be approximately $150,000,000. In Australia their rate is much lower than it is in New Zealand, but, according to the figures I have been furnished with, it is much higher than it is in Canada.

The next proposal would be a graduated inheritance tax, or death duties in Canada. I quite realize that the provinces are collecting this tax and that fact, I am sure, with the very best of reasons, has weighed with the Finance Minister in any consideration he may have given to this proposal. But we find that the provinces are also levying income taxes, that in some cases municipalities are levying income taxes and that consequently the individual who finds himself with an income is faced with the necessity of paying three income taxes one to the municipal, one to the Provincial and one to the Federal Treasury. In this case there is no reason why, because the provinces impose an inheritance tax, the Dominion should be debarred from doing the same thing. After all, we have over $300,000,000 of revenue a year to get and we have to get it from the source from which it can best and most fairly and equitably be got.

There is one other suggestion and perhaps I may be regarded as stating the most radical thing that I have proposed in my discussion of this subject. That is the suggestion that a direct tax should be imposed on the unimproved value of land including all natural resources. I want to make clear the distinction in this regard. It does not mean a land tax in the ordinary sense of the word. It means a tax on the value of land. This principle has been applied in the Western Provinces. The principle was introduced into the Lloyd George Budget of 1909 and it is in effect in both New Zealand and Australia. The fundamental idea underlying the proposal is that values that are created by the community should be taken by the community.

Let me illustrate: a man in the United States owns a section of land in Western Canada. He bought it, say many years ago, for $5 an acre—I am stating what is a typical case. It was located near a railroad. People came in and took up adjoining land, community activities developed, roads were constructed, a church was built, schools provided, telephones installed, and the result of all these activities not only made that community a desirable one to live in but added to the value of the lands in the vicinity every year. Now the proposal underlying this is, that land shall be taxed—not that land alone, but all land —on its unimproved value. It is estimated that a one per cent tax levied on this basis I have suggested would contribute $75,000,000 to $80,000,000 for national revenue.

But I must hurry along, I fear that I am taking up much more time than I had intended.

Some hon. MEMBERS: Go on.

Mr. JACQUES BUREAU: Take your time.

Mr. CRERAR: There is one other aspect of this question to which I wish to refer briefly, and that is the combinations and the mergers that have been formed in Canada within the last twenty years.

Mr. ERNEST LAPOINTE: Hear, hear.

Mr. CRERAR: We have followed a bad practice in that regard. In nearly all cases, Mr. Speaker, these industrial concerns, in the main, have been floated with heavy issues of common stock against which there is no actual investment in the business. The aim of such a concern naturally is to earn returns on common stock, and in that it is assisted by the tariff which keeps foreign goods out of the country. I am informed that an article recently appeared in the Montreal Gazette suggesting that some check should be placed upon flotations of this character, and I certainly think that the time has come when that important consideration might engage the attention of the Government and of the House.

I repeat, Mr. Speaker, that in levying our taxes they should be made to bear as lightly as possible on the necessaries of life. Boots, shoes, and the clothing of the people, should be made as free as possible. I have no objection to taxing luxuries, none what-

ever; but in my judgment the Budget fails in this respect, that it does not provide for reducing the costs of the necessary machinery to develop our natural resources in Canada. It does not do away with, and only very inadequately reduces, the duties on agricultural implements and other farm machinery, and does not make any real effort at solving the high cost of living by reducing the taxes on the necessaries of life that enter into the homes of all our people.

In taking the step which I have taken, I acted only after earnest consideration and from an absolute conviction as to what was best in the interests of the country, and that being the case I entertain no regrets. Our fiscal policy, and in many respects other policies, of Canada as well must be modified in the light of the events we have passed through and the circumstances we have to face in the future. We have sent overseas approximately 400,000 men, of whom 60,000 fill graves in France and Flanders. The valour of our men in the field, and the sacrifices of our people at home, have added an imperishable lustre to the name of Canada. I have never been so proud in my life of being a Canadian as I am to-day. In the light of the experiences we have passed through—certainly to all of us who appreciate the facts and the circumstances that have transpired, and I am sure we all do appreciate them—our country has taken on a new character and a new ideal. Our business now is to repair the ravages and the devastation that have been wrought, make good the injuries, so far as there has been injury, care for the future needs of our returned disabled men, and provide for the interest on our national debt. These are the questions that now devolve upon us as the representatives of the people to take up and carry through, and my hope is that out of these events a greater and better Canada will emerge. I hope that just as our men in France and Belgium gave Canada a foremost place in the great struggle that was carried on there, our people at home will realize the obligation that rests upon them, and that we will build up in Canada a united citizenship, loving liberty—liberty in trade, liberty in conscience, liberty in religion, everything that makes for liberty, until we attain the enviable and proud position of making this Dominion the best country in the world in which to live.

Mr. SEXSMITH: I would ask the hon. gentleman if the placing of cream separators and binder twine on the free list reduced the price the farmers had to pay for those articles?

Mr. CRERAR: I do not think there can be any doubt about that.

Mr. SEXSMITH: To what extent?

Mr. CRERAR: I think the question is elementary in its simplicity as far as the answer to it is concerned.

Hon. JAMES ALEXANDER CALDER (Minister of Immigration and Colonization): Mr. Speaker, at the outset of my remarks, I desire to congratulate the Finance Minister upon the splendid address which he delivered to the House in presenting his Budget proposals. I have listened to some Budget speeches in this House and in the old Commons chamber, and I have read a good many, and I cannot recall a single one in which the financial position of the country was set forth so simply, so plainly, and so clearly, as it was last Thursday afternoon. I consider that the Budget which was then presented was an honest Budget—honest in that there was no attempt at concealment. I am sure that all the members of this House have been anxious to learn the truth, and the whole truth, as regards the financial position of Canada at the present time. I think every hon. gentleman will agree with me that we have got that desideratum and more than that, we are indebted to the Finance Minister, regardless of whether we agree with his proposals or not, for the very great care and the skill with which he marshalled his facts and presented them to the House.

In addressing the House at this time it is not my intention to speak at length; the occasion does not demand it. I wish to state simply that I intend to support the Budget proposals which have been submitted to the House, and I shall explain as clearly and as definitely as I can why I intend to do so. To attain that end, I do not think that a very elaborate arguement is necessary.

We have listened to an able and very interesting address from my former colleague, the member for Marquette (Hon. T. A. Crerar) with regard to the Budget proposals. He has set forth his views clearly, sincerely, and honestly. I am sure that no member of the House will quarrel with him in the view that he takes; least of all should I quarrel with him. Every member of this House is the keeper of his own conscience. We must all make up our minds as to what is right or what is wrong on an occasion of this kind; each must determine his own

course and be held responsible for the course which he takes. The member for Marquette, after deliberate consideration and for the reasons which he has stated, has come to the conclusion that he cannot support the Budget.

Having regard to the conditions existing in Canada, to the problems that are before us, and to all the circumstances, I have, after very full consideration, come to the conclusion that no other course is open to me at the present time than to support the Budget proposals of the Finance Minister. More than that, I am convinced that I can do so without sacrificing any principles that I hold, without sacrificing my views on the tariff. Some hon. gentlemen opposite smile. I say that I can do it without sacrificing my principles or my views on the tariff and without prejudicing the interests of the province from which I come or of the constituents whom I represent.

In September or October, 1917, with the member for Marquette and others, I attended a series of conferences called for the purpose of deciding whether we should have in this country, at least for the time being, a National or Union Government. It is not necessary for me to review the circumstances; all members of the House are well acquainted with them. But at that time decisions had to be reached that were bound to have far-reaching consequences, personal, political, and otherwise. No one who attended those conferences approached the problem confronting us with greater earnestness and greater seriousness than the member for Marquette, whose decision, I think I can safely say, was very largely instrumental in bringing about the result finally reached. The Government was formed in due course, and for the last eighteen months we have been carrying on as best we could. I intimated to the House early in the session that we had made mistakes.

Mr. E. LAPOINTE: Hear, hear.

Mr. CALDER: Quite right. A Government that would not make mistakes in times like these is not worthy of the name—

Mr. LEMIEUX: You mean, "blunders."

Mr. CALDER: I did not say "blunders;" I said "mistakes." We have been living in extraordinary times. All kinds of new problems have had to be dealt with. We have had very little in the way of precedent to guide us; we had to blaze our way, so to speak, so far as many matters were concerned. I repeat that it would be a very strange Government indeed which did not make mistakes in times like these. An hon. gentleman near me says that the Opposition have made a good many mistakes; yes, they have—and some of them they have made this session. The member from Marquette, as Minister of Agriculture, carried his share of the burden. I assure the House that it was no small share, because the ex-Minister of Agriculture has brought great credit to himself and to the whole Administration; his work during the past year and a half has been to the advantage of all Canada.

Then came the Budget and his resignation. It is not necessary for me to say that I endeavoured to persuade my colleague and very close friend to remain, because I did not believe—and I held the view very sincerely—that his task was completed. The ex-Minister of Agriculture is thoroughly acquainted with present conditions; he knows the problems which the Government must face, and we can find no person who can take his place at the present time, having regard to the situation as it is. No man can get a knowledge of the existing conditions and of the problems confronting the country except after months of work here. For that reason the loss of the Minister of Agriculture is a very great one, not only to the Government, but to the country as well.

I have held the view, and have stated it to him as forcibly as I could, that he should not resign at the present time. Had he remained, he would not have prejudiced his position on the tariff question. His position was quite clear; no person would have misunderstood his views. When the Government was formed in 1917 there was a tacit understanding that until the war was over, our soldiers were home and demobilization was completed we should carry on. And, that is the view I take now. Personally, I think it would be most unfortunate if we should have a crisis in this country that would necessitate an appeal to the people at the present moment. I shall later have a word or two to say in regard to that.

During the course of the Budget debate we have had some fairly long speeches dealing with the merits and the demerits of free trade and protection. My good friend, the ex-Minister of Agriculture (Mr. Crerar) for half an hour or so this afternoon indulged in talk along the same line. These addresses have been very interesting and instructive. I listened to his

address this afternoon with great care, and to a great deal of it I take hardly any exception. While there might be a temptation on my part similarly to occupy the attention of the House, I have no intention of doing so, because I do not think anything would be gained by it at the present time. Although some hon. members may not agree with me, I take the ground that the question of free trade and protection or moderate protection is not an issue at this time.

Canada is passing through a transition period, a period fraught with possibilities of the very gravest danger, a period during which public men must carefully consider their every act and what the consequences may be. I am convinced that this is no time to trifle with public affairs. As I said on the debate on the Address, this is no time to play politics. There are in Canada and in this House those who hold the view that the Government should at this session have been prepared to bring down and submit to the House for approval a general revision of the tariff, a revision that would have been drastic as regards both its scope and its character. That is the view taken by the hon. member for Brome (Mr. McMaster), as expressed by his amendment on the motion to go into Committee of Ways and Means. With that opinion, I cannot agree. The present Government as originally constituted was not created for the purpose of making a general revision of the tariff; this Government was formed for war purposes and to carry out a war policy. The Government, as everybody knows, is composed of Liberals and Conservatives.

Some hon. MEMBERS: Oh, oh.

Mr. CALDER: Well, probably some of my hon. friends on the other side do not know it, but nevertheless the statement I make is true. When the Government was constituted, it was composed of Liberals and Conservatives, and the members compromising the Government held strongly divergent views on the tariff question. There was no misunderstanding as to that when the Government was formed, and there is no misunderstanding now. We recognized at that time that those differences existed, and we decided to lay aside our difference for the time being. We all realized that when the war was over, when peace was concluded and our soldiers were home, other questions would arise, and difficulties would stare us in the face, and we accepted the position realizing just what it was.

What is true of members of the Government is equally true of members of the House on both sides. The members of this House were not elected because of their tariff leanings. I do not wish to be personal, but let me take one or two illustrations. Let me take the hon. member who represents the constituency of Macdonald (Mr. Henders), who is and has been for a number of years, president of the Grain Growers' Association of Manitoba, a man highly respected by every person in that province and outside of it as well. Would any person say that when he was elected by the large majority he got it was because of the tariff issue? The hon. member for Macdonald was supported by all sections of the people in his constituency regardless of any opinions he held on the tariff, because, I say again, the tariff was not an issue when he was elected as a member of this House. Coming to my own province, let me take the hon. gentleman who comes from my home city, Regina (Mr. Cowan), a constituency that is normally Liberal. For the last fifteen or twenty years no Conservative has been elected in that constituency either to the provincial legislature or to this House. The hon. gentleman (Mr. Cowan) secured the nomination, won the election, and in Regina alone he had a majority of over 4,000 votes. Will any person say that the people of that constituency were at that time thinking of the tariff or of a general revision of the tariff? They were not. At that time the people were thinking of and voting on the issue that was before the country.

Mr. BUREAU: They had the War-time Elections Act.

Mr. CALDER: Yes, we had the War-time Elections Act, but let me tell my hon. friend that a dozen War-time Elections Acts in Regina would never have given my hon. friend from that city 4,000 of a majority in a part of a constituency that had been Liberal for the last twenty years. Let me take my own case. Part of the constituency which I represent consists of Moosejaw, a city of some 25,000 people a city that has been Conservative in its leanings for the last fifteen or twenty years. Ever since the province was established, we have had a Conservative member from Moosejaw and when that city gave me a majority of 2,000 votes, it did not do so on the tariff question. The point I desire to make is this: that under the circumstances connected with the creation of the Government and under the conditions

under which the last elections were held, it is not strange if in this House we have differences of opinion and do not all see eye to eye on the tariff question.

The same is true to some extent of the Opposition. We have all been witnesses of the fact that in their ranks they are not a unit; they are not all free traders. If I am not mistaken, there are amongst them at least some moderate protectionists, and I think if I could peer into the minds of, shall I say, a good many, I would find among them some high protectionists.

Mr. BUREAU: Mighty few.

Mr. CALDER: One need not be surprised at that because hon. gentlemen opposite when they were elected, were not elected on the tariff question; they were elected to oppose Union Government; they were elected to oppose the enforcement of the Military Service Act. Their constituents were not thinking of tariff questions when they elected hon. gentlemen opposite to this House. Therefore, it is not surprising if hon. gentlemen opposite are not a unit on this tariff question.

As a consequence of the general situation which I have described as regards both the supporters of the Government and the Opposition, we are all more or less apparently in an embarrassing position. But, to my mind it is more apparent than real, because, after all, the question which this House must decide at this juncture in the history of Canada in connection with the tariff question which has arisen, is whether or not the Government as now constituted in this country should be allowed to carry on.

The question which every member of this House must consider is whether or not the time has arrived when the existing Administration should make way for some other Administration. That is the real question before the House at this moment. The tariff proposals that have been brought down are merely of a tentative or temporary character, and any hon. member who supports those proposals does not necessarily approve the principle or the details of any permanent tariff policy for this country. As a member of the Government I take the ground that in supporting these proposals I am not committing myself to principles at all.

In his Budget speech the Minister of Finance made this statement, and I would ask every hon. member to follow it closely to see just what it means:

> It is my hope that within a year, conditions will have become so stabilized as to permit of a general revision of the tariff, which is long, but, owing to the war, unavoidably overdue. Preceding such revision there should be a thorough inquiry conducted by the Minister of Finance and two or more of his colleagues representing the different geographical sections of Canada. Such inquiry should afford all interests, agricultural, industrial, fishing, lumbering, mining, commercial, and financial, producers and consumers alike, an opportunity of expressing their views and opinions and urging their particular needs and requirements. The result of such inquiry should be a body of information which will enable the Government to effect a general revision of the tariff fair to all parts of the community, and effectually promoting the national welfare of Canada. This inquiry should proceed with its work just as soon as conditions are sufficiently stabilized to permit. My own view is that it might well be commenced about autumn of this year.

Personally I am in accord with the views expressed in that statement.

The time has arrived, I believe, when a thorough study should be made of Canada's economic situation in order that we may have a general revision of the tariff. The existing tariff, in my judgment, has outlived its usefulness. It was made for a period some ten or twelve years ago, and it is chock-full of all sorts of anomalies which should be straightened out. A thorough investigation and inquiry, as forecasted by the Minister of Finance, should be made with a view to having a general revision of the tariff. When that time arrives it seems to me that it will be the duty of the Prime Minister to consult his colleagues as to the principles that should underlie the revision of the tariff. It is quite conceivable that his colleagues will not all agree and that there may be changes in the personnel of the Cabinet. But that time is not yet. These proposals now before us are merely of a temporary character. The time must come when, if we are to have a general revision of the tariff, there must be a clear and definite understanding as to the principles which should underlie that revision. Then it will be the duty and the right of every minister of the Crown who happens to be in the Government at that time to decide upon his course of action. When the revision of the tariff is before the House for approval, when we are dealing with the matter in a broad and general way, it will be the duty and the privilege of every member of this House to take such course of action as he deems necessary.

If I desired to do the popular thing at the present time, I would follow the example of my former colleague (Mr. Crerar). I say that if I desired to do the popular thing, if I wished to make a hero of my-

self, the road is quite clear; it would be a very easy road to take. If I wished to have my name acclaimed in every part of Western Canada, and in every corner of my own province, it would not take very long to attain that. But I have not taken that course, and I do not intend to. I do not intend to do so, because I do not believe it is right to do so.

As I have stated before in this House, many of my friends have implored me to leave the Government long ere this, and they have prophesied what is going to happen to me. I have had threats, very many of them, but I have turned a deaf ear to them all, and I have done so because I believe that during the past year and a half I have steered the only course that I could properly and conscientiously steer. When I joined the Government in 1917 I did so for a very definite and specific reason. I did so because I believed the proposals that were put forward at that time set out the only policy that would enable Canada to see this war through, so far as our part in it was concerned. Now I believe it to be my duty to stay with the task I have assumed until demobilization has been completed and our soldiers are returned. I do not purpose to allow any temporary changes in the tariff to divert me from my duty in that respect as I see it.

Let me ask hon. members of this House: what would be the consequences if we all followed the course taken by the hon. member for Marquette (Mr. Crerar). Suppose the Minister of Public Works (Mr. Carvell) resigned, and the President of the Privy Council (Mr. Rowell), and the Acting Minister of Trade and Commerce (Mr. Maclean), and myself and others should resign.

Some hon. MEMBERS: Oh, oh.

Mr. CALDER: Do not be too sure, my friends. The task of carrying on Government in this country and the responsibilities that are thrown upon public men are not so alluring as some hon. gentlemen opposite seem to think. I say that if these resignations did take place there would immediately be a political crisis in this country, and one thing, and one thing only could happen—either the Prime Minister would have to appeal to the country or he would have to advise the Governor General to call upon my hon. friend who leads the Opposition (Mr. McKenzie) to form a government.

Some hon. MEMBERS: Hear, hear.

Mr. CALDER: Well, I will ask in all seriousness: is that the will of Parliament, and is it the wish of the people of this country?

Some hon. MEMBERS: Yes.

Some hon. MEMBERS: No.

Mr. CALDER: Is that the wish of the members of this House who are inclined to criticise and vote against the Budget proposals? I think I am putting the situation squarely and fairly before the House. As I stated earlier, the real question at issue that underlies the situation that we have at present is as to whether or not this Parliament is desirous that this Government should continue in office and carry on?

As I see the situation in Canada and as I see it right in this House, I am impelled to say that the people of Canada to-day are demanding sacrifices just as much as they did in the days of the war. They are demanding sacrifice on the part of public men in this country—sacrifice, not of principle but of self—and I am afraid that there are some people who are thinking rather of self at this time than of the public interest. There are some who are thinking of nominations that may be in sight a year or two from now, or are imbued with fears of votes that they may possibly lose a year or two hence unless a certain course of action is taken by them. I repeat again—for it is worthy of repetition—that in view of the conditions existing in this country at the present time, what Canada needs is men with a high sense of public responsibility.

Canada's paramount need is men who will forget themselves for the time being and do what they think is right in the interests of the country as a whole.

So far as I am concerned, Mr. Speaker, I would have been perfectly satisfied if the tariff had not been touched at all this session. The Minister of Finance (Sir Thomas White) has, very truthfully said, that this is a war year. True, we may not be fighting, but all conditions existing in this country and in the world over are such that we can rightly consider the present to be a war year. Our financing is just as difficult, and the problems which this Government and the governments of all countries have on their hands at this time are just as difficult, and in some respects more difficult, than during the last year or two of actual war.

I intend to support the Budget because I believe that its proposals are in the right direction. When it was decided to
5 p.m. make changes, I was naturally anxious that these changes should

be, as far as possible, in the interests of both consumers and producers, and that has been accomplished. It is not necessary for me to go into details. The Budget proposals have been placed before the House, and I dare say before the debate is concluded these details will be considered and discussed from every angle. I shall not, therefore, take up the time of the House in dealing with them.

There is, however, one phase of the situation in Canada to which I wish to refer very briefly, and I referred to it in the early part of the session in the debate on the Address—that is, the very serious cleavage that exists at present between Eastern Canada and Western Canada. As I said before, the people of Canada cannot afford to close their eyes to this situation, because it is a serious one, and it is apt to become more serious the longer it continues to exist. There is no doubt at all as to what the great body of public opinion in the West is—an opinion that is shared in by Conservatives and Liberals alike. The people of the West believe, sincerely, I have no doubt—and they are practically unanimous in the opinion—that they are bearing an unjust burden of tariff taxation from which they must obtain relief, and no amount of talk in this Chamber is going to ease the situation in this respect.

I have lived in the West for about thirty-seven years. I have grown up in and I have lived in all three provinces at different times, and I think I know the people as well as any member in this House knows them. I have been in public life something like fifteen years, and just as sure as we are in this Chamber to-day this problem to which I have made reference is going to continue to agitate the people of Canada until some solution is found. What is the possible solution? We have extremes on this question on both sides. People living in Eastern Canada doubtless think that the people of the West are unduly extreme on the subject, and that may be so. On the other hand, is there not a possibility that the people in Eastern Canada, Liberals and Conservatives alike, are extreme in their view? I say Liberals and Conservatives alike, because if there is one thing I have learned since coming to Ottawa, where I have now been a year and-a-half, it is that the high protection view prevails not only in the old Tory party of the East, but that it has its roots right in the Liberalism of the East as well. There is no doubt about that. I have discovered it, and discovered it in no uncertain way.

Now, I believe that in the interests of the whole of Canada, in the interests of unity, and national development, it is absolutely necessary that whatever Government may happen to be in power in the course of the next year, or two or three years, should take hold of this question and endeavour to solve it in some way or other. Again I ask, what is the solution? It seems to me there can be only one. When an impasse of this kind is reached there surely should be some middle course that might be taken. Where you have two great bodies of public opinion, each trying to force its will upon the rest of the public, the situation is very dangerous and in the interests of the State it should be remedied if at all possible. I repeat that this question will continue and must be solved, and whatever Government is in office in Ottawa must take cognizance of it and endeavour to devise some means of solving the difficulty. The agitation has grown in the West until it has permeated every part of the body politic out there; and while I do not wish to be considered an alarmist, I must say that there is a possibility that if this condition continues to develop, the very foundations of Confederation itself may be shaken if a solution is not reached. I have really spoken longer than I intended to, Mr. Speaker. In conclusion I would say—

Sir SAM HUGHES: May I ask the hon. member a question? Did he ever hear any defence of a protectionist policy in the West? Has it not been as much as a man's life was worth to admit in the western provinces that he was a protectionist?

Mr. CALDER: Yes, we have fought a good many fights out there, and they were all on that issue, and one party was on the one side and the other party on the other side. So that the question has been very fully discussed. But it seems to me that there is just a possibility that the amount of educational work carried on there has not been such as might be commendable to those who favour strong protection ideas.

In conclusion—because I must not keep the House any longer for, as I said at the outset, there is no necessity for long debate at this time—I would say that I merely desired to explain to the House the reasons why I purpose to support the proposals which were submitted by the Finance Minister, and I trust that I have succeeded in making my position perfectly clear. I understand exactly where I stand and I know well why I stand there, and I am sure that as regards my own people

at home, there will be no misunderstanding on their part.

Mr. E. B. DEVLIN (Wright): Mr. Speaker, as Canada is passing through a severe crisis, we find discontent, unrest, strikes, high cost of living and dissatisfaction through the land. I take it that it is incumbent upon every man in this House at the present time, not to play what has been styled by gentlemen who have spoken before me, the game of politics, but to give all matters as they face this Parliament that earnest consideration which, as members of this House responsible to the people of the country, they owe to them and which the people expect from us.

It is customary, I know, to make some allusion to the speaker who has preceded me. It was not my intention to refer to any particular member, because the question is too grave a one, too big a one, to stop at persons. I would have liked to have added a word of praise to the hon. the ex-Minister of Agriculture (Mr. Crerar) who spoke a few moments ago, with regard to the enlightened address which he gave to this House. I am sure that both sides of the House, whether all share his opinions, or do not, were very much impressed by the earnest and careful manner in which he delivered his speech and by the earnest and careful study which he had given to the subject. There was a great deal of meat in that speech and I could for one have remained seated and said: "He has expressed practically my views."

But the hon. gentleman who immediately preceded me, the Minister of Immigration and Colonization (Mr. Calder), gave some remarkable thoughts to this House. May I thank the hon. member for his statement that he is to remain in the Cabinet? I think that Canada was greatly concerned just as to the position the hon. minister would take. There was a rumour abroad for some considerable time that the Minister of Immigration and Colonization might resign his seat in the Cabinet. There was unrest in the land. Some attributed the difficulties in the West to the fact that the Minister of Immigration had not yet spoken. But to-day he assured us that he would not do like the ex-Minister of Agriculture—follow his convictions. Whilst not surprising many members of this House, we as Canadians must feel that, according to his own reasoning and his own intelligence, he is doing well to go against his convictions in order, as he stated, that a greater calamity might not befall the Canadian people.

Sir, he said that he was not going to commit himself to the principle of the tariff, that the time was not now when he should be called upon to do so. The onlooker might reasonably ask: "What is the House discussing; is it discussing the tariff or is it not; is the minister in favour of the tariff or is he not?" He said that if he followed the position taken by the ex-Minister of Agriculture, went out and proclaimed that he has lower tariff convictions, he would be following the proper trend of opinion and he could really make a hero of himself. We thank him upon this side of the House for not having made a hero of himself and for having had the courage to go against the popular trend of opinion. But in that statement there was also a note of warning to the Government. He went further than that. He informed us that the hon. the President of the Privy Council (Mr. Rowell) was very seriously considering whether he would not give up or whether he would remain in. Mr. Speaker, again I say I do not want to stop at personalities but rather to consider principles. Let me assure the President of the Council and other hon. gentlemen of the Cabinet and hon. gentlemen who joined the Union Government, and who left it—I presume upon principle—that this country is not particularly concerned whether they remain in the Cabinet or go out of it. What the country is concerned about is courageous action at a moment when it is passing through a severe crisis. Their little domestic difficulties, their quarrels may be great unto themselves, but as far as the people are concerned, they one and all ask "what has that to do with Canada; what has that to do with unrest in Canada; what has that to do with the increasing cost of living in Canada?"

I listened with particular interest to what the ex-Minister of Agriculture had to say as to the increasing cost of living. We all have our theories. For the last few days—I do not want to make any reference to the evidence because it has not come down to this House—we have been sitting in a committee and we have had different views expressed by different men, all earnest in their own idea of bringing down the cost of living. Some who favoured high protection said that if they lived in England they would be radical free traders, but one and all were intent upon helping Canada in the effort to reduce the high cost of living.

Many causes contribute to the high cost of living. The question of labour is paramount and the moment you touch labour

you immediately touch foodstuffs, clothing, the boots the men wear and sundry other things until you get to the production of the soil where you come again to the question of the cost of labour, the scarcity of labour, and you may go on until you get into ten vicious circles. But everywhere from near and from far, from east and from west, comes the cry, Sir, that this Government, composed as it is to-day, or composed as it was immediately after the last election, have not been earnest in their endeavours to co-ordinate the resources of this country, have not been earnest in their efforts to so fix taxation that it may bear equally upon the shoulders of all in proportion to the wealth of each individual in this country.

Sir, we have had to-day a statement of the ex-Minister of Agriculture, and therein he follows what I may be permitted to style the idea that that which contributes most to the high cost of living is to be found in a high tariff or in a protective tariff. If you put an artificial price, whether it be for the Government or for the manufacturer, upon the cost of the necessaries of life, it follows that you enhance those necessaries to the extent of the artificial price, profit, tax, or tariff so placed. Protection was adopted in this country at a time when, perhaps, there was a certain amount of unrest, but it was not believed in as a principle by the men who advocated its adoption. Those of my hon. friends opposite who have done me the signal honour of remaining in the chamber and listening to my remarks, and who are of the Conservative party, will remember quite well that Sir John Macdonald was not a believer in the principle of protection; he never held that belief at any time. Who were the believers in protection? They were the trusts, combines and corporations of this country. Who are the believers in the principle of protection to-day? Are they the people of Canada? Will the Minister of Immigration and Colonization (Hon. Mr. Calder) say that the people whom he represents are in favour of that principle? No Sir. Will the members from any section of this country say that the people whom they represent are in favour of the principle of protection? No, Sir. The men who represent the trusts, the combines and the corporations in Canada are the men who favour the principle of protection, and those men are to be found sitting in the Cabinet to-day and endeavouring to make the people believe that they are bringing down the high cost of living.

[Mr. Devlin.]

Mr. MORPHY: How does the hon. gentleman characterize his own leader in this connection?

Mr. DEVLIN: What leader?

Mr. MORPHY: The hon. member for South Cape Breton (Mr. McKenzie).

Mr. DEVLIN: The leader of the Opposition is quite capable of answering and speaking for himself.

Mr. MORPHY: I am asking the question of the hon. member for Wright (Mr. Devlin).

Mr. DEVLIN: Yes, I understand that, but let me say that the parliamentary leader of this party does not require any advocate to speak for him; I will pay him the compliment of saying that. I would advise my hon. friend to ask the leader that question when he has the opportunity of doing so.

In order that I may prove my statement that Sir John Macdonald did not believe in the principle of protection, I want to refer to Mr. G. R. Parkin's book on Sir John A. Macdonald which forms one of the well known series "The Makers of Canada." I will quote what is there to be found on the subject.

> Some of his supporters were impatient with his deliberation. "Sir John was timid unto death of protection, had to be bullied into it, led into it, committed to it by others. But when he thought it grown, he used it as a bridge to reach the power he liked to wield."

Well, and I do not say it in any sense derogatory of Sir John Macdonald, there are policies that have been adopted by the Cabinet at the present time. There are members of that Cabinet who do not like those policies, but they use them for the power they wield. Again, the same writer says:

> The question of the day is that of the protection of our farmers from the unfair competition of foreign produce, and the protection of our manufacturers. I am in favour of reciprocal free trade if it can be obtained, but so long as the policy of the United States closes the markets to our products we should have a policy of our own, as well, and consult only our own interests.

"As long as we can get reciprocity with the United States," said Sir John Macdonald, "then I am in favour of reciprocity." There was another school of Liberals about that time, and let me say that in regard to this question I do not want to assume the role of a partisan. There was a school of Liberals to which the present Finance Minister belonged. In that school of Liberals

he was brought up, and in that school he adopted the fiscal policies which guided him in after life. He must have been young then, I should say quite a young man, but very impressionable, and I find, Sir, that the doctrine of that school in 1878 was exactly the same as the doctrine which the Minister of Finance proclaims to-day. That doctrine remained impressed upon his mind, and he wants to bring it into operation to-day. He now says: Wait, economize, and save. Wait till the pendulum swings back to prosperity. Now, let me read to you just what that school of Liberals believed to which the Finance Minister to-day belonged:

> While Macdonald and his followers were advocating what was at least a specious remedy for the industrial depression, the Liberals had no alternative to offer save the recommendation to the electorate to practise thrift and to wait for the swing of the economic pendulum.

That, word for word is the policy of the Finance Minister to-day, and if we in this House agreed with him the people throughout the country would say: We have waited and waited, until it is almost too late, and we now demand of you stern and insistent action. That action should take the form of lowering the cost of foodstuffs and of the clothes that the consumer wears. I understand that the manufacturers of clothes, who have been obtaining an extra thirty per cent through the tariff, do not like, any more than does the member for Brantford (Mr. Cockshutt)—who has been smiling since the wings have been clipped from the duty on agricultural implements—this reduction of duty. Why do they not like it? Because it means less profit to their coffers. While I am not going to be so radical as to say that we do not like to make some profit, may I point out, Mr. Speaker, that we toil for such income as we obtain? You, Mr. Speaker, have toiled in your law office; a great many of us have spent years in toil. We toil as the labouring man toils, but we toil not for profit, but for what the public are good enough to give us. But the profiteer, the man whose diabolical intention is to get as much money as he can out of the consumer, does not toil, nor does he know what toil is; he never knew what it was to work. That is the man that this Government must get after, and get after at once, not, forsooth, by increasing the taxes upon profits that were obtained by the profiteer during the war, and which the minister cannot touch now because the war is over, but by inquiring into the combines which exist in the industrial world, finding out who form them, and putting a stop to them. Let the Government impose upon those who form these combines a penalty that will help to meet some of the obligations which burden the country and which have been incurred owing to the war. Sir, does the Government know that these combines exist? Of course they do, they know in every department. They have only to ask the Justice Department, which knows that combines exist in this country and which could name the very men making up those combines. Has the Government taken any action in this regard? No; these men belong to a class who are not to be touched by the mighty powers that be—powers which are not concerned with you or with me, which are not concerned with what price we pay for a dozen eggs or a pound of butter, for the poor clothes or torn boots that the people wear. They are not concerned with these things; they are not concerned with the question how we are to find money to buy food for our children, but they are concerned in seeing that as long as a dollar remains in the country, the profiteer gets it.

Sir, there are earnest men in the Government who know that this profiteering has been going on and that the Government has been guilty of wasting money right and left. There are men in the Government who know that since the war started even the clothing bought by the taxpayers for the soldiers has been burned in heaps. You want proof, Sir? Taking up one of the records of the Government, I find that a certain gentleman, being on the witness stand, was questioned by a Mr. McKenzie. I do not know who this Mr. McKenzie was; I assume it was the hon. gentleman who has been raised to the dignified position of leader of the Opposition. The evidence reads:

> Q. Do you know anything about the burning of clothing, or of property, which appeared to be Government property, on the premises?—A. Well, yes, sir: I saw clothes burning there in piles.
>
> Q. Did you offer to buy some of the clothing? —A. Yes, sir; I offered to buy a coat—me and Mr. Goodfellow and my father. The soldier was there; he was supposed to be the guide. I offered $5 for the coat and he would not take it.
>
> Q. Those were the coats they were burning? —A. Yes, sir.

Mr. SPEAKER: I did not hear the earlier portion of the remarks of the hon. member. Is he referring to proceedings which are pending before a committee of the House?

Mr. DEVLIN: No, I am referring to the waste that has been carried on by the Gov-

ernment since the commencement of the war. I am only giving an instance of one kind of waste.

Mr. SPEAKER: The hon. member knows the rule I have in mind.

Mr. DEVLIN: I know the rule perfectly well, Sir. This, to be more explicit, was an investigation which took place before the Public Accounts Committee in 1915 into what was known as the war contract scandals. I say that there are men in the Cabinet who know that a system of waste has been going on in this country since the war started. This is just one little incident; I have volumes of them here. I shall not refer to any inquiry that is proceeding now. I am very careful in that regard; that is why I said that as a member of the Committee on the Cost of Living I would make no allusion to evidence taken by that Committee.

On the occasion to which I refer, another gentleman, following Mr. McKenzie, proceeded to put questions to the witness. I do not know who this gentleman was, but according to the public records, his name was Carvell. But if it is the man of whose history I have some knowledge, he was always very earnest about waste, extravagance and profiteering.

Mr. LEMIEUX: What is his name?

Mr. DEVLIN: His name is Carvell.

Mr. LEMIEUX: Frank Carvell?

Mr. DEVLIN: It does not say—just "Mr. Carvell." If I am not mistaken, Mr. Speaker, judging by the history of this gentleman, he is no more satisfied to-day with the waste and extravagance of the Government than he was then.

Mr. LEMIEUX: But is he dead?

Mr. DEVLIN: I do not know where he is. I quote from the evidence, the questions being by Mr. Carvell:

Q. Have you any idea as to the number that was being burned; you say you saw piles. How large were the piles?—A. I did not pay any attention to the size of the piles. They were fair sized piles.

Mr. Carvell was not satisfied with that; he wanted a closer measurement.

Q. Would they contain three or four or how many?—A. I should say two or three hundred in large piles.

Q. How many piles were there?—A. Several piles; eight or nine piles, so far as I could judge.

Q. Were there any blankets in those piles?—A. Yes, sir, there were some blankets in the piles that I could see.

[Mr. Devlin.]

Q. Were there any other articles of uniform or necessities for the soldiers?—A. There were caps I think too; that is all I could see in the pile.

Q. How many caps? A. I could not see rightly. They were all in a pile.

Everything was done by piles in those days, but I bring this up merely as an incident of some of the waste that is going on. From careful study, from observation, from an examination of the records of this House, I find that, if the debt of this country was increased by hundreds of millions of dollars for the war, hundreds of millions of dollars of the people's money never found their way to the war, were never a benefit to the soldiers at the front, were put down as war expenditure, and hon. gentlemen in the Cabinet will, if necessary, be men enough to bear me out in my statement. Why do I say that? I say it because I believe there are other causes for the high cost of living than those usually attributed to it. Hundreds of millions of dollars of the people's money have gone to the war, and that being the case, the Government have taken from the consumers of this country hundreds of millions of dollars which could have helped them to pay for the cost of living. You have the waste of the Government, the increased taxation upon foodstuffs in this country, the protection of the profiteers, the increased taxation on incomes, all contributing towards the high cost of living. I will not say that any one thing is the direct cause of the increased cost of living, but I will tell you, Sir, in all confidence—and I would not like my words to be listened to by certain hon. members—that that is my study of the situation. But if you ask the people of Canada what has brought about the high cost of living, they will tell you, even away down in Nova Scotia, that the Government have been the means of enhancing the cost of living in this country. The Government, from the moment they took office in this country after Sir Wilfrid Laurier laid down the reins, proceeded to increase the cost of living by increasing the debt, by increasing the tariff, by wasting the money, by bringing the debt per head from something around $22 or $25 to $220. I offer this suggestion to the Government in the way of constructive criticism, that they can lower the cost of living by adopting as a policy the cry of the Minister of Finance (Sir Thomas White) when he said: Save; economize; do not waste. If the Government saves, economizes, and does not waste, then the cost of living in this country will go down.

Hon. gentlemen opposite to whom I have had occasion to listen have said that they cannot support the amendment of the hon. member for Brome (Mr. McMaster), because it is, perhaps, too radical or not radical enough. We are here representing all classes of the people of Canada, and is there in this country a man who is not to-day asking for cheaper food and cheaper clothing? Has the Minister of Finance met one man in Canada who has not asked for cheaper food and clothing? Why, the Minister of Finance himself is asking for cheaper food and clothing. He knows as well as the House does and as the country does that everybody wants cheaper food and clothing. Then let the Government begin by eliminating the 30 per cent tariff tax upon clothing, and that much reduction will be given to the people of Canada. I am not one of those very radical men who would like to see the manufacturers of this country upset, because that would be a bad thing. But, in the history of a country there are times when some special class must suffer for the general good of the community, and at the present moment the community as a whole is asking for a reduction in tariff. It was admitted by my hon. friend (Mr. Calder) that there was a fight in the Cabinet for a reduction in the tariff, but that there was a faction in that Cabinet that insisted upon maintaining the principles of high protection, and that that section in favour of high protection won out. I say without a moment's hesitation that, just as Sir John A. Macdonald believed in the principle of a low tariff, just as the right hon. gentleman whose seat in this House is not occupied to-day, who was the leader of Liberal thought in this country, believed that we had to face fiscal problems by a downward revision of the tariff, so I believe there is only one remedy that may be enforced to-day, to give satisfaction to the people of Canada even if a small privileged class must suffer, and that is to give free food and free clothing in this country.

I find that I have spoken longer than I intended. I have not entered into figures, because figures are somewhat tiring. To-day the people of Canada know the figures; they know they are face to face with a debt which in a few days after the Budget has passed will amount to $2,000,000,000. They know also that in order to meet the interest upon that debt, they will have to borrow a few more hundred million dollars, and further, that to run this Government in the way it is being run, it will cost a few hundred million dollars more.

Did I say "to run" this Government? I apologize. In the language of the Minister of Immigration (Mr. Calder) "to keep on playing" is going to cost a few more hundreds of millions of dollars. If this system is carried on, there is no telling where this country will land in six months or a year from now. I want to say as emphatically as I can to the Government: Call a halt on expenditure; adopt sound economic principles, whatever those principles may be in your judgment, but do not give out to the people of this country that you are lessening their burdens by borrowing more money to pay the interest on the national debt, because next year the people will have to pay increased taxation by reason of this borrowing, and more taxation still if new loans are raised by the Government.

I have no authority to speak for the Liberal party of Canada, but I believe that I follow the idea of Liberalism, and I want my concluding words to be to the Liberals of this country. The people to-day are demanding earnest and united action by this Government. To settle the unrest, the dissatisfaction, and starvation in this country, earnest and united action by this Government is absolutely necessary. The people will not be satisfied with a shifty policy. They will not be satisfied with one minister after another getting up and saying: "I cannot agree with the Government upon their fiscal policy." In spite of the statement made by the Minister of Customs (Mr. Sifton) that whilst the war was over conditions in Europe were still very bad, and possibly at some future time Canada might again be drawn into a war, and the words of the Minister of Immigration to the same effect, what the people of Canada know is that to all intents and purposes the war is over, and now is the time to grapple with the situation that confronts Canada as a nation—a growing nation within the Empire.

The people ask for increased production. They must have it, and they are giving this Government a chance between now and the day of reckoning to say whether they shall or shall not have increased production. It is not the farmer that is to blame for the lack of increased production. From the beginning of the war the cry throughout this country and upon the floor of this House to the farmers of Canada was: "If you want to help the Allies in this war you must increase production." While calling upon the farmers to increase production, the Govern-

ment made it practically imposible for them to do so, by keeping up all the artificial barriers that stood in their way. Taxes on harrows, discs, ploughs, and almost every other agricultural implement that is used on the farm were not reduced because, forsooth, the hon. member for Brantford (Mr. Cockshutt) would not allow the Government to do so. He won out. He stands as a big man in Canada to-day because he was able to force the Government to keep up these duties. It is true he did consent to clip the wing of an agricultural implement, providing he got a little more on the other side. He held up the Government. The Minister of Immigration told us this afternoon—he did not mention the name of the hon. member for Brantford, but we all knew perfectly well who he meant—that my hon. friend was constantly watching at the door of the Cabinet like a watch dog, and when the Minister of Finance would come out he would ask "Any concessions to the farmer?" The Minister of Finance would reply "Not yet." "Good." The next day he would be there again, and after waiting all day he would repeat his question to the Minister of Finance "Any concessions to the farmer?" "Not yet," the Minister of Finance would say, and we can hear the voice of the hon. member for Brantford saying "Keep it up, Tom, the people are with you." We do not think the people are with the Government, but that is a matter for the Government to settle with the people, and the day of reckoning is bound to come. We on this side of the House say that the only means by which you will get increased production from the farmers of Canada is by giving them a free market in which to sell their goods, and a free market in which to buy their goods. I have not the authority to speak for the Liberals on this side of the House, but I believe it is a real principle of Liberalism that capital, the result of the real energy of man, must be protected, and that labour must have a fair chance of obtaining capital. I believe in co-operation between capital and labour, founded upon a solid basis, not upon a shifting policy.

These are the views of the Liberal party and Liberals throughout Canada. I know I speak for the Liberals in this House, because I echo the language of the great, the departed, our much lamented leader, the revered figure throughout Canada, the Right Hon. Sir Wilfrid Laurier. This is what he said:—

> We are dominated neither by privilege, nor by vested interest, nor by any power or influence either within or without Canada, other than the voice of the common citizen, whose cause is our cause. We follow the ideal of equal right and equal freedom for all—the ideal of a free democracy, of equality of opportunity for every man and for common justice to all our fellow citizens. We stand for the masses as against the classes and for government of the people for the people and by the people, which is the essence of Liberalism.

I shall conclude my remarks, Sir, by saying that if the Government, charged by the people of Canada to conduct the country's affairs, have failed to stand for the people and by the people, preferring to stand by combines, trusts, corporations and privileged classes, we on this side, in our lack of power, and in the cool shades of opposition, have experienced a joy in living up to the principle of freedom for all classes in this community—freedom in industry, freedom in labour, freedom in thought, freedom in creed, and freedom in its fullest sense. We believe, Sir, in law and order, and the members on this side of the House have given, as you will testify, Mr. Speaker, upon every occasion on which they have been called upon to do so, their earnest effort to the end that order might be maintained in this House. But, much as we regret the fact, and regret it very sincerely, the time has come when the people of Canada feel that the Government charged with the affairs of the country have not been able to cope with the responsibilities placed upon them, and when they are exacting a new form, a new system, a new set of men, and demanding that undying principles should guide the Government of the country. The star of Liberalism is in the ascendant, and while we are ready to give every aid to the Government whether in the House or in the country, we will not hesitate to assume responsibilities and to direct the affairs of the country so that all the people of Canada may have a fair show and live freely in this country; so that all the people of Canada may have a free opportunity for advancement within Canada, and that Canada may go on growing as a nation, destined, as it has always been, to be a country meeting other countries on equal grounds. As the Right Hon. Sir Robert Borden said in his speech in London, on June 21, 1918:

> We come here as we came last year to deal with all these matters upon terms of perfect equality with the Prime Minister of the United Kingdom and his colleagues.

Now, Sir, we the Liberal party of Canada say that we will not go to the United States or to Europe for precedents, and that Canada is big enough and great enough, and

has proved itself competent enough, to manage her own affairs on Canadian lines, guided by the interests of people who are Canadians living upon Canadian soil; and that every effort should be made to attain a happier and more prosperous goal than we have seen in this country since the fateful days when the Liberal party of Canada laid down the reins of office. That, Sir, we will do one and all. That the people of Canada are demanding to-day; and whilst there was a hope and a wish that the Opposition in this country amounted to nothing and were not capable of assuming responsibilities, it has been found that they are man for man the equal of the Government; and their forceful presentation of their convictions and the high principles they hold has so strongly impressed hon. members, including those from the Liberal party, who have been supporting the Government for the past two years, that to-day we find a minister of the Crown, just resigned from the Cabinet, saying to the Opposition: I am with you for the freedom of the people —the freedom of all classes.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. W. F. COCKSHUTT (Brantford): Mr. Speaker, this is the first Budget since the end of the great war and the signing of the armistice, and naturally there are a number of questions and problems arising out of the settlement of the war which require a great deal of consideration during the present session. I have listened to the admirable address of the hon. the Minister of Finance (Sir Thomas White) in the statement regarding the finances of the country and also the addresses of the various speakers who have dealt with the Budget, both previous to to-day and especially this afternoon, with a great deal of pleasure and interest.

Before I proceed to discuss the main features of the Budget, as it concerns the country at the present time, I desire to make just a few remarks on one or two other matters that appear to me to be of pressing and urgent importance. First, I would speak of the state of unrest that obtains in the Dominion, of the strikes that are taking place, or have taken pdace, and that are prophesied to take place in the near future. These are matters of great concern to many of our citizens as well as to legislators assembled in this House. Perhaps not at any time within the memory of any inhabitant of Canada have there been as many serious strikes in operation and threatening as within the past few weeks. As a citizen of this country, I deplore such a state of things, and for one I am prepared to do all I reasonably can in every direction to allay unrest, to counsel wisdom and discretion and to endeavour to avoid strikes and all conflicts between capital and labour. I think that must be in the mind of every citizen of Canada at the present time. I do feel, Mr. Speaker, that a wise course has not been pursued in this respect by some of our public men and by a great many of our leading newspapers.

I do not often refer to the press, nor am I anxious to enter into any conflict with the press on this or any other question, but I feel that during the past critical weeks they have given undue prominence to those things that represent disintegration and a bad spirit between different classes of the people rather than endeavouring by wise counsel to allay the trouble. There exists a very serious state of things, and I regret that with such conditions not only some of the insignificant journals but many of our leading newspapers have given way to sensationalism rather than following the wise counsels that should prevail. We know that the feelings of the people are not in quite a normal state at the present time. We know that during the war the people have been subjected to a very great strain, that thousands of our citizens had their dear ones overseas fighting the battles of the Empire, many families being called on to shed tears of sorrow at the losses that have overtaken them. These being the facts, it can scarcely be expected that the people should be in a normal state of mind. There is, therefore, all the greater reason that every man who is known in his community, and every newspaper that undertakes to represent public opinion in Canada, should use wise and judicious words in discussing all those matters that so closely affect the welfare of the country.

Now, Mr. Speaker, before dwelling upon the fiscal changes and tariff generally, I desire to say a few words in regard to what our statesmen have been doing during the last few months overseas. This is a question that I have been studying from very long range, I admit, and as a humble layman I do not profess to know what has taken place in the greatest Peace Conference the world has ever known. But I do feel that we are taking a very long chance

in regard to the League of Nations and the Treaty of Peace that has been under discussion for seven or eight months. It is not by any means consummated yet, and I do not think any one knows when it will be. It is a serious thing, I know, Mr. Speaker, to raise doubts in the minds of any in regard to the wisdom of this plan that has been placed before the nations of the world. I have ventured the opinion before—and my opinion is not yet changed by reason of anything that has taken place—that it was an unwise thing for the nations assembled in conference at Versailles to mix in with the Treaty of Peace a League of Nations about which there may be a very serious division of opinion. I say I have not been able to change my opinion upon this question since, and having read some of the utterances, both overseas and on this side of the water, I am satisfied that there are others besides myself who hold my view and hold it very strongly, I regret that my right hon. friend the Prime Minister (Sir Robert Borden) is not in his seat, as I do not wish to cast any reflection upon anything that he may or may not have done over there, but I would wish him to know that there are those in this country who feel that this matter has been dragging too long, that the Peace treaty should have been concluded ere this, and that it was not wise to drag extraneous matters into a bargain of that kind, although I understand that has been done. In order that I may show you, Mr. Speaker, that there are those in the old country who hold this view, I desire to read a short item that appears in the National Review of April, 1919:

A British Protest.

While doing full justice to the motives of the Republican Party, who have clearly not had fair play on this side of the Atlantic, and who find themselves involved in a quarrel with a Democratic President which was not of their seeking, we emphatically protest against the imputation that the League of Nations is "a British plot" at the expense of the United States. Whatever attempts may be made on this side by individuals to connect themselves with a project so much "in the limelight," the League of Nations would never have been heard of but for its ardent advocacy by the American President. Nothing was further from British thoughts than to make it an integral part of the Peace Treaty, and Englishmen keenly regret its precedence. The subject never aroused general interest in any of the King's dominions, though from the moment President Wilson espoused it, what may be called the "Anglo-Saxon crowd" in London—the effusive orators of Pilgrim Dinners and English-speaking Unions—declared it to be the last word in statesmanship, and the panacea for all international woes. Indeed, our whole "Anglo-American brigade" went off at score, imagining, as they always do, that they were "voicing" all American as well as all British opinion, though they never succeed in representing either. Tired statesmen grasped at the League of Nations as saving them the trouble of thinking out a constructive Peace policy, and when President Wilson announced his intention of advocating it in person at the Paris Peace Conference as a project upon which the Americans had set their hearts, and as the object for which they had gone to war, there was a cordial manifestation by our Press, however sceptical many of us may have been as to ultimate achievement. What else could we do? To do less would have been inhospitable to an eminent guest of the great country to whom we desired to do honour. If any American readers of the National Review, which is denounced as "Jingo" by its enemies —and is proud of being ultra-British—can point to any advocacy of such a League of Nations as President Wilson supports, we shall be much obliged. It is true that certain British bishops gave it their blessing, but Britons do not take their politics from their bishops. Lord Robert Cecil has, it is alleged, been making propaganda for a League of Nations in the American Press for the past year or two—unknown to his countrymen—but he is a pupil of President Wilson. General Smuts, who produced a scheme of which there are traces in the Draft Covenant, is not, as American seem to imagine, a Briton, and therefore suspect. He is—although a member of our War Cabinet—a Boer."

We repudiate General Smuts' scheme, and don't care one red cent for the Draft Covenant, nor mind what happens to it, nor do we believe in any such League of Nations as commends itself to those Britons who have busied themselves over it in Paris in the fond, if foolish, belief that they were gratifying U.S.A.

Now that is the argument. Turning a little further on in the same magazine we come to the draft covenant of the League of Nations and also an American protest. It is strange, Mr. Speaker, that this American protest should have travelled across, and come back to us over the Atlantic before it reached the people of Canada. I have not seen this protest in any Canadian paper and still it was launched in the American Senate and was joined in by many reputable senators of the United States. It is headed "An American Protest" and there is a prelude to the article which is given by the editor of the National Review:

Owing to the melancholy failure of the British Press to afford its readers any chanec of appreciating the strength and depth of American opposition to President Wilson's League of Nations policy in its present form, we reproduce the eloquent and emphatic protest of Senator Borah of Idaho, who discussed the question in the Senate on February 21. There were other able and equally uncompromising declarations during the same debate, notably from Senator Lodge and Senator Poindexter, of which no adequate account has reached the British Public. So far from there being the necessary two-thirds majority of the Senate in favour of the Draft Covenant of the League of Nations, there is a positive majority of "Noes," and unless it be radically modified it will un-

questionably be rejected by that branch of the Legislature which under the American Constitution is charged with the treaty-making power. In this respect the Senate occupies a unique position among the legislative assemblies of the world, and it is childish to denounce it for exercising powers which are a trust received under the Constitution.—Editor, National Review.

That is signed by the editor of the National Review, and a quotation is given of the speech by Senator Borah. Although I am not going to weary the House with more than a few words from this, I think it worth while to read the opening phrases so that the House may get a general idea of the tenor of the speech, and I intend to apply part of it to the present Government before I sit down.

Mr. Borah: Mr. President, the people of the United States have the undoubted right to change their form of government and to renounce established customs or long-standing policies, whenever, in their wisdom, they see fit to do so. As a believer in democratic government, I readily acknowledge the right of the people to make in an orderly fashion such changes as may be approved by their judgment at any time. I contend, moreover, that when radical and important departures from established national policies are proposed, the people ought to be consulted.

We are now proposing what, to my mind, is the most radical departure from our policies hitherto obtaining that has ever been proposed at any time since our government was established. I think the advocates of the League of Nations will agree with me that it is a pronounced departure from all the policies which we have heretofore obtained. It may be wise, as they contend; nevertheless, it involves a different course of conduct upon the part of the Government and of our people for the future, and the people are entitled to pass judgment upon the advisability of such a course.

That is a sentence that I wish this Government to especially note:

I contend moreover that when radical and important departures from established national policies are proposed, the people ought to be consulted.

There is some very wise counsel and Senator Borah proceeds to show the reasons why it is a very dangerous thing for the American Senate to adopt this League of Nations. This is one of them, and I think everybody will see that there is some force in this remark. He says:

Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humour, or caprice.

In other words, he points out that the American nation is embarking on a policy which is controversial with regard to the Constitution laid down by George Washington, the man who never told a lie, and also the Monroe Doctrine, and he points out that it is up to the American people to be consulted before the Senate embarks upon any such dangerous scheme. He says further:

Are there people in this day who believe that Europe now and in the future shall be free of selfishness, of rivalship, of humour, of ambition, of caprice? If not, are we not undertaking the task against which the Father of his Country warned when he bade farewell to public service? "Why quit our own to stand upon foreign ground?" And yet in this proposed league of nations, in the very beginning, we are advised of an Executive Council which shall dominate and control its action, three members of which are Europeans, one member Asiatic, and one American.

He proceeds further to show that it is a violation of the Monroe Doctrine, and that it will involve the United States perhaps in every climate under the sun and in all the foreign fields, and on all the high seas. Further, he says this:

The high contracting parties shall undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all States, members of the League.

He points out that Great Britain has territory in every part of the world on which the sun shines, and that it is making the American people a party to keeping up the integrity of the British Emipre which will take them all over the world.

These are but a few of the many items that are contained in this very excellent speech of Senator Borah, of Idaho on the League of Nations which I think every member of the House ought to read carefully. I have read excerpts from this article, and I also wish to call attention to another dealing with Russia and the Allies, in which it is pointed out that while some thirty or forty nations of Europe and of the rest of the world are sitting down in conference, making a League of Nations and building up a peace that we are told is going to last as long as time, there rages in Russia the most fierce persecution, bloodshed and destruction that the world has ever known. If the League of Nations with fifteen or twenty millions of soldiers at its back, as it had when its members sat in conference in Paris, cannot hold in check one nation, how is it going to hold in check for all time all the nations of the world? I deplore, as every one must deplore, the bloodshed that is at present taking place in Russia. I wish I had time to read to you the tale of woe that this article unfolds. There is a further article in the May issue which is more recent still, and which re-

produces the contents of some of the White Papers on this subject. These are no myths, these are reports sent by British consuls from the seat of trouble; and I tell you, Mr. Speaker, that the tale of woe they relate with regard to Russia has never been equalled under the most barbarous tyrant that ever sat upon the throne of the Russians, or any other empire, since the world began. That is without controversy. There is one letter, and I have about a score of them under my hand, a few points from it might be worth while to read so that the House will see that I am not exaggerating in this matter. This letter was addressed to Sir George Clerk in November last by Mr. R. H. B. Lockhart, who had been British Consul General at Moscow, and these are some of the few points that he makes as a British consul reporting to his superior:

1. The Bolsheviks have established a rule of force and oppression unequalled in the history of any autocracy.

2 Themselves the fiercest upholders of the right of free speech, they have suppressed, since coming into power, every newspaper which does not approve their policy. In this respect the Socialist Press has suffered most of all. Even the papers of the Internationalist Mensheviks like Martov have been suppressed and closed down, and the unfortunate editors thrown into prison or forced to flee for their lives.

3. The right of holding public meetings has been abolished. The vote has been taken away from every one except the workmen in the factories and the poorer servants, and even amongst the workmen those who dare to vote against the Bolsheviks are marked down by the Bolshevik secret police as counter-revolutionaries, and are fortunate if their worst fate is to be thrown into prison, of which in Russia to-day it may truly he said, "many go in, but few come out."

4. The worst crimes of the Bolsheviks have been against their Socialist opponents. Of the countless executions which the Bolsheviks have carried out a large percentage has fallen on the heads of Socialists who had waged a life-long struggle against the old regime, but who are now denounced as counter-revolutionaries merely because they disapprove of the manner in which the Bolsheviks have discredited socialism.

5. The Bolsheviks have abolished even the most primitive forms of justice. Thousands of men and women have been shot without even the mockery of a trial, and thousands more are left to rot in the prisons under conditions to find a parallel to which one must turn to the darkest annals of Indian or Chinese history.

6. The Bolsheviks have restored the barbarous methods of torture. The examination of prisoners frequently takes place with a revolver at the unfortunate prisoner's head.

7. The Bolsheviks have establised the odious practice of taking hostages. Still worse, they have struck at their political opponents through their womenfolk. When recently a long list of hostages was published in Petrograd, the Bolsheviks seized the wives of those men whom they could not find and threw them into prison until their husbands should give themselves up.

8. The Bolsheviks who destroyed the Russian army, and who have always been the avowed opponents of militarism, have forcibly mobilized officers who do not share their political views, but whose technical knowledge is indispensable, and by the threat of immediate execution have forced them to fight against their fellow-countrymen in a civil war of unparalleled horror.

9. The avowed ambition of Lenin is to create civil warfare throughout Europe. Every speech of Lenin's is a denunciation of constitutional methods, and a glorification of the doctrine of physical force. With that object in view he is destroying systematically both by executions and by deliberate starvation every form of opposition to Bolshevism. This system of "terror" is aimed chiefly at the Liberals and non-Bolshevik Socialists, whom Lenin regards as his most dangerous opponents.

10. In order to maintain their popularity with the working men and with their hired mercenaries, the Bolsheviks are paying their supporters enormous wages by means of an unchecked paper issue, until to-day money in Russia has naturally lost all value. Even according to their own figures the Bolsheviks' expenditure exceeds the revenue by thousands of millions of roubles per annum. These are facts for which the Bolsheviks may seek to find an excuse but which they cannot deny.

Yours sincerely,

R. H. B. Lockhart.

That is only one of a score of letters contained in this volume as received from the British Consul. I read that in order that the members of the Cabinet who have been attending the Peace Conference may, if they return to the scene of negotiations, bear in mind this, coming from a humble, back-bench follower of the Government—though sometimes a somewhat turbulent one, I admit—that what this world wants is an early peace, a sound peace, a peace that the enemy is not likely to disturb during the course of many years. I should like them to bear in mind that this League of Nations is not a burning question with many of us; that we have our doubts with regard to it. For myself, I look upon it as a beautiful ideal, but as one entirely incapable of accomplishment. I say in all seriousness that the Peace Conference, by uniting these two great policies, the Treaty of Peace and the League of Nations, are making the most gigantic experiment that the world has ever seen or known. Will it fail or will it succeed? We tremble to know what the result will be. I hope that it will succeed, but I believe that the greatest danger to the League of Nations lies in the attitude of the very nation that originated the idea. I have read some of the speeches delivered in the United States with regard to this matter, and I know how reluctant the American Senate is to give

up any of its prerogatives. I miss my guess if a good many of the members of the American Senate do not hesitate a good while before signing away their right to declare war or to make peace—a right which they have upheld ever since the adoption of the American constitution. That being the case, in my judgment the Peace Conference did a dangerous thing in linking up with the Peace Treaty the project of the League of Nations. True, it is a step in advance, as was pointed out by the President of the Council (Hon. Mr. Rowell) the other day, that Canadians are to be allowed to sign the Treaty of Peace; and I rejoice in that, so far as it goes. But the contents of the treaty are worth far more to us than the signatures that adorn it, whether they belong to this side of the Atlantic or the other. Unless a sound peace is obtained when the treaty is signed, all this labour shall have been in vain, and we shall have thrown away by faulty diplomacy the fruits of a victory won at the point of the bayonet and the muzzle of the gun by the bravest troops that ever fought in battle since the world began. More heroic deeds than have ever been related of the Spartans or the Greeks of old have been performed in this war; the triumph has been won by a sacrifice of blood and treasure the like of which the world has never seen. If the Treaty of Peace is a failure, the failure will be due to the politicians and statesmen who have dealt with it, not to the men who won the victory which enables us now to dictate the terms of peace. If the military had been allowed to take a further try at it and to adopt a firmer attitude, they would have had this treaty signed months ago, and at this time, seven months after the armistice, we should not yet be in doubt whether the treaty is to be signed at all or not. I am sorry to have to express any doubt with regard to a matter of such importance as this, but I feel that the issue is altogether too serious to be lightly regarded. If the League of Nations and the Treaty of Peace are adopted together, I hope that the results will be as good as expected; but if there is reason why the results should not be satisfactory, the two should be separated and a peace entered into with the enemy which will last for a time at least. I, for one, cannot believe that wars are at an end. In my opinion, war will take place —"as it was in the beginning, is now, and ever shall be"—as long as the world lasts. I may be a pessimist, but I am an idealist to a certain extent. While I am not a man of war, I realize that there are occasions when even the most peaceable man must fight, with his tongue if not with his sword.

Perhaps I have trespassed too long upon the time of the House in dealing with a matter concerning which I do not profess to have a very competent judgment, having been such a long distance away from the scene of hostilities. But I read pretty carefully. Although I do not read a great many books at the present time, owing to an infirmity of my eyes, I try to keep posted on current events as dealt with in newspapers and magazines. I have read very carefully all that has been said and done by our own statesmen overseas and by all those who have represented the belligerent countries at the Peace Conference, and I tell you that the whole question has caused me many moments of worry. Now I come to what, perhaps, may be considered a more live issue by some members of the House. It is my unfortunate privilege on this occasion to have to play the role of a candid critic. I have been told by some of my friends that perhaps it will clear the air and do good. I propose to make some criticisms of the Budget as brought down by the Minister of Finance, and I have so informed him. I do not want my friends in the West to think that I am doing this as part of the game. I was told by a Westerner only yesterday that the measure of the happiness of the West was enhanced or diminished according to the extent to which my misery was enhanced or diminished by the tariff.

That being the case, I do not want to appear too miserable, for fear I may make my hon. friends feel too good.

My first proposition is that the Government is, in my opinion, trying various artificial means to boost trade. I refer to such measures as the housing scheme, for which, in its present state, I have very little use. I have also very little use for some of the public works that are proposed. I have some use for the highways measure, but it is more a provincial than a national enterprise, and in view of the vast expenditures that we are making on railways and other necessary matters at the present time, I think the Government would be well advised to cut out all that sort of thing and devote what money we have to what I consider would confer a more lasting benefit upon the people. Although hon. members may be surprised to hear me say so, I am very sceptical as to the proposal to boost the manufactures of Canada in the countries of Europe by means of loans to those that may be of doubtful credit. I say that advisedly as a business man. I do not

know what securities this Government have, because they have not taken me into their secrets like the hon. member for Wright (Mr. Devlin) indicated, who is generally supposed to be right, but who is very often wrong. This afternoon, he stated that I was wearing out the doorstep of the Minister of Finance (Sir Thomas White) to find out what is going on. Not one particle of my shoe-leather will be found resting on his door-step from the beginning of the session up to the present time, and the Minister of Finance can bear out my statement that not once during this session has he been bothered by me. I take this opportunity of telling him what I think, without having to call upon him at his office. I regret he has seen fit to bring down those measures and I am obliged to criticise them; and if opportunity affords itself, without causing me to vote for free trade or something of that kind, I shall have great pleasure in voting against them.

In order to make any solid advance in this country, we must make expenditures only on that kind of industry and investment that is going to be of a permanent character, and to upbuild the nation for years to come, and no temporary expedients for just the immediate hour, where millions will be thrown away and no return ever received, are going to be justified either now or in the future. As a business man, which I profess to be, and as one not learned in the law nor as a great financier, I advance my opinion for what it is worth, that the Minister of Finance would be better advised in making expenditures in attempting to establish business on a solid foundation and to assist agriculture, mines, forests, fisheries, carrier trade, tranportation and everything of that kind rather than to make doubtful expenditures to the advantage it may be of some individual firms for a short time, but expenditures that will not bring any lasting advantage to the Dominion of Canada as a whole. The only advance that can be made is by successful industry based upon right principles.

I have another word to say to the Minister of Finance. It speaks volumes indeed for the British tongue that a Minister of Finance can deliver a speech lasting an hour and three-quarters and change some hundreds of items in the tariff, without, from start to finish, ever mentioning the word "protection." If the hon. gentleman mentioned the word "protection" in his speech, I failed to catch it, and I have failed to observe it since. I want to say this in all kindness to the minister who is a sincere friend of mine, "that protecton is not a necessary evil to be apologized for, but a material good for which to be devoutly thankful." When the next fight comes in Canada, we shall not have so much pussy-footing with regard to the word "protection." As I see the drift of events, we are making rapidly for a division in parties along the old lines again.

Some hon. MEMBERS: Hear, hear.

Mr. COCKSHUTT: My hon. friends will get some encouragement, but I do not know whether I will join the boys over there or not. It will depend upon their policy. As regards, however, the speeches of the hon. gentleman who leads the Opposition (Mr. McKenzie) and those of the Minister of Finance as far as they dwelt on protection, I like the views of my hon. friend over the way better than those of the minister, and if he keeps on improving as rapidly as my hon. friend here appears to be deteriorating, we shall soon be together. I want to remind the leader of this Government (Sir Robert Borden), his Minister of Finance, and his Minister of Railways (Mr. J. D. Reid) that every one of them came into power in 1911 as protectionists. I want to know why they have deserted their colours —why they are afraid to mention the word "protection" in this House, and why, when it comes to delivering a Budget speech, apology must be made all along the line for every tariff item and not a word with regard to protection or adequate defence of the industries of this country. I say this with all kindness, but I mean it to be understood, and I trust it is. The right hon. gentleman who leads this House came into power in 1911 on the reciprocity cry, and without that protectionist cry I believe he would have been in the cold shades of Opposition up to the present time. The Minister of Finance did the same, and although the Minister of Railways was in the House before that, he was a thoroughgoing protectionist up to that time, but even he never mentions the word "protection." It may be asked: Why hand out all these bouquets to these three leading Conservatives? But we expected something from them; we expected they would live up to their principles to some extent. As for some of the other gentlemen who held views entirely opposed to that, we did not expect anything from them, and therefore were not disappointed.

The principles that have, in my judgment, been violated in this respect in the

tariff, are very serious. I want to place myself on record as agreeing on one point at least with the ex-Minister of Agriculture (Mr. Crerar) in his attack this afternoon as regards one of the matters dealt with in the Budget, that is the loading on to the railways of burdens that the tariff should carry. The minister is setting a very dangerous precedent. How can our national railways thrive if they are to carry the burdens imposed by the tariff as well as the carrying trade of the country? I cannot see how that can be done, and such a proposition is very unwise and unbusinesslike, and it will be roundly condemned. It will afford very little advantage to the manufacturer; it will do a great wrong to the carrying trade of this country, and the minister would be very wise to say that he will not do it again.

There is another item in the tariff to which I seriously object, although it is supposed to be to the advantage of manufacturers that have been hit by the changes. I refer to the drawback system whereby 30 per cent of the duty paid on raw material for implements and other items is to be refunded. What does that mean? That means that in order to earn the 30 per cent you have to import your raw materials from the United States or some other country, and the policy of all the businesses in which I have ever been concerned is to buy every dollar's worth of Canadian goods possible and not to go to the United States unless absolutely necessary. I wish there were more people in this country who pursued that policy.

I regret, too, that the Minister of Finance in his whole speech the other day did not find time to turn his attention for one single moment to what I deem to be a very serious matter, and that is the discrepancy that now exists between our currency and that of the United States. We have to pay from $1.02½ to $1.03 for every dollar that we send to the United States. Why is that? It is because we have over-imported already. We are, therefore, called upon to pay $1.02½ or $1.03 for every dollar's worth of goods we get from the United States, and the minister has proposed nothing to rectify that condition. In fact, he has embarked on a policy which in my judgment will lead to making matters worse than they are at present.

Some hon. gentlemen may say to me: "Oh, you are not speaking for your constituents. You are not speaking by the book." I would not have made a speech such as I have were it not for the fact that I have in my hand a resolution that has been submitted to the Prime Minister, sent to him by the workingmen and the protectionists of the city of Brantford. I think it might be well for me to read it:—

> Copy of Resolution, carried by a public meeting, held in Victoria Hall, Brantford, April 22nd, 1919.
>
> Moved by—Alderman Harvey Clement.
>
> Seconded by—Mr. C. H. Waterous.
>
> That at this meeting, called to discuss the Tariff issues of Canada:—
>
> It is resolved that in view of the difference in interests existing in Canada to-day whereby the Western Agricultural classes urge the Government to the reducing of present Tariff schedules on many commodities, and these views are largely opposed by manufacturing interests, with which interests the working classes are very closely allied.
>
> And having in view the fact, that it is essential to find employment for a large number of workers lately released from many industries, and also to find employment for a large proportion of Canada's returning army.
>
> That in order to supply employment for these workers—it is necessary that every manufacturing plant factory or industry of any nature in Canada should be kept in operation at fullest capacity during the whole period of reconstruction to avoid the danger of unemployment—and in order to carry on, and expand where possible, it is necessary that confidence in the stability of conditions be preserved.
>
> And realizing that the various interests must recognize that the interest of each are inseparably bound up and are dependent upon the prosperity of the whole—and recognizing the injustice of one class seeking to benefit at the expense of another class.
>
> We urge upon our representatives in Parliament the great importance of careful and wise handling by the Government of this Tariff issue—

I want to direct the attention of the Minister of Finance particularly to what follows:

> —and that no changes should be made in the tariff of Canada, until a Commission is appointed to thoroughly investigate and to revise and administer a tariff which will be equitable and just to all classes of the country.
>
> And that a copy of this resolution be sent to the Finance Minister at Ottawa, Ontario.

That is a copy of a resolution passed by a mass meeting in the city of Brantford on April 22, and I hold in my hand petitions endorsing it. I have not time to give the contents, but they are all of similar import. They contain the names of 4,000 workingmen, in round numbers, petitioning the Minister of Finance to make no changes in the tariff without investigation; but in spite of these petitions, and in spite of my representations by letter, the Minister of Finance has hit the city of Brantford in his Budget proposals harder than any other city in Canada. I therefore feel justified in entering a very strong protest against the Budget as it now stands. I see my hon. friends are beginning to cheer up because

they see I am getting a little miserable. The very first of these petitions I hold in my hand—and it is rather significant—is from the firm of William Patterson and Son, a name that will be somewhat familiar I think to our friends on the other side of the House. Then follow petitions from Massey Harris Co., Pratt & Letchworth, Verity Plow Co., Dominion Steel Products Co., Waterous Engine Co., Cockshutt Plow Co., Schultz Bros. Co., Canada Glue Co., Schultz Bros., Matthews, Blackwell, Brantford Carriage Co., Crown Electric Co., Brantford Roofing Co., Brantford Oven & Rack Co., Ker & Goodwin, Brandon Shoe Co., P. H. Secord & Sons, Monarch Tractors, Ham & Nott Co., Hall & Sons, Piano Case Co., Adams Wagon Co., A. J. Reach Co., Brantford Computing Scales Co. Then comes the one I have just read from the Goold, Shapley & Muir Co., Limited, who have been, and still are, very strong Liberals. I commend their views to my hon. friend over the way and hope he will help me put in a spoke in their behalf; they are tractor manufacturers.

Mr. PEDLOW: May I ask a question?

Mr. COCKSHUTT: I am endeavouring to get through as quickly as I can to give my hon. friend from Maisonneuve (Mr. Lemieux) a chance to speak before it is too late, and although I am willing to answer any question, because I am a perfect oracle on tariff matters——

Mr. PEDLOW: What dividends were paid last year by the firms my hon. friend has mentioned?

Mr. COCKSHUTT: That is rather a heavy order. I am not averse to having questions asked, but I am enough of a protectionist when I want to get through in a given time to ask you, Mr. Speaker, to be kind enough to see that I have the floor for a few minutes. It is not because I am afraid of opposition, but because I wish to get through in a reasonable time and I have a terrible lot of matter here yet. I am very much embarrassed by the quantity of it.

Now I want to correct a common fallacy that obtains on both sides of the House to a considerable extent. We frequently hear it stated that the tariff is simply for a small bunch of manufacturers. Have you not heard that statement? My hon. friend from Macdonald (Mr. Henders) nods his head, and others say the same. Now I want to explain what a manufactory consists of. It is true it consists of a proprietor, president or manager, but there are also, as a rule, from five hundred to a thousand shareholders in the company. The manufacturer has in his employ anywhere from 200 to 1,000 workingmen. Now all of these people go to the making up of one establishment, and if you close that establishment by hitting the proprietor, as you suppose, you hit the 1,000 workingmen who are engaged in that enterprise. My hon. friend from Macdonald shakes his head. That is the truth, and my hon. friend cannot shake it by shaking his head. I say it is a common fallacy that the manufacturers are a very small number. I have here a little pamphlet full of sound sayings called "Tariff Talk," by G. M. Murray and E. Blake Robertson, and the first statement they make is this:

> The following benefit by a Protective Tariff just as much as the manufacturers:—
>
> 1. 700,000 men and women who work in Canadian factories.
>
> 2. The farmers, who find a market in Canada for 80 per cent of everything they produce.
>
> 3. The railways and steamship companies, and their employees, who carry Canadian goods.
>
> 4. The bankers, brokers, and commission agents, and their employees, who help to finance Canadian industries.
>
> 5. The innumerable investors who own stock in Canadian manufacturing concerns, but who are in no sense manufacturers.
>
> 6. The professional classes (doctors, lawyers, dentists, teachers, clergymen), the insurance agents, the publishers, and all others, who make their living directly or indirectly from industrial concerns and the industrial population.

I want to say to any hon. gentleman who may be skeptical that these classes I have mentioned are more numerous than the farmers of Canada and are therefore entitled to equal consideration. I do not ask for more, but I do not think we should take less. I believe we are a united people, Mr. Speaker, and we must live and die together; and I trust that our farmer friends, who I know look upon me as a high priest of a great heretical doctrine, will also realize that I am in the true sense the farmer's friend and the friend of the working man. I have lived a good deal on a farm myself, and I have worked otherwise too, and as I said the other night, I am not ashamed to admit the fact. I do not make a boast of it, but I have been brought up to a life of work, and I trust that so long as I am spared to do so I shall be able to work. I want to show something else which the tariff has done. It has brought across the border from the United States five hundred branch factories. Five hundred branches of American concerns have been moved to this side by reason of the tariff, and five hundred million dollars' worth of capital

has been brought with them. They pay in annual wages eighty million dollars, a pretty respectable sum and one that is worth while. Why should we not have a business proposition like this that will bring in citizens from every direction and plant them in Canadian cities and make them prosperous Canadians? This question must commend itself to all. We cannot all make farming pay. I have tried it myself and have failed. It costs me about $1.25 to raise a dollar's worth of farm produce, but I made the best of it. I am not cut out for a farmer, and perhaps the occupation I pursue may not be conducive to the best state of health. Possibly my farming friends pity me that I am unable to make money at farming, but I will tell them that in order to have a great country—and I presume we all hope to see Canada become a great country—we must have a diversity of labour and a diversity of enterprise. All of us are not adapted for one particular line of work. Some men make good preachers. They do not all display the same aptitude in their calling. We must have all kinds of businesses and occupations, and we must be able to afford young people, who want the best that there is to be got in the world, every opportunity for success and advancement. In order to do this, then, we must have varieties of labour. I might tell the Minister of Finance (Sir Thomas White) that in my judgment this is no time to change the tariff, especially in the wrong direction. May I draw his attention to the following, which appeared in the Toronto Globe of April 8th:

9 p.m.

> The revision of the tariff laws of Australia will be undertaken as soon as practicable with the object of developing the industries of that country, according to a recent announcement made by Acting Premier Watt. The considerations that will govern the revision will be as follows:
>
> The necessity of preserving those industries brought into existence through the war.
>
> Encouragement of contemplated new industries.
>
> Extension and diversification of existing enterprises.
>
> One of the lessons taught by the war was that it was necessary for Australia to be more self-reliant, along industrial lines, stated the Acting Premier. The proposed tariff amendments accordingly have in view the promotion of those great key industries, the raw materials for which are within the confines of the commonwealth, and upon which numerous other enterprises are based.

The United States itself is proposing to revise its tariff rate now. The protectionist party has again come in there. Perhaps our friends have not noticed that, but it is the case. The Republicans are again in power in the United States and they are proposing to revise the tariff upward; and even old Free Trade England—I am sorry the hon. member for Red Deer (Mr. Clark) is not here—is at last waking up to the fact that the free trade policy has seen its best days and will finally go down and out. At any rate, they are proposing a preference to the overseas dominions, but I will point out that no preference can be given overseas dominions without a tariff at their own doors. How can they give a preference if they have not something to throw off in favour of the dominions? It cannot be done. Therefore, when Britain inaugurates a policy of preference it indicates that she is going in for protection, and I have no fault to find with this policy. Free trade has been tried there for a long time. Our friends tell us it proved to be a great bonanza during the war, but I think that free trade has proved to be a great failure.

Now, Mr. Speaker, I have been asked by one or two of my friends to lay down a few of the fundamental principles underlying protection, and I think that as some of even our own friends on this side who were supposed to be protectionists are getting a little rusty, I, an old salt from away back who came in under the protection policy of 1878 and have been steadfast ever since in the faith, will try to revive in their minds some of the factors that go to make up a protective policy. What is the first proposition I make? It is this: That protection is the first law of nature. I say that protection, which is another word for self-preservation, is the first law of nature. The Almighty, when creating all animals under the sun as well as man, made every one of them capable of defending itself against its likely enemies.

An hon. MEMBER: There was no question of tariffs then.

Mr. COCKSHUTT: I will show that there were tariffs, although they came in a little after the creation. They were created, though. Now, Mr. Speaker, protecton is this: It is the levying of duties against the goods of a foreign country by a country that desires to protect itself against the inroads of foreign trade and foreign labour. It is the levying of a duty on goods that cross the border of the country, and without paying such duty no goods can come in. That is the reason I told the Railway Committee yesterday to be careful of aeroplanes and to see that they did not cross the line carry-

ing goods upon which duty had not been paid. It is the first law of nations to protect their own citizens, and in my judgment the government that neglects to protect its own citizens is offending against the very common laws that have been laid down by humanity ever since civilization began to make any advance. The man who does not take care of his family and look after those of his own household, we are told, "denies the faith and is worse than an infidel." And the government that fails to build up and strengthen its own citizens and put them in the way of making progress is denying the faith and not fulfilling the principal purpose of its existence. Protection is not so monstrous a thing as some of my friends endeavour to picture it. We are told that it creates immense combines, trusts and combinations of the worst and most dangerous character. I am sorry the ex-Minister of Agriculture (Mr. Crerar) is not here now. This afternoon I followed him as he read from several balance sheets. Of course, some did rather badly from our standpoint, but I would ask the hon. gentleman if he had heard of any other kind of combine from the reports of which he did not read? Had he ever heard of the United Grain Growers of the West? Did he tell us what they had made during the past year—what gigantic profits were made there? I think if he had known he would have thought the balance sheets of some implement companies and others were modest affairs beside the balance sheets—if I am correctly informed—of the United Grain Growers of the West. I do not know whether my friend intended to shake his head as an indication of exaggeration on my part, but if I am not giving the facts as they are he will correct me. However, if I am correctly informed, the balance sheet presented to the shareholders, of which there are 36,000, was one of the rosiest ever presented in the Dominion of Canada to any body of shareholders.

I am told that after very high salaries have been paid, after every possible write off that could be made has been made from high to low, underneath, overhead and all around, the profits were so large that the directors were comparatively ashamed of them and decided to bury some of them by selling a quantity of American goods at less than cost to those shareholders who were ready to buy them. So, I think that we bloated aristocrats, the manufacturers in the east, are entitled to some consideration at the hands of the enlightened grain growers of the West. If they will divvy up their profits with me I will divvy up my profits with them and if they do so I think they will get a great deal the worst of the bargain. Under these circumstances I do not know that the farmer, with whom I have every sympathy, is so terribly oppressed. The ex-Minister of Agriculture this afternoon seemed to speak as though the farmer were the only man who paid import duties. We pay some down east. The city of Toronto probably pays more than any one of the three western provinces. We pay some import duties in the east and we pay them cheerfully believing that they are for the good of the country and that it is desirable that free goods should not come in to the extent that they are coming.

I would have liked, had time permitted, to draw attention to a few of what I conceive to be the fallacies that are placed before this House quite frequently. We are told that the West is a unit against the tariff. Is not that a statement that is frequently made? Did we not hear it this afternoon? When was that found out; when was that fact discovered? Certainly not at the last election at which a division on the tariff took place. I have here the figures. In the election of 1911 which was fought on the reciprocity issue the figures for Manitoba, from which some of our leading friends come, were these:

For reciprocity, 34,781.
Against reciprocity, 40,356.

That does not look as though they were united against the tariff. That was in Manitoba and what obtained in Manitoba obtained to a lesser extent in both of the western provinces.

An hon. MEMBER: Give us the figures for Saskatchewan now.

Mr. COCKSHUTT: I have the figures for only the one province. My hon. friend can give us those. What I am now saying will take a lot of combatting. I am advancing those arguments that I think are consistent with the policy I am advocating. My hon. friends are not entitled to speak of the unity of the west until a vote has been taken and, for one, I am ready for the show down. It is said that a western free trader in this House not very long ago, after hearing a very fine protectionist speech from our friend over the way said, "where do we go from here?" I want to tell you there is a protectionist asking "where do I go from here?" That is what I am asking. I will tell you where we should go in my judgment. In my judgment we should go to the country.

Some hon. MEMBERS: Hear, hear.

Mr. COCKSHUTT: I am glad to hear that my hon. friends are ready for the fray. It is coming, you had better be prepared for it and the fight is going to be on the old issue. I for one am not afraid to tackle the issue and I am going to do what I did in 1878 and what I have done ever since. It will be the old fight between free trade and protection. I will miss my guess if the protectionists do not have such a crowd and the other side so few that they dare not assemble themselves together. I tell you, Mr. Speaker, this doctrine of free trade, or the open door, is one of the most beautiful theories to make a speech on but it is the poorest kind of a policy to deliver the goods with that the world has ever invented. It never has delivered the goods, and cannot, because it throws open our rich domain in this country to the outsider. That is one reason why I want to draw the Finance Minister's attention to the fact that the Government has no mandate to ask for a commission to investigate the tariff. I know he is not paying any attention to what I am saying but he can read it in Hansard.

Some hon. MEMBERS: Hear, hear.

Mr. COCKSHUTT: I say that this Government have no mandate to do what the Finance Minister proposes and that I for one have no confidence in what they are going to hunt for. That is plain talk. I say I have no confidence in what they are going to hunt for. Why? Because every move they have made has been contrary to the platform on which they were elected. They have not raised one single item of the tariff that I know of since they came into power in 1911 and every move they have made has been to cut it down. They are going to appoint a commission. I want to know what they are going to hunt for. It is a good deal like the assembly of a large number of parsons who are setting out to hunt for heresy; when they set out to hunt for heresy they are going to find it. The Minister of Finance is going to hunt to find out where he can take down a bar and when he does that he is going to find a place. What I want to know is, if he finds out where the fences are low and where the bars are already down, will he put them up? I want to say that if his speech is going to be put into effect to that extent he will be condemned by the business men and manufacturers of Canada and they represent the workmen of this country. Do not forget that. My hon. friend shakes his head but I know better. The Finance Minister is apparently approaching this question with the view of seeing what more can be taken down and not what more can be built up. The spirit of approach, in my opinion, should be exactly the opposite and I think that my hon. friends from the West will appreciate this simile better than any other that I could use. I would propose to approach this question somewhat in the way that the prosperous farmer does in the spring when he has got his grain crops in, his hay is coming on and he goes around the farm with a view to seeing how the fences are. He does not go to the part of the fence that looks so formidable that it would take a high jumper to get over it, but he goes to the part that is low, where the breechy steers have been getting over and trampling down the hay and the wheat and he sets out to rebuild it. Are my friends going to tell me that we are going to pull down this fence, that is now too low in many places, and over which $250,000,000 worth of goods came last year more than went from this side? That is the reason our dollar has such a low rating at the present time in the United States. Is this the time to increase these imports? I say no. This is the time to shut them out. Yet, the Minister of Finance comes along with a policy that is going to increase that trouble. Why? This policy of cutting protection would be the ruin of the poor farmer. He brings us the policy of the open door and I never knew of anything which had ever been invented that brought so many depressing thoughts in its tracks as free trade or the open door.

Mr. Speaker, in a climate that goes anywhere from zero to thirty or forty below, thank God for the closed door. Let me ask these free traders, for whom were doors made in the first place? For the convenience of the outsider, or for the protection and comfort of the family within? I say they were made for the protection and comfort of the family within; and it is just as natural to close that door against the inroads of foreign goods and foreign labour as it is for a Canadian family to close the door of the home when it is thirty below zero and the wind is raging outside. Many a poor woman in the back bush has thanked God for the closed door, when she has heard the howl of the wolf at the door at night threatening her and her children. And still these gentlemen tell us that the great policy of this world should be the open door and the brotherhood of man—fine-sounding phrases which fail to deliver

the goods. These are big subjects, Mr. Speaker, and I might speak upon them till the morning light appeared—

Some hon. MEMBERS: Go on.

Mr. COCKSHUTT: —but I do not believe I would comfort my friends, and I hope I will not offend my opponents. I am a man of moderate views as you all know.

Some hon. MEMBERS: Oh, oh.

Mr. COCKSHUTT: That seems to be a good joke.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order.

Mr. COCKSHUTT: It is really a good joke, and I enjoy it with the rest of you; but I seriously think that I am a man of moderate views. Now I want some of my friends when they get up to answer the conundrum which I gave the hon. member for Brome (Mr. McMaster) the other day, which apparently he has not yet been able to think out. I am sorry that hon. gentleman is not in his place to-night, but the conundrum I gave him was a brain-twister, and I do not blame him for not having worked out the answer. However, I will reproduce that conundrum and I ask any free trader who will follow me on either side to effectively answer the point that it contains. It has been taken from the sayings of good old President Lincoln. I am not an American myself, but I can quickly recognize a good thing when I see it, and this is one of President Lincoln's statements. He says: "If you want a ton of pig iron and send abroad for it you have got your iron but you have parted with your money." That is plain to hon. gentlemen, isn't it? Then he says further:

> If you dig that ton of iron from the ground in your own country, you have got the iron and you have got the money.

If anybody can show me any weakness in that kind of reasoning I would like to see where it is; and that, in a nutshell, is the policy of protection. "Oh," these fellows say, "you are a high-wall man; you would not let anything in or out." Not at all. One-half the goods that Canada now imports are brought in free of duty. Hon. gentlemen do not know that, but it is the fact. For years about one-half of all the goods that Canada imports have been brought in free of duty and the remaining part only pays about seventeen and a half to twenty per cent on the average, so we are a very moderate country so far as the tariff is concerned. I say that there is no great kick coming in that regard, and I cannot see why our friends begrudge a comparatively moderate protection in order that all our industries may live and thrive. To me, this is a very simple proposition.

I want to ask the Finance Minister another question. I know the member for North Oxford (Mr. Nesbitt) is prompting him all he can, but I would like the minister later to give me his attention when I ask him a few questions.

Mr. NESBITT: I was not saying a word with reference to the hon. gentleman; we were talking philosophy.

Mr. COCKSHUTT: That was probably wise on the hon. gentleman's part. I want the Finance Minister, if he will, to explain by what course of reasoning this Government in the year 1918 took all the duty off tractors by Order in Council at one swoop, and after it was strongly protested against, as it was by many of the manufacturers of those goods, that procedure was repeated this year. Not only that, but the Government actually went into the tractor business itself. Now, the figures to which I refer have not been submitted to the House, although I think they should have been, and I hope somebody will get them. I was told that this Government itself bought two thousand tractors and proceeded to distribute them. Further, I have it here, printed in the Toronto Telegram, which copied it from the Winnipeg Telegram, I suppose if there is a Winnipeg man here he will know whether it is true or not, that customs favours on the purchase of tractors in one entry cost this Government $400,000 by reason of their being allowed in at an undervaluation. These are serious matters. I think it was little short of robbery, and it was one of the rawest deals that ever came down the pike, so to speak, when the tractors were put on the free list over night. Now hon. gentlemen smile and probably they think I am drawing the long bow; but I have the figures here for eleven months of the imports of implements of various kinds for the eleven months ended 28th February, 1919. They show that the imports of tractors numbered 14,013 costing $13,630,000. Duties paid, nil.

An hon. MEMBER: Good.

Mr. COCKSHUTT: Absolutely nil. My hon. friend says "good." It was a case of "better, best," I suppose. This statement shows that altogether there were imported

into Canada in that time $23,000,000 worth of implements, and that the duties paid amounted to about $2,000,000 in round figures. There was paid $1,444,000 ordinary duty and $575,000—I am leaving out the odd figures—in war tax. The duties were taken off these tractors without even allowing any drawback on the raw material at the time that it was done. I believe that has since been partially corrected, but only partially. In addition to that I am told that the International Harvester people of the United States invoiced to the International Harvester people of Canada, machines that were worth more than the value stated in order to qualify to get in. The price they should have come in at was over $1,400, but I am told, and the newspaper article to which I have referred bears it out, that these goods were allowed in at away below their value; the dumping clause was not applied nor the market value in the country from which they came, and, therefore, they were allowed in at an under valuation. I say, Mr. Speaker, that taking these things altogether I have a serious grievance against this Government, and I for one want to know what the proposed Tariff Commission, or Tariff Committee, means, to which reference has been made. If it means that they are going to hand out further hardship and at places where the tariff is considered too high to make it lower; if it is not intended to strengthen the tariff where it needs strengthening, but rather to weaken it; if it is intended where the tariff should be raised to pull it down, then I say "to your tents, O Israel" every man to his tent is my cry, and in the division of this House and the country upon the old battle lines and upon the old battle cry of protection versus free trade, I for one will take part and will join in the fray if I am spared and am in health and strength, for there is no controversy in which I like better to take a part than a controversy of this kind.

I do not suppose that I shall be invited to deliver many speeches in the West; I am sorry that they do not want to get the benefit out there of my enlightenment and knowledge. But I have the best of feelings for the West, and I am sure that they have similar feelings for me. I visit the West every year, and am always delighted to go there. I should be much pleased if some of the western members would come down into Ontario and see what we are doing here, because if they visited us as much as we visited them, we would have a much better understanding of each other. I have been in the West almost every year for about ten years; I have a son permanently resident there, and I keep in touch with western matters. I am proud to acknowledge the possibilities of that country. If I had a thousand steers I would prefer to put them on the plains out there rather than trust some of the inferior fences in Ontario, because out there the distances are so great and the steers have to go so far before they get to a fence that there is no question at all of their jumping the fences. In Ontario we cannot manage so well; we have to keep up our fences and our sidelines and defend our farms against the inroads of the enemy which is prowling around by night and by day. And that is just what we have to do in connection with the tariff. We have to be constantly on the watch, constantly on our guard, to see that the enemy does not get in.

I submit that this is no time for the minister to make the proposals that he is making in this Budget; that his proposal with regard to the railways is bad business and bad transportation methods. I am sure that if he asks the Minister of Railways (Hon. J. D. Reid) who has just entered the Chamber, what he thinks about it, the Minister of Railways will tell him that he is over his depth already. In fact, he is in a river broad and deep and wide, and his only chance of getting ashore is the possibility of the river drying up—for he will never be able to swim it. We have on our hands from twelve to fifteen hundred million dollars worth of railways of a very doubtful order, and if we are going to shoulder upon them part of the burden of the tariff, I miss my guess if we are going to come out safely. I assert, therefore, that the proposals of the minister are quite contrary to the platform upon which he was elected, because he was elected on a policy which was opposed to reciprocity or to free trade with United States. He has gone back on that policy in very many ways. Two years ago he granted free wheat, which was one of the greatest bones of contention in that tariff schedule of 1911. What did the West tell us at that time? Give us free wheat, and all our burdens will be removed. Can you get one of them to tell you anything about free wheat to-day? They claim to be more shut out than they ever were under the highest duty that ever prevailed. With them it is a matter now of prohibition. They tell us that they are overtaxed. Let me suggest that they refer to the debates which took place on the free wheat business and refresh their memories, because if they do so they will find it was contended by the western mem-

bers who fought for free wheat that the exporter, not the consumer, paid the duties. A funny argument, I admit, but an argument which, nevertheless, was put up at that time. The then member for Weyburn, who is now a distinguished senator, shouted the argument for hours across the floor of the House that the Canadian farmer paid the duty on wheat entering the United States. So that the question of who pays the duty is a mooted question; no man on either side can figure out who it is that pays the duty in all cases. But when our friends tell us that they paid the duty on the goods both coming in and going out, I am a little skeptical, and I think I have a right to be.

I have been in business a great many years. I have known American exporters to pay the whole duty and lay goods down in this country as cheaply as they were selling them at home. It is not done now, of course, in many cases—it is done with farm tractors—because the fair market value in the country from which the goods are shipped is the price that prevails. But I say that it has been done, and that it can be done. And why is that done? To kill out a home industry. As was remarked this afternoon, several home industries have been singled out and killed one at a time. That is the way the free trader works. He does not take them en masse and rush everything at once; he singles out an industry here, another there, and another there, and strangles them one by one; because if he rushed at them all at once the people would not stand for it. Thus it was that binder twine was killed out and thirteen or fourteen factories put out of business; the twine rose in price, and for a number of years there was a famine in that particular commodity. The same thing happened in regard to barbed wire. When the war came on we could not make wire here to help beat back the enemy, because our factories had all been shut up by free trade. The same thing happened in connection with several other items that were taken one at a time and the same thing will happen in regard to implements, if the Finance Minister falls into the trap that has been laid for him. But we ought to have a fight on this question and a show-down before the people before we decide upon a policy of the kind proposed by the Finance Minister. We feel that we have just as much reason as any other class to look to this Government with confidence. We have tried to carry on an honest business, a business in which the profits have not been excessive. Mr. Speaker, the word "profiteer" is entirely overworked; I know what I am talking about. Fifty per cent of the industrials in which I have invested have not only made no profits, but have made a loss. It has been a question of the loss of the whole or a part of the capital invested, not a division of the profits. This talk about profiteers that we hear everywhere is absurd. Only a man here and there has made money; the bulk of the business throughout the country during the war has been carried on at a loss, or at a very small profit. I know my town pretty well; I know the balance sheets, and I know that many factories there which are well equipped and which employ highly skilled labour have paid no dividends during the last three or four years of the war and are now paying only three, four, or five per cent.

I appeal to the minister, and ask him whether at this time in Canada's history, when an army of five hundred thousand is coming back to our shores, when unrest is prevalent, and when wages are asked to be increased to the extent of 25 to 50 per cent, is it a fair time to take away the home market? I think you will find that question hard to answer; in fact, it is unanswerable. The workingmen are asking for higher wages and shorter hours: I stand for both, so far as I am able to do so. I say to the Finance Minister and to others concerned, that we are between the upper and the nether millstones in this matter. On the one hand we have the Westerners and others shouting that implements are altogether out of sight, and on the other hand we have the workingmen asking that their time be cut down 12½ per cent and their wages increased 25 per cent. If that is done and our home market taken away—well, neither the minister nor anybody else can expect to succeed by following such a policy as that. Have a heart, gentlemen.

I had intended to deal with a great many other matters, but I promised the member for Maisonneuve (Hon. Mr. Lemieux) that I would try to finish by half past nine o'clock. I see that he is still smiling, and as I have overstepped the time by about three minutes, I do not want to impose upon his generosity; so I shall have to cut down my remarks.

Some hon. MEMBERS: Go on.

Mr. COCKSHUTT: If you will allow me, Mr. Speaker, I would like to hand these statements in to Hansard. They simply contain what has been published in the press. One is with regard to farm produce

sold in the home market, which consists of about 85 per cent of the products of Canadian farms, and the other is a statement of the investment of $70,000,000, odd, in the implement industry, the number of hands employed, the amount of wages paid, and so on. I do not think any one would object to my handing these in, and I would thus shorten my speech.

Mr. SPEAKER: I am sorry, but it is not in conformity with the practice of the House that a member should hand in anything for publication in Hansard which has not been read.

Mr. COCKSHUTT: I will not trespass on the time of the House by reading the statements, Mr. Speaker. I will uphold you in your ruling, but I want to point out that although I have made a long speech, I have done it extemporaneously, and probably it will be found to-morrow that I have made some slips. I might say to you, Mr. Speaker, and to some of my friends that if I were allowed to write out my speech as some hon. gentlemen do, I might not make quite as many slips as I do. But, speaking rapidly and endeavouring to live up to the rules of the House as I have endeavoured to do, I urge with greater consistency that you should have allowed this to go in rather than to impose upon me the painful necessity of reading what I do not want to read. I must, however, bow to your ruling and I will close up the shop with these words: "I have yet many things to say unto you, but ye cannot bear them now."

Hon. RODOLPHE LEMIEUX (Maisonneuve): Mr. Speaker, this has been a red-letter day, as you say in English. We have listened to a most interesting debate, and I must pay the hon. member for Brantford (Mr. Cockshutt) the compliment that, although I do not share his views, he has been as usual, very eloquent and instructive from his own point of view. I should not like to engage in a discussion with him on the respective merits of free trade and protection. When I hear an hon. gentleman who has the courage to connect the Almighty with the principles of protection, I dismiss at once from my mind the idea of entering into a discussion with him, because, forsooth, he might in the same breath prove that free trade has some sinister relationship with His Satanic Majesty. There is this, however, that I should like to say about the debate which took place this afternoon. It is a family quarrel, and I do not care to intervene. The Minister of Immigration and Colonization (Mr. Calder) who, if I mistake not, stated at the famous Winnipeg convention that Union Government under Borden was impossible, said this afternoon that we must not play politics. Such a statement coming from him is rather amusing. Be that as it may, I will remind him that on every stage where there is a play, as far as I can remember since I was a mere boy, there have generally been on that stage a hero and a villain. The minister said this afternoon that some people wish to play the hero. In the play which was so well staged this afternoon, in my judgment, one of the two speakers did not play, but acted the hero; the other did not. This is all I am going to say on this family quarrel.

Furthermore, as I grow in years, I confess I have become rather disinterested in party politics. My hon. friends may smile, but I have been in public life for a quarter of a century in this House, and, speaking frankly, I say that after the treasons and desertions witnessed during the last four or five years, I have decided to be more of a Canadian in public life and less of a party man.

I regret that the Prime Minister of Canada (Sir Robert Borden) is not in his seat this evening, because I intended to address myself to him very briefly, not to be severe, but to say a few plain truths. I am pleased to see him back with us in good health and, I hope, in fighting trim, because we are threatened with a general election. That was the under-current in the speech delivered this afternoon by the Minister of Colonization and Immigration, and the western free traders have had practically a similar threat thrown at them this evening by my good friend the hon. member for Brantford. This threat is not aimed at the Liberal party in this House. Let me remind my western Liberal-Unionist friends that this threat is aimed at them; but from my little experience in public life, let me tell them not to be nervous about that threat. I have read the history of both parties in this country and in the Old Country, and I have yet to learn that the Tory party has ever dissolved Parliament three years in advance. Therefore, my western friends who are inclined in the present instance to withdraw their support from the Government may well vote against the tariff proposals, and they will not have to face their electors, because it is an unknown thing that a Tory party would dissolve Parliament three years in advance. Such an event has taken

place—in the case of a Liberal Government in 1911; but never in the history of Canada has a Tory Government given up the sweets of office three years in advance.

I do not share the views of the hon. member for Brantford as regards the presence of the Premier at the Peace Conference. I believe that the duty of the Prime Minister of Canada, after the armistice was signed, was to be at the Peace Conference. As a Canadian I would, if my advice had been sought, have insisted that the Prime Minister should be there, at Paris, to represent our country. The magnitude of the part that Canada took in the war justified his presence at the Peace Conference. But the Prime Minister, in my humble judgment, owes the House and the country a statement as regards his activities whilst he was in Paris. The hon. member for Brantford is not in favour of the covenant which will form part of the Treaty of Peace; he is not very much enthused over the League or Society of Nations. He quoted from the National Review and from speeches delivered in the Senate of the United States by Senator Borah and Senator Lodge. Well, I am only a French Canadian from the old province of Quebec, but on the question of the League of Nations I would prefer, as a Canadian and a citizen of the British Empire, to follow the lead of statesmen like Mr. Balfour and Mr. Lloyd George, rather than the opinion of Senator Borah or even that of the editor of the National Review. I hope that the League of Nations will soon cease to be a dream and become a reality, and that we shall have peace on earth and good-will towards men.

The Prime Minister has at last come back from Europe. He must realize that the war is over and that henceforth his duties should keep him in Canada, because he must have learnt since his arrival, and, indeed, before he landed at Halifax, that many grave and difficult problems are pressing for solution in Canada. I do not begrudge the right hon. gentleman the splendid opportunity he had of serving his country in attending the Peace Conference in Paris. While there, I suppose, he must have had some leisure hours; at least, so we were informed by correspondents. Surely during one of those leisure hours he must have taken more than a passing interest in the old palace of Versailles, possibly the most splendid royal mansion that was ever erected in this world. If he did so, he must have found in the palace a little room where slept at times Louis the Sixteenth, the last of the Bourbon monarchs. That little room is historic. It was to that room that the Duke de Liancourt was summoned by the King in the dead of night on the 14th of July, 1789, and was asked by him what was the cause of the trouble in Paris. The Duke answered: "The fall of the Bastille." "Then," retorted the King, "it is a revolt." "No, Sire, it is a revolution." I hope that when the right hon. gentleman visited that historic room his memory of that incident was refreshed, for when he landed in Canada he also must have found that in this country there was something more than a revolt—aye, something akin to a revolution.

After having enjoyed his sojourn in Paris and London, passing from the War Cabinet to the Peace Conference, and from the Quai D'Orsay, where he rubbed shoulders with the "Old Tiger," with Balfour, Lloyd George, Orlando, Wilson, and, in fact, all the great statesmen of Europe and of the world, going to Versailles, and from Versailles again to the Quai D'Orsay, he has at last returned to Canada, where he now must face grim realities. First, from the national point of view. When he listened to the Budget speech delivered the other day by the Minister of Finance, our enormous national debt of almost two billion dollars must have stared him in the face. He must also have become aware of the terrible consequences of the high cost of living, of the acute problem of the returned soldier, of the general labour unrest, and the strikes which are spreading all over the country. Indeed, Sir, if there was a Tennyson in Canada to-day he would not be able to write of Canada as the immortal author of In Memoriam did of England.

> A land of settled government,
> A land of just and old renown,
> Where freedom broadens slowly down
> From precedent to precedent.

Nor could he say of Canada:

> Where faction seldom gathers head,
> But, by degrees to fulness wrought,
> The strength of some diffusive thought
> Hath time and space to work and spread.

No. Unfortunately, faction upon faction has gathered head in this country, not only from the national point of view, but from the party point of view. There were grim realities for the right hon. gentleman to face in his own Government—the resignation, for instance, of one of his most trusted lieutenants, and one of the most distinguished ministers of the Crown, the hon. member for Marquette (Mr. Crerar), who only yesterday was Minister of Agriculture,

the resignation of the hon. member for Colchester (Mr. McCurdy), a resignation which was never explained by the Government, but only by the member himself, and whose reasons for his resignations have recently been fortified by that of Lieutenant-Colonel McKelvey Bell.

But more than that, the press, which was so devoted to him during the last general election, seems to be out of joint to-day. When the Prime Minister—his statesmanship the greater because of Canada's great effort in the war—after having been lauded in addresses delivered by Imperial statesmen at banquets in London and Paris, returned to Canada and read what appeared in the Star a few days ago he must surely have realized that there was something rotten in the state of Denmark. Let me quote what the Star thinks of this Union Government and of some of the Cabinet ministers. In the Star of May 24, Victoria Day, the following appears:

> Current reports coming from well-informed sources hint that treachery has developed among some of his parliamentary following, and even amongst some members of his Cabinet, some of whom have aspirations for things for which they are wholly unsuited, although their unsuitability will not restrain their ambition nor prevent them from attempting political assassination when the opportunity presents itself.

I would like to know the names of the would-be assassins. Further on:

> In some departments of government there has been extravagance and woeful waste. Incompetents have been appointed to high office, to which by training and temperament, they were unsuited, in order to serve selfish ends. Surrender was made to the speculators of the Canadian Northern and a ruinous railway policy initiated, although Sir Robert's personal honour was not involved.

Further on the paper says:

> But while Sir Robert Borden has been assisting at the Councils of the Empire, colleagues wearing the habiliments of friendship, some of them directly responsible for the faults of the Cabinet, have been plotting for his undoing. While he has been giving his services, some of the crew, who were left behind on the craft on which he is the master mariner, have grasped the tiller lines and framed a course of their own choosing. Such selfish ambition is akin to mutiny and ringleaders have been the very men whose actions should have been inspired by motives of gratitude and loyalty to their chief. . . . . For, unless that Cabinet is purged of its traitors and self-seekers and weaklings, unless it is strengthened by able and loyal colleagues, Canada will fail in this her second great national trial.

Mr. Speaker, who wrote this article? It was written by a nobleman, a gentleman who was made a baronet upon the recommendation of this Government. Yes, he was made a member of the House of Lords. He is the writer of that article in the Star. I know his style. I have been engaged in journalism myself, and I know that no other human being but Lord Atholstan could have penned this vitriolic article in the Montreal Star. Now, Mr. Speaker, I would like to know, who are the assassins, who are the self-seekers, who are the traitors? Assuredly, the hon. gentleman the member for Marquette who spoke this afternoon so honestly and so disinterestedly is not among them. Again, I ask: Who are the traitors? Who are the plotters? Who are the political assassins? I thought that the time of the "nest of traitors" had gone, but I see that it is a permanent institution with the Tory party. That there are dissensions and wrangles in this Government is not to be wondered at, when we realize the origin of the Government. That my hon. friend the Minister of Immigration (Mr. Calder) passed very lightly this afternoon on the birth of the present Government is not to be wondered at, when ministration is written—as it will be written—we shall know the double game played by some hon. gentlemen. For the moment, let me say that I am not surprised that there are self-seekers, would-be assassins, and plotters in the Cabinet when, as I say, we reflect on its origin. It was first of all an ill-assorted union, and you know by experience, Mr. Speaker, that ill-assorted unions can have but one outcome. No one is better acquainted than yourself, Sir, with the results of ill-assorted unions, because you yourself every week—and I have already protested twice against the continuance of the system—call for the second and third readings of divorce Bills. Ill-assorted unions, I say, can have but one result—divorce. But, Sir, there is this difference between the divorces which are granted too easily, I confess, by this Parliament. In the divorce which takes place to-day in the Union Government you will not see the petitioner asking, with the "hear, hears," of my hon. friend from Kamouraska (Mr. Lapointe), for power to marry again.

Sir, men may come and men may go, but the country remains: Canada remains with her problems, many, difficult, appalling. How can we best solve them? With my hon. friend from Russell (Mr. Murphy) I will say, first things first. In order to solve the bigger problems confronting Canada at the present time, I say that above all we should

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restore representative institutions. Let us have responsible government in Canada. During the war we discarded all British ideals of government; and if there is one thing, Mr. Speaker, which has made of your humble servant a very detached Liberal from the Liberalism of old, it is the spectacle of so-called Reformers joining hands with the foes of representative government in order to defeat it. Let us, therefore, have no more government by Orders in Council when Parliament is in session. Let us not forget this elemental truth, that the Cabinet is but a committee of the House of Commons; it is but a committee of Parliament directly responsible to Parliament. Let us revert to the ancient usages of Parliament, for they are our birthright as British citizens and as freemen. Let us at the earliest moment repeal the War-time Elections Act; it is a blemish on our statute-book. Let us do away with those commissions that are being created by the dozen every month. Let us issue the writs, Mr. Speaker, to hold the by-elections that are overdue, and let us return to the old electoral franchise. These are the first things that ought to be done in order to solve the many vexed problems which are confronting Canada to-day.

The other big question is our enormous debt. It seems to me that the first essential of good, sound government should be to maintain our national credit on a safe basis. My hon. friend the Minister of Finance gave us the other day his views on that question. He exclaimed, "Produce and save." That is an excellent slogan, but the Government must practice what they preach, and I contend they have done nothing of the kind. Canada's financial position is not very pleasing either in retrospect or in prospect. As we were told the other day by the Finance Minister, the total war expenditure was, in round figures, $1,327,000,000. During the war our national debt was increased by $1,580,000,000. We have run behind to the extent of $257,000,000. Out of this we have spent on capital account $180,000,000. We have borrowed $77,000,000 in excess of current expenditure. This is very bad business. Any manager of a private concern who would, under similar circumstances make such a statement would be considered as running the concern on the straight road to bankruptcy.

So much for the retrospect. Now what about the prospect for next year? It is not very alluring either. The expenditure for the next fiscal year is estimated to be $620,000,000. Out of this we are told that $300,000,000 is to be spent on demobilization, and that the other running expenses will be $320,000,000. The estimated revenue will reach the sum of only $280,000,000. We are going to be short by $40,000,000 for running expenses. The $40,000,000 for running expenses and the $300,000,000 for demobilization are going to be covered by a new loan. I said a moment ago that the slogan of the Finance Minister was "Produce and save." Well, Sir, in view of this financial statement which is before the House in black and white, the real slogan which the minister seems to have adopted is "Borrow and spend," not "produce and save." The word "economy" is not to be found in the dictionary of my hon. friend the Minister of Finance. He should not forget that we only have a population of this country of 8,000,000.

How are we to face this enormous debt? I would say to the Government: First of all cut out, now that the war is over, the military frills, the military waste; reduce the number of officials in the Militia Department; maintain the militia force on a pre-war basis plus the experience acquired by our men and officers during the war; reduce the number of civil servants in the many departments of Government and above all reduce the expenditure on public works. I was surprised the other day to hear my hon. friend the Minister of Public Works (Mr. Carvell) inform the House that the new Parliament buildings would cost the country $8,000,000, when three years ago we signed a contract with Peter Lyall and Company for $5,000,000. How can the people have any confidence in public men when they are ready to violate the sanctity of contracts? Three years ago, Mr. Speaker, I had a premonition that something of that kind would ultimately happen and with my hon. friend the member for Russell (Mr. Murphy) I resigned from that committee because, as I said, we had no authority from Parliament to spend money on new construction. The only authority we had was to spend money for the restoration of the buildings. Now see what has happened. The contract is discarded and $3,000,000 more will be spent. Reduce public expenditure. The hon. Minister of Railways and Canals (Mr. Reid) came before the Committee of the House the other day and asked us to vote $3,000,000 for the deepening of a section of the Welland canal and $1,000,000 to be spent on the Trent Valley canal. The reasons adduced by my hon. friend for this expenditure are worth noting. You can see by his words—you can read between the

lines in Hansard—that my hon. friend is far from being convinced that this expenditure is necessary. Speaking of the Welland canal he said: If the men who are employed on this Welland ship canal can get employment in any other way in that district, which has always been their home, from which they left to go overseas and fight for this country and to which they have returned, I am willing to close down the work at any time.

Is this a justification for the expenditure of $3,000,000 of our money when that money is so badly needed to reduce the enormous national debt of Canada. When I asked my hon. friend how many returned soldiers were employed on the work, he said about two hundred. For the sake of two hundred men in that district we are committing the country to an enormous expenditure which will possibly extend to forty or fifty millions of dollars. Now my hon. friend was asking the House to vote the sum of $1,000,000 for the Trent Valley canal. On that occasion I put a question to him, and let me quote from Hansard what actually transpired:

> Mr. Lemieux: How many ships passed through the canal last year?
>
> Mr. J. D. Reid: I have not the record here. I have always been under the impression that the building of the canal was really throwing money away.

Mr. J. D. REID: May I say to the hon. member that the position he has taken in so far as I am concerned is scarcely fair. On the occasion to which he refers, the reporter used the word "have" instead of "had." If the hon. member reads the balance of my remarks it will be evident at once that there was an error on the part of the Hansard reporter. As an old parliamentarian it is hardly fair on the part of my hon. friend to misrepresent my statement as he is doing to-night, and as he did the other evening in my absence.

Mr. LEMIEUX: I am not misquoting or misrepresenting my hon. friend. I followed his remarks very closely in the discussion in question and I repeat what I said a moment ago and will go a little further—

Mr. DEPUTY SPEAKER: Order. I cannot allow the hon. gentleman to go any further in that regard. There is a rule of the House which forbids reference to anything said or done in a previous debate, or in a previous discussion in Committee of the Whole, during the same session.

Mr. LEMIEUX: I will not question your decision, Sir, but the course which I am taking was followed this afternoon by two ministers of the Crown and no objection was made by the Chair. I say that according to the statements made by a minister of the Crown on a certain occasion in the House the money expended on this work was simply given away for the pleasure of spending it and not in the interest of the undertaking itself.

Mr. J. D. REID: I take issue with the hon. gentleman and say that no such statement was made in the House by me.

Mr. LEMIEUX: Well, Hansard is there to speak for itself. My hon. friend's words, though embalmed in Hansard, are full of meaning; they live and speak from Hansard.

Mr. J. D. REID: I again take issue with the hon. gentleman and say that the words I used upon the occasion to which he refers do not bear the interpretation that he puts upon them.

Mr. LEMIEUX: I have the highest respect for my hon. friend, but his speech is set forth in the record. I listened to it, in company with many others, and we were struck with the accent of truth which characterized my hon. friend's remarks on that occasion. It is very embarrassing for a minister of the Crown to have a load of $4,000,000 on his conscience, but there it is.

Furthermore, Mr. Speaker, I say: Cut out the military waste; reduce the number of officials; reduce the public works; stop this foolish expenditure on the Welland and Trent Valley canals, and I appeal to my hon. friend the President of the Privy Council, and to his better judgment to drop the Official Record. Who reads the Record? The expenditure upon it is a useless expenditure. Really, my hon. friend should live up to his better reputation. Nobody in this House or in the country takes any stock in the Record. I hope my hon. friend will stop spending money uselessly and find other channels in which to more usefully exercise his activities.

Mr. BUREAU: Beginning with the nationalization of the press.

Mr. LEMIEUX: In view of the huge national debt, which is staggering, I do not hesitate to say that the Government's project of railway nationalization is nothing short of a tragedy. In view of the experience of our neighbours in the United States and that of Great Britain, the scheme of railway nationalization in Canada is simply an act of folly. It will involve this country in nothing less

than actual disaster unless the Government revises its policy in that regard. On this question, Mr. Speaker, let me read the candid advice of a writer published in the Monetary Times, of Toronto, in its issue of May 2nd, just to afford an idea of the magnitude of the financial obligations which the Government is assuming in connection with this scheme:

From the foregoing reasoning we may group our results in the following way: By taking over the Grand Trunk the government would have to assume capital obligations of about $400,000,000 and annual charges of $20,000,000; and by acquiring the Grand Trunk Pacific its capital obligations will be increased by about $300,000,000 and its annual expenses by at least $8,000,000. This means that by such a proposed course of government ownership the enormous debt of Canada would be augmented by one-third of its present amount. When we take these facts into consideration in connection with the annual deficit of at least $20,000,000 in the case of the Canadian Northern which has been acquired by the assumption of $434,312,747 of liabilities, including a funded debt of $327,928,765 and the deficit in operating expenses of the Canadian government railways, amounting in 1916 to $6,159,503 without the payment of any interest on capital, it will be seen that the drain upon the Dominion treasury will soon make heavy calls upon the taxpayers of this country.

On this question of railway nationalization the Government is playing a double game. The Minister of Finance and the President of the Council raise a clamour in this Chamber in favour of railway nationalization as a feature of the Government policy. Do you believe, Mr. Speaker, that slumbering, as the Senate is, we do not hear the echoes coming from that Chamber?

An hon. MEMBER: Snores.

Mr. LEMIEUX: A few days ago, the leader of the Government in that Chamber, used the following language, which is at variance with the language used in this House. You remember the professed indignation of my hon. friends when I took exception—as did the member for Three Rivers (Mr. Bureau) to the assumption by the Government of the obligation involved in the taking over of the Canadian Northern and the Grand Trunk Pacific. When the matter came before the Senate a few days ago, the leader of the Government in the Senate said:

I am not prepared to say that in committing ourselves to this Bill we necessarily commit ourselves to the continuance of public ownership for all time. I am not prepared to say that personally I am in favour of the Government assuming for all time to come the administration of the railway systems that from time to time may come into its hands.

[Mr. Lemieux.]

The DEPUTY SPEAKER: Order. I must call the hon. gentleman to order again.

Mr. LEMIEUX: You need not call me to order, Mr. Speaker, because I have just finished.

The DEPUTY SPEAKER: Bourinot's Parliamentary Procedure says:

It is also a part of the unwritten law of Parliament that no allusion should be made in one House to the debates in the other Chamber, a rule always enforced by the Speaker with the utmost strictness.

Mr. LEMIEUX: As I said a moment ago, ministers of the Crown quoted this afternoon from Hansard, but were not called to order. I am reminded of what happened to a young man who had just been appointed to the diplomatic service by the French foreign minister, Talleyrand, the master of the cynics. The budding young statesman next morning went to pay his respects and his obeisances to Talleyrand, the greatest diplomat of Europe in his day and generation, and asked advice from the old cynic as to what he should do as secretary to the French legation somewhere in the Balkans. Talleyrand simply said to the young man: "Surtout, pas de zèlé"—"above all, no zeal." I would commend to the Deputy Speaker this bit of advice and not be over-zealous, especially when ministers of the Crown break the rules and are not called to order.

The DEPUTY SPEAKER: I would direct the hon. gentleman's attention to the fact that I was not in the Chair when the rule was broken. I am trying to enforce the rules of the House as well as I possibly can, according to my humble knowledge, and the hon. member is too old a Parliamentarian not to know that decisions from the Chair may be appealed from, but not criticised.

Mr. LEMIEUX: That is my misfortune; I am too old, and you are too young—I say this, of course, in all friendship.

In order to reduce the public debt and to wipe it out as soon as possible—because our country cannot expect to be prosperous unless the debt is wiped out or materially decreased at the earliest moment—we should lay claim to our share of the war indemnity to be paid by Germany to the Allies. It is true that Canada fought for an ideal. We lost 60,000 yeomen in the fields of France and Flanders. Many of our soldiers came back wounded, crippled, disfigured for life; many others will not have in years to come the same assurance of a livelihood that they had before the war. Now, Sir, are all the

nations idealists in this matter? The map of the world is being changed as a result of the Peace Conference. I do not contend that Canada should receive an addition of territory, but I say that she should get her share of the indemnity which Germany will be called upon to pay. England will annex Egypt. France has secured Alsace and Lorraine, and possibly after fifteen years have expired she will have the Saar Valley. Italy has secured possession of the Italian ports of Austria. England, France, and Italy will assume control of the Holy Land. The borders of Greece are being extended to Macedonia and Syria. India is being given jurisdiction in Mesopotamia. Japan will get her share in Asia. Under the mandatory provision Australia and New Zealand will hold the captured German islands in the Antipodes, and South Africa will rule German West Africa. The Roumanian boundaries are being enlarged. Russia will be protected by Poland against Germany. Belgium and Serbia are being given liberal war indemnities, and the world will get free navigation of the Dardanelles, the Bosphorus and the Black Sea. But what will Canada get? Nothing. Canada will be the knight-errant, the crusader, whereas all the other nations, the Mother Country, England, and the old motherland, France, included, are getting additions of territory adjacent to and distant from their own borders.

Sir, what would an indemnity mean for Canada? She would be able to make ample provision for the dependents of those who lost their lives on the battlefields; she could provide adequate pensions for her veterans; she could help towards reconstruction and restore her national credit, which has been seriously impaired during the war. Her bond issues would become valuable investments, which they were, which they ought to be, but which I am sorry to say they are not to-day. The Prime Minister was at the Peace Conference, representing the vital interests of Canada in the negotiations which took place. He knows under what conditions peace will be signed in a few days; he knows that the signing of peace is conditional upon there being freedom, restitution and reparation. We are entitled to restitution, because we have sent an army of half a million men overseas; we have rolled up a debt of nearly $1,500,000,000 through our war efforts. In view of the fact that our sons fought gallantly for the liberty of the world, our country should share on equal terms in the indemnity which will be paid by Germany.

One other of the big problems is that of our returned soldier. The returned soldier has fought for principles dear to us and humanity. He was told that he fought for liberty, justice, and civilization, but when he returns to Canada, what does he find? If he comes into our large cities, as we see them roaming about in Ottawa or Toronto or Montreal or Winnipeg, he finds stately mansions, costly limousines and titles galore. This is his first vision of the profiteer's style of living in his absence. But if, instead of coming into the cities, he should settle upon the land, provided that there is land—because the Minister of Immigration and Colonization (Mr. Calder) stated in his speech delivered in Toronto last fall that the Government had not yet found enough land for the returned soldier; but let us suppose that land has at last been located for him—what situation does he face? It is true that the Government will advance the returned soldier money at the rate of 5 per cent to settle on land; but the moment he settles upon the prairies, the returned soldier is penalized 32½ per cent for the privilege of building his house with lumber; he is soaked 30 per cent if he decides to build his house with brick; he is the victim of a levy of 67 per cent for nails; he is mulcted 42½ per cent on sashes and doors; he is charged 37½ per cent on screen doors; and the soldier's wife is penalized to the extent of 27½ per cent for a broom or a scrubbing brush; she pays 37½ per cent duty on her chairs, 40 per cent on her hair pins, and 42½ per cent on bedding and blankets. Is such the liberty, home, civilization and freedom that so many have shed their blood for, or is it only within the means of the millionnaire, the profiteer in our large cities? The war bonds, inaccessible to the returned soldier, issued to maintain that soldier on the front line, to reinforce him in the trenches of France, were made free of taxation, and the interest paid to the profiteers who have corralled all the war bonds in Canada, is being paid by those very returned soldiers. And yet we feign astonishment that Canada is ripe for a revolution! There Sir, you have the real cause of the unrest, not only with the returned soldiers, but with the farmers throughout the country and generally with the consumers. On the one hand you have scandalous wealth and on the other you have abject poverty. I know whereof I speak. In this very city of Ottawa, the capital of this Dominion, last fall during the epidemic there were evidences of this fact. I hate to refer to personal matters, but one of my daughters

served as a voluntary nurse at the city hall, because we were short of nurses in this city; and, Sir, when she came home in the evening and told me of what she had seen in this city, not many acres from my own property, I then discovered that we had slum conditions so familiar in some of the poverty stricken populations of Europe. Yes, here in Ottawa families of eight and nine were clubbed together in rooms where they had barely the necessaries of life. All this in the capital city of Ottawa not far from the Parliament Buildings. Unfortunately in this country the cult of Mammon is developing; the Golden Calf has become the God of too many of our fellow citizens. On the one hand you have the devotees of the Golden Calf and on the other we have abject poverty. This is at the root of the evil; this is what causes unrest, strikes and revolutions. My statement is not exaggerated. I see before me the President of the Privy Council (Mr. Rowell), who belongs to the same church as the Rev. Dr. Bland, a man well known in western and also in eastern Canada. Let me read to my hon. friend the parting words of Dr. Bland on the 30th of December last as we were, in the language of Tennyson, " ringing out the old and ringing in the new year." I wish my hon. friend would pay some attention to the statement of this, one of the most distinguished divines of Canada who, writing to the Ottawa Citizen on reconstruction said:

> If we do not want the war without, that is now over, to break out anew within our borders, the immediate and imperative duty is that the whole collective intelligence and patriotism of good Canadians be organized for the annihilation of injustice. First we must get a Government that will take exploitation and profiteering by the throat. At one time,—

And this is a very striking image of speech.

> —when leeches were more extensively used for medical purposes than at present, artificial ponds were formed near Bordeaux in France, and stocked with leeches. Into these ponds worn-out or disabled horses were driven as food for the leeches. Canada, whose sons have won unsurpassed glory amongst the nations for their valour, Canada, the mother of the heroes of St. Julien and Vimy, stands to-day like an old nag in the pond, the helpless unresisting prey of the profiteering leeches that hang about her in festoons sucking her life-blood away, human leeches that never get gorged. It is these piled-up millions, this tolerated piracy that is maddening the common people of Canada.

The strikes were not on at Winnipeg, but he was prophesying their coming. Mark well, Mr. Speaker, Dr. Bland was a supporter of Union Government at the last general election, and possibly he may have been swayed in favour of Union Government by the eloquence of my good friend the President of the Council (Mr. Rowell), but now he says:

> The Union Government has utterly failed to protect the people from the profiteers.
>
> Naturally and justly the whole mass of ordinary people who want only a square deal have lost confidence in it. They want a government that will deal as firmly in the common interest with wealth as with life.

Mr. Speaker, I care not what Government is in office. I say in all sincerity to those like my hon. friend the Minister of Immigration (Mr. Calder), who believe, or affect to believe, that we on this side of the House are anxious to cross the floor and occupy the treasury benches, that I would support any honest Government of true Canadians, not men lost in Imperialistic dreamland, but true Canadians, who would work for their country, who would do something for the returned soldier, and seek to alleviate the burdens of the consumers and help the farmers, the real producers of this country engaged in the basic industry of agriculture.

A word about the high cost of living. There is no doubt that the high cost of living is partly due to the disturbance which has taken place in the world, but it is also due, and largely due, to tariff impediments. The cost of living was high just prior to the war. We had bread lines in the city of Regina, in the city of Winnipeg, in the city of Toronto, and in the city of Montreal, in 1913 and in 1914. There was no war on then, but there was a tariff, and there were profiteers and cold storage kings and manipulators of foodstuffs, just as surely as there are to-day, plus the disturbance caused by the war and the decrease in the productivity of the world.

Let us be business-like. Before saddling the country with the enormous burden that public ownership of railways will entail, let us begin at the beginning and give food to the people at a reasonable price. If it is necessary for that purpose to nationalize the cold storage plants in Canada, let us nationalize them. They have done so in New Zealand. If we have reached a point where in the city of Ottawa and the other large centres of Canada the housewife cannot give to her children three meals a day, I say by all means let us nationalize cold storage plants and let us do for the people in the matter of their food what the Government has done to please the press of Canada. The Government has found it easy to give the press of Canada cheap paper. A question was put in the House on the

24th of March last by my hon. friend from Charlevoix-Montmorency (Mr. Casgrain). I know that I cannot quote, but the question need not be read before the House. The facts are that the Government, in order, so they say, to get a supply of paper for the press of Canada fixed a cheap rate, in order really to get the support of that press during the election. The Government appointed a commission which regulated the price of paper. It has also been proven that the press got from the treasury inside of two years the enormous sum of two million and a few thousand dollars in advertisements. Let us now think of the ordinary consumers of this country. If need be, let us put an export duty on the food of the people. My hon. friends are afraid of the trouble at Winnipeg and in other cities throughout Canada. What is the cause of that unrest? It is that the people do not get the food which they require for their sustenance. There are other things which they are clamouring for, such as shorter hours and collective bargaining, but at the very base of their grievances lies the fact that many of them do not get three meals a day. Once again I would ask the Prime Minister who went to Versailles to remember that the French Revolution was primarily caused by the fact that the wheat was not properly distributed. The masses did not get food enough, and a day came when the women of Paris started for Versailles and brought back, not the king, but as they said in their song, "the baker and his wife." The people of the cities of Winnipeg, Regina, Edmonton, Vancouver, and Toronto will some day clamour to get the bakers in their midst. I hope they will not lose their heads as did the unfortunate Louis the Sixteenth; they have lost theirs in a different sense.

We have had hard times in this country before, but we found it possible to face the situation. We are told that the Liberal party is not a low tariff or a Free Trade Party. I care not by what name the Liberal party is labelled, I am a low tariff man, and I take pride in the fact that I belong to a party which for fifteen years was led by men like Laurier and Fielding, who were low tariff men. In 1897, 48 articles were added to the free list and duties were reduced on 147 other articles, including farm implements. In 1904, 14 more articles were added to the free list, and duties were reduced on 14 others. In 1907, the duty on harvesters, mowers, reapers, self-binders and binding attachments, was reduced from 20 to 17½ per cent and Great Britain was given a preference amounting to 33⅓ per cent.

Mr. Speaker, in 1911 the Liberal party, a low-tariff party, went down to defeat before the expiry of its parliamentary term in order to secure for the farmers of Canada, and especially for those of the West, the benefits to be derived from the reciprocity pact. Since then the Liberal party has remained true to its policy. First of all, it has acclaimed the victory won whilst its members were sitting on your left. Because, although it was disloyal in 1911 to advocate free wheat, and although the country was threatened with separation from the motherland, dissention and all that sort of thing, the men who said, "No truck nor trade with the United States" have been forced by common sense and by public opinion to give Western Canada free wheat. We have free potatoes, too. Mr. Speaker, I pity the honest faithful of Toronto. Oh, faithful of Toronto! who listened so attentively in 1911 to the pious utterances of the Flavelles, of the Byron Walkers, and of the Whites and of the Bordens, clamouring, "No truck nor trade with the United States"! You were then eloquently told that Canadian trade should be directed from East to West, and that the farmers should develop an interprovincial trade. Oh, what a fall from Heaven! Only the other day the Minister of Finance had to confess that, under the loyal Tory régime, the biggest customer of Canada was not John Bull, but Uncle Sam, in both exports and imports, and that he had to yield free wheat, not by a temporary Order in Council, but by a permanent statutory enactment. Poor Toronto! How deceived art thou by those flag-flappers! The Liberal party has lived up to its programme and its policy, and not later than last winter Sir Wilfrid Laurier, presiding at a Liberal convention in Ottawa, stated most distinctly what was its fiscal policy; and the following resolution which was adopted received his blessing:

> Now, therefore, be it resolved that in the opinion of this association, not only should the said tariff increases of 7½ per cent and 5 per cent be immediately repealed, but that there should also be an immediate downward revision of the tariff in accordance with the above mentioned omnibus resolution moved by the Liberal Opposition in the House of Commons on May 23, 1917, in these terms:
>
> "1. That wheat, wheat flour and all other products of wheat be placed upon the free list.
>
> 2. That farm implements and machinery, farm tractors, mining, flour and saw-mill machinery and repairs for same, rough and partly dressed lumber, illuminating, lubricating and fuel oils, cement and fertilizers be added to the free list.

3. That staple foods and food products (other than wheat flour), domestic animals and foods therefore be admitted into Canada free of duty when coming from and being the product of any country admitting like Canadian articles into such country free of duty.

4. That substantial reductions be made in the general tariff on all articles imported into Canada, excepting luxuries.

5. That the British Preference be increased to fifty per cent of the general tariff."

This was the policy solemnly adopted by the Liberal party in convention assembled and sanctioned by the trusted and venerable Liberal leader, and that is the policy of His Majesty's loyal Opposition under the leadership of my hon. friend (Mr. McKenzie). We believe that if adopted it will relieve the returned soldier, the farmer, and consumer generally. But, we are asked, where will you get the revenue from? Mr. Speaker, I suppose you will allow me to quote just two lines of a debate which took place in 1917.

11 p.m.

Mr. DEPUTY SPEAKER: The hon. gentleman may quote the entire debate if he chooses.

Mr. LEMIEUX: I will not. I will quote just what I want to quote. I am not so fresh as to accept your advice there. The question was put by one of the ministers of the Crown—the Minister of Finance (Sir Thomas White) had asked the question as to where the revenue would come from, and the present Minister of Public Works (Mr. Carvell), then a member of the Opposition, thus answered the question. He said:

I do not want to leave the subject before trying to answer in a very hurried way the question which my hon. friend put this afternoon, and I knew it was coming the very moment you talk about reducing the tariff hon. gentlemen opposite ask: Where are you going to get the revenue? I tried to take down the Minister's exact words this afternoon. He said: "We could not raise the money without the tariff; it is and must be the main source of revenue."

And here is the concrete answer made by the hon. gentleman (Mr. Carvell), one of the Ministers of the Crown, to that question:

I have not asked him to do without the tariff. I have never asked and never will ask a government to remove the tariff on any article if by so doing they would prevent the article being manufactured in Canada under ordinary conditions. But I say and shall continue to say until common sense methods prevail with the Government of this country that when an article is manufactured so cheaply in Canada as to prevent the importation of the foreign article, that article requires no protection; it is paying no duty, and it requires no protection.

[Mr. Lemieux.]

Further on, the hon. gentleman said:

The question is in everybody's mouth; the problem is with every man who has to earn a living for himself and family. No matter how my hon. friend may draw his cloak around this question, no matter what sophistries his monopolistic friends may preach to him, I can tell him that the common people are thinking of this question as they never thought of anything before since Canada was Canada, and the people will find a way if my hon. friend cannot; they will find a way, and they will find the man to get rid of this burden on the necessities of life. They will show my hon. friend how to raise the revenue, and how to make the man who has grown rich out of tariffs and out of the present war pay his fair share into the treasury of this country, not only while the war is on, but after the war, when I believe terrible conditions will exist and additional taxation will have to be raised.

Prophetic language, Mr. Speaker! Logical answer! Where will the revenue be derived from? The Government can get the answer from within its own councils. The hon. Minister of Public Works, when he was unshackled, when he was the "Fighting Frank" we all knew of, gave the Government the only answer that could be given by any sensible patriotic Canadian.

Mr. Speaker, I fear I have trespassed too long on the time of the House.

Some hon. MEMBERS: Go on.

Mr. LEMIEUX: I declare—and this has been established to-day beyond question in the masterly address of the ex-Minister of Agriculture (Mr. Crerar)—that a drastic downward revision of the tariff would allay the unrest now existing in the country. If the Government is anxious to find a revenue they have only to look around amongst their millionaire friends, the Flavelles and the Siftons, who under their regime have been profiteering food and making fortunes out of war contracts, while contributing to the Government only enough to provide a pretense that profits and incomes were being taxed. If taxation is to be levied to meet the requirements it will have to be levied upon the men who have the money, and not upon the public—who are already taxed beyond reason and beyond their ability to pay out of the proceeds of peace-time industry.

Mr. Speaker, the Government have made a few reductions in the tariff, but these are inadequate, and, to use the language of my hon. friend from Marquette (Mr. Crerar). I say this is on the whole a protectionist Budget. A seven and a half per cent reduction is only a partial reduction. Before this war tax was imposed in 1915 the people were already clamouring against the in-

equalities of the then tariff. True, there are a few reductions on farm implements, but at what cost? We are told that the railways will have to give cheaper rates of transportation from central to Western Canada, but, Mr. Speaker, do you believe that the railways will not apply within the next few months to the Railway Board at Ottawa to obtain what they have already obtained on two occasions?—first they obtained an increase of 15 per cent in freight rates and later an increase of 25 per cent in freight rates? This reduction on farm implements through a reduction in railway rates reminds me of the Greeks bringing gifts, and I have more than one reason to fear the Greeks bringing gifts to the farmers at the present time.

The income tax has been increased but how does it compare with the income tax in the United States and in Great Britain?

Is it not surprising to find that the Government is always so solicitous lest any tax should hurt the feelings of the wealthy people? I have always spoken in this House in favour of income tax. It is the best mode of taxation because it reaches the very people who are best able to pay and besides, it has this consequence that the people who pay follow more closely public affairs and see that their money is well spent. But I believe that in connection with this income tax, the fathers and mothers of large families should be partially exempted. This system exists in France and in some other countries. After all the citizen, the human being, constitutes the real wealth of the country. Why should you penalize the mother or the father of a large family like that good French Canadian referred to some weeks ago by my friend from Chicoutimi who is the father of 25 children; or like our colleague our hon. friend the Mayor of the city of Quebec, who is the proud father of 17 or 18 children? Why should you penalize him? The country should give him a bounty. I am in earnest. It was so in the time of Cæsar Augustus; it was so in the time of Louis XIV. Not many years ago the Quebec Government gave 100 acres of land to every father of a family of twelve living children. The families grew so numerous that they had to abolish the law. The income tax increases are not sufficient. Where in the United States a person with an income of $3,000 has to pay $60 in Canada he will pay only $40; while an income of $4,000 in the United States pays $120, in Canada the tax is $80; an income of $5,000 pays $180 in the United States and $120 in Canada. I could make the same comparison between the Canadian and the British income tax. Our Government is the creature of the profiteers and the wealthy, and, of course, it hesitates and refuses to hit at its friends and supporters.

And now I come to the labour unrest. There is a wave of Bolshevism in Canada to-day. The Government were warned long ago that there were Soviets in Canada. My hon. friend the President of the Privy Council (Mr. Rowell), at the beginning of the session, discussed about Bolshevism in Russia. I reminded him at the time that he had better leave Russia alone and inquire about the Bolshevist troubles in Canada. He had in his possession at the time a report made by one of the officials of the Government, Mr. Cahan, K.C., and I quoted him the statement of Mr. Cahan that we had Soviets in existence in several sections of the country. My hon. friend again was lost in Imperialistic dreamland. For goodness sake, let us look after Canadian problems and let us solve them, and, let Imperial statesmen like Lloyd George, Mr. Bonar Law, Mr. Balfour, Mr. Asquith settle the problems of the Empire. See how the Government mismanages everything. They, in 1911, said, through their oracles in the province of Ontario: No truck, no trade with the United States." I think Sir Clifford Sifton coined the phrase that, if we gave reciprocity to the United States, Canada would become the "back yard of Chicago." At the first sign of trouble to whom did they turn for assistance? They turned to Mr. Samuel Gompers, a man whom I respect, but an American citizen. When I saw that Hon. Mr. Robertson, the Minister of Labour, made that abject appeal on behalf of Canada to Mr. Samuel Gompers I realized that our Government had become a subcommittee of the American Federation of Labour.

Suppose the Liberals had been in office? Suppose I had been Minister of Labour? Suppose my successor, the Hon. William Lyon Mackenzie King, had dared to wire Samuel Gompers? What would the Tories of Toronto, what would the gentlemen who sit in front of me, have said? Why, Mr. Speaker, I think we would have been declared guilty of high treason. We might have been sent to jail.

Mr. LUCIEN CANNON: Possibly the Tower.

Mr. LEMIEUX: Sir, Bolshevism is another form of autocracy, and we must defeat it. I think every Canadian, be he Liberal or Tory, will help the Government in

defeating Bolshevism, rampant as it is to-day in Western Canada. We will defeat it, Mr. Speaker, by restoring constitutional government, by re-establishing the sanctity of our courts, and by dealing with the profiteers. A country which permits its government to usurp the authority of Parliament and to set aside the judgment of the courts, even in a Habeas Corpus case, where soldiers were ordered by the Minister of Justice to ignore the decision of the highest court in Alberta; a country which permits its government to protect the food speculators and to shower titles on the Flavelles and tutti quanti, that country becomes a seed plot for Bolshevism. By the way, I notice that the gentleman who leads the strikers in Winnipeg is a parson, Rev. Mr. Ivens. I do not know to what church he belongs.

An hon. MEMBER: He is a Methodist.

Mr. LEMIEUX: Let me put this question to my good friend the President of the Privy Council, and I would like to put it to any Massey Hall meeting or to any Orange Lodge in Canada; suppose that instead of the Rev. Mr. Ivens, the leader of the Soviet Government in Winnipeg had been let us say Rev. Father Drummond, a Jesuit, what would have happened to him? Mr. Speaker, I claim that if instead of the Rev. Mr. Ivens, a Jesuit had been leader of the Soviet Government in Winnipeg, he would have been shot by this time.

Mr. BUREAU: Suppose it had been the Pope?

Mr. LEMIEUX: The Government was warned long ago because the labour unions of Canada have made known their grievances. They protested against the sending of Canadian troops to Siberia. They demanded the immediate return of those troops and supplemented that demand with a warning against militarizing tendencies in physical training, and a protest against military instruction in schools. They demanded the adoption in principle of the shorter working day. They urged pensions for mothers, orphans, and the aged, and a system of health and unemployment insurance. They urged the abolition of the present system of taxation. They pronounced unsatisfactory the Government's housing scheme. They pronounced "a farce" the present system of vocational training for soldiers. They advocated equal pensions for officers and men; preference in employment for returned soldiers, and equalization of the gratuities of Imperial and French reservists with the Canadian gratuity. They urged state guarantee of the maintenance and the medical care of all children until they are of self-supporting age. They passed on to the executive, proposals that an embargo be placed upon all exportable foodstuffs until the home market is supplied, and that foods held in cold storage for speculation be confiscated or the cold storage business nationalized. There, you have a list of grievances made known to the Government through the independent labour party. Of course, at the present time the two chief features in the list of labour grievances in Western Canada are the eight-hour day and collective bargaining. The Prime Minister says: "We have no jurisdiction in these matters." But last year, the Government by Order in Council made light of the Constitution. It declared that the borrowing powers of the various provincial governments were at an end for the duration of the war. I protested against that. I said: "The passage of this Order in Council is against the spirit and the letter of the Constitution." I was answered by my good friend the junior member for Halifax (Mr. A. K. Maclean) who said "Oh, my hon. friend is parochial." Well, I can return the compliment to my hon. friend to-day as well as to the Prime Minister. Salus populi suprema lex. I believe it is true, Mr. Speaker, that the Supreme Court will declare that the Federal Parliament may not have the power to pass legislation in favour of the eight-hour day, or in favour of collective bargaining. But the Government can go to the Privy Council as was done in the case of prohibition. The Privy Council declared in the matter of prohibition that, although local option was a question of provincial jurisdiction:

> Yet their lordships do not doubt that some matters, in their origin local and provincial, might attain such dimensions as to affect the body politic of the Dominion, and to justify the Canadian Parliament in passing laws for their regulation or abolition in the interest of the Dominion," that such a matter might "become a matter of national concern in such sense as to bring it within the jurisdiction of the Parliament of Canada."

So that, taking as a precedent the final decision in the above case the Government can go before the Privy Council and get the necessary authority. The Privy Council might declare, as it did in the matter referred to, that questions which in a sense are provincial can become at a certain moment federal, that is to say, of general concern. Mr. Speaker, it is refreshing to hear the Prime Minister stating from

Ottawa that this Parliament has no jurisdiction in this matter, that it is a provincial matter; and the next day to hear the provincial Premier stating, "I have no jurisdiction; this is a matter which belongs to the Federal Parliament." The people will not stand for this very long. I say to the Government: "Do not dilly-dally with this matter." If Sir Wilfrid Laurier were Prime Minister of Canada he would fearlessly and squarely face the issue like a man, like a patriot, and like a great Canadian that he was.

Let me remind my hon. friend that many things will have to change and, indeed, have changed in this world since the war. The Minister of the Overseas Military Forces (Sir Edward Kemp) stated something the other day which is in the nature of a truism. Speaking of the returned soldiers' lot in Canada, he said that this world will not be the same old world as it was. He was right, Mr. Speaker. I find, in a more classical form, the same idea expounded in one of the greatest speeches that Mr. Asquith ever delivered. Speaking a few weeks ago in London, Mr. Asquith used the following language—I ask hon. gentlemen to apply it to the present situation:

> We have been living in this western world, and I speak here of America as well as Europe, very largely on social and industrial conventions. There is nothing in history more impossible, either to dispute or explain, than the vitality of conventions. Stone walls and iron law are nothing to the thraldom of unreflecting habit. And then suddenly a moment comes, when, for some reason or another, the mass of men open their eyes and join their hands, and down goes the Bastille as quickly as did the walls of Jericho.

Is not that the situation of to-day in Western Canada?

> The immediate objective may be, and is very likely to be, ill-chosen. You are confronted —we are at this moment—by many unreasonable demands that seek unattainable ends by questionable means.

What a wealth of thought in one sentence!

> Be it so, but it is the rational, the inevitable consequence of a war which has let loose the fountains of the great deep—that eyes should be opened to things they never saw before, new hopes, new aspirations, new dreams should be engendered in minds which were dulled by habit, whose windows have never been opened to the light and air, and that not a few of the conventions which have held things together should be found to have lost their binding force.
>
> A league of classes may seem to the common judgment as Utopian, as did, less than five years ago, a League of Nations. But let us keep in touch with facts. The artificial and brittle bonds of convention have served their purpose and had their day. See to it not only in the international, but in the domestic sphere at home, at your own doors and among your own people,—see to it that you replace those temporary and more or less artificial ties by something that is not artificial but natural, by something which is not brittle but unbreakable, —the enduring bonds of human brotherhood.

Mr. Speaker, I have read most of Mr. Asquith's speeches delivered during the last twenty-five years but I think that the veteran statesman, the great Liberal leader of Great Britain, never uttered truer, more noble and more eloquent words, and at all events none more applicable to the present situation, both in Great Britain and in Canada, than those I have just quoted.

Mr. Speaker, I apologize to the House if I have spoken at length; but I will not speak very much more during the present session. Permit me to say this in conclusion: I am a Canadian; I am a Liberal. I am proud to serve in the ranks of His Majesty's loyal Opposition, because I know that here I serve the people most efficiently, because I know that the present Liberal Opposition is wedded to the fiscal policy laid down by Sir Wilfrid Laurier at the convention held in Ottawa in the month of February. I know that some hon. gentlemen will say to their wavering friends: Beware, do you not see looming on the benches opposite the usual Quebec nightmare? I could read that in the speech delivered this afternoon by the Minister of Immigration (Mr. Calder): Those who think that the members from Quebec are anxious to take office are very much mistaken. They are only anxious to do their duty by the country and for the country in a loyal manner and according to the best traditions of true Liberalism. They do not care for office; they would not accept office at the price of the sacrifice of their dearest principles.

Sir, of late this foxy Manitoba politician, Hon. Robert Rogers, has been paying many visits to French Canadians in Montreal. In a speech delivered not very long ago he very cordially invited the province of Quebec to join once more the old Tory party. Mr. Speaker, this appeal reminds me of one of Lafontaine's fables. The philosophy of the fabulist will no doubt impress itself upon the minds of the sponsors of the new "get together" movement, who only yesterday shouted from the house-tops, scribbled in the press and placarded on the walls and the fences of every village, town and city, this slogan: "Is Quebec going to rule Can-

ada?" You will see how apt the fable of Lafontaine is under the present circumstances, so far as concerns Mr. Rogers, "the Manitoba wonder," as the member for Red Deer (Mr. Michael Clark) once labelled him. The fox in Lafontaine's fable spoke thus in tones of kind regard to the veteran cock, adroit and cunning, who was mounting guard upon a tree:

Our quarrel, brother, is at an end;
Henceforth I hope to live your friend;
For peace now reigns
Through the animal domains.
I bear the news; come down, I pray,
And give me the embrace fraternal,
And please, my brother, don't delay!

But the French Canadian, who has inherited from the Gallic cock some wit and some humour, rising to the occasion, will reply to Mr. Rogers and his kind:

"Yonder come two greyhounds which I flatter
Myself are couriers on this very matter,
They come so fast, they'll be here in a minute.
I'll down, and all of us will seal the blessing
With general kissing and caressing."
"Adieu", said fox, "my errand is pressing;
I'll hurry on my way,
And we'll rejoice some other day....."
The cock laughed sweetly in his sleeve,
"Tis doubly sweet the deceiver to deceive."

That is the attitude of the French Canadian Liberals, Mr. Speaker.

On the motion of Hon. Mr. Rowell, the House adjourned at 11.40 p.m.

Thursday, June 12, 1919.

The House met at Three o'clock.

EFFICIENCY IN THE CIVIL SERVICE.

Mr. MICHAEL STEELE (South Perth) presented the third report of the Special Committee appointed to inquire regarding the staffs of the Inside Civil Service, recommending that the committee's proceedings, and such evidence as may be taken by them, be printed from day to day, and that Rule 74 be suspended in reference thereto.

SATURDAY AND MORNING SITTINGS.

Sir THOMAS WHITE (Minister of Finance): In the absence of the Prime Minister I beg leave to move, seconded by the Minister of Railways and Canals:

That on Saturday, the fourteenth day of June instant, the House shall meet at three o'clock in the afternoon, the order of precedence being the same as on Friday, and that on and after Monday, the sixteen day of June instant until the end of the present session, the House shall meet at eleven o'clock in the morning of each day except Sundays, and that in addition to the usual intermission at six o'clock, p.m., there shall be also an intermission every d from one to three o'clock, p.m.

He said: I am not sure whether or not the Prime Minister has spoken to the leader of the Opposition respecting the matter, but as the leader of the Government is not in his seat I have taken the opportunity of presenting the resolution.

Mr. D. D. McKENZIE: I presume that in the absence of the Prime Minister, the Minister of Finance would not care to give a decision in this matter. I have had no notice of the resolution except that it appears in the Votes and Proceedings, and I hear that many hon. gentlemen, at all events of those sitting on this side, would not be agreeable to commencing Saturday sittings as early as the 14th instant. This is Thursday, and many hon. gentlemen are away. As we are all public men there is no objection to mentioning that in the neighbouring province an election is in progress and quite a few members are absent and taking part in it to whom it will be a convenience to have next Saturday. Possibly the motion might stand until opportunity has been afforded for further consultation with the Prime Minister himself when he is present. I would like to say to the Minister of Finance that the practice has been, I think, that before recourse was had to Saturday and morning sittings the balance of the Government's legislative programme shall be brought down and disclosed, for the reason that when these sittings commence there is none too much time for deliberation upon any question before the House. I hope, therefore, that before we enter upon these additional sittings that the Prime Minister will disclose what the Government's programme for the remainder of the session will be.

Sir THOMAS WHITE: I had expected that the Prime Minister would have been in his seat at three o'clock this afternoon, but in his momentary absence I would suggest that the resolution stand as a notice of motion. It can be disposed of to-morrow, and in the interval I have no doubt the Prime Minister will speak to the leader of the Opposition with respect to it.

Hon. Mr. FIELDING (Shelburne and Queen's): Might I suggest a further consideration: In the present stage of the work of the Committees of the House, I doubt if much progress can be made by having Saturday sittings. There is the greatest difficulty now in getting meetings of com-

mittees, and if we are to meet on Saturday as usual I am afraid it will add to the difficulties of the committee work. I merely offer that as a suggestion for the consideration of the Acting Prime Minister.

Mr. SPEAKER: The motion stands.

PROPERTIES LEASED BY THE GOVERNMENT.

Hon. F. B. CARVELL (Minister of Public Works): In compliance with a promise made some three weeks ago, when my estimates were under consideration, I beg to lay on the table of the House a statement showing the names of the lessors of all properties leased by the Government, the names of the departments occupying the space, and the length of the lease and the amount of the rental in each case.

CONFERRING OF TITLES.

THE GOVERNOR GENERAL ACKNOWLEDGES RECEIPT OF THE ADDRESS TO THE KING.

Mr. SPEAKER: I have the honour to communicate to the House a letter from His Excellency the Governor General, signed by his own hand:

Devonshire,

Gentlemen of the House of Commons:

I have received the Address to His Most Excellent Majesty the King which you have voted on the subject of conferring honours etc., upon His Majesty's subjects resident in Canada, and have the honour to inform you that I have transmitted the same to the Secretary of State for the Colonies in order that it may be humbly laid at the foot of the Throne.

Government House, Ottawa,
June 11, 1919.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

Mr. EDWARDS:

CALVIN RESIDENCE, KINGSTON.

1. From whom, when and for how long was the Calvin residence in Kingston, Ontario, leased for use as a home for military nurses?
2. What repairs have been made to said home and at what cost?
3. What rent is to be paid?
4. When was the home ready for occupation and how many nurses were housed there at that time and how many were obliged to obtain lodging elsewhere?
5. How many nurses are at present in the home and how many are lodging elsewhere in Kingston?

Hon. Mr. BURRELL:

1. (a) The Collingwood Ship Building Company; (b) 1st January, 1919; (c) to 1st July, 1919.

2. Fitting up same for nurses, $500; additional for same, $124.41; total, $624.41.

3. $50 a month.

4. The home was ready for occupation on February 14, 1919. Fifteen nurses and four V.A.D.'s were housed at that time. Sixteen nurses were obliged to obtain lodging elsewhere.

5. At present, seventeen nurses are in the home and three V.A.D.'s. Nine nurses are obliged to obtain lodging elsewhere.

PAYMENTS TO DOCTORS IN AMHERST, N.S.

Mr. SINCLAIR (Antigonish and Guysborough):

1. What has been the remuneration paid to Dr. B. E. Goodwin, Amherst, Nova Scotia, by any department of the Government, during the past four years, respectively?
2. What amounts have been paid to Dr. C. Bliss, of Amherst, Nova Scotia, by any department of the Government, during the past four years, respectively?

Hon. Mr. BURRELL:

1. Nil.

2. Department of Marine and Fisheries. $60. Department of Militia and Defence. April, 1915, to April, 1916, for examination of recruits, $806.45. (During this period the authorized charges for such services were $1 each for the first three men examined in one day, and 50 cents for each man over three examined in the same day). April, 1916, to March 31, 1918, for examination for recruits, $189.25. (During this period the authorized charges for such services were 50 cents for each man examined). The amounts paid Dr. Bliss for medical attendance were as follows: 1915-16, $438.10; 1916-17, $191.59; 1917-18, $12. Total $1,637.39. The authorized charges for medical attendance on troops billeted in towns and villages during the above period were: Up to 50 men, $1 per head; 50 to 100, $2 a day; 100 to 150, $3 a day; 150 and over, $4 a day. Department of Railways and Canals. $56.60.

VANCOUVER DISTRICT PENSION OFFICE.

Mr. STEVENS:

1. When did the position of Manager of the Vancouver District Office of the Pensions Board become vacant?
2. Was W. Paterson, formerly of the Saskatoon District Office, transferred to the position of Manager of the Vancouver Office?
3. Was it impossible to find a suitable man for this position from among the thousands of returned men now idle in British Columbia?
4. What effort was made to obtain such person?
5. Who determines such appointments, and what recommendations were necessary?
6. Was the vacancy advertised?
7. Is it the policy of the Government to totally ignore the claims of returned men living

within the bounds of the district or province where the vacancy occurs?

Hon. Mr. ROWELL:

1. On the 30th April, 1919.

2. Yes.

3. The Vancouver District Office of the Board of Pension Commissioners is one of the Board's most important offices. Mr. Paterson, the present manager, was considered best fittted to fill this vacancy on account of his experience and special knowledge of conditions in British Columbia gained during his managership of the Victoria District Office, which position he successfully occupied from January 1st, 1918, to 20th January, 1919.

4. It was considered that efficient pension administration could best be obtained in this case by filling the vacancy by transfer rather than appointment. Applications from outside sources were, therefore, not solicited.

5. Such transfers are determined by the Board of Pensions Commissioners.

6. No.

7. No.

UNOPPOSED MOTION FOR PRODUCTION OF PAPERS.

Mr. SINCLAIR (Antigonish and Guysborough):

For a copy of all correspondence, telegrams, petitions or other papers or documents on file in the Department of Naval Service, dated since January 1, 1917, relating to the closing and sale of Lobster Hatcheries on the coast of the Maritime Provinces.

PRIVILEGE—HON. MR. LEMIEUX.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): Mr. Speaker, I wish to rise on a question of privilege. During the course of the debate last night I made allusion to and quoted from a former debate in connection with certain Estimates of the Department of Railways, relative to the Trent Valley canal. My hon. friend the Minister of Railways and Canals (Mr. J. D. Reid) took exception to the words used in the report of his speech. I have since found out that the error mentioned by my hon. friend was not made by the reporter but at the Printing Bureau. I will explain how the error arose. I asked my hon. friend how many ships passed through the canal last year, and this was the answer as it appeared in Hansard.

Mr. J. D. Reid: I have not the record here. I have always been under the impression that the building of the canal was really throwing money away.

[Mr. Stevens.]

My hon. friend explained that he used the word "had" instead of "have." On inquiring at Hansard office I found that the minister was perfectly correct. I therefore beg to declare that I was wrong when I made the assertion to which he took exception, but I was led into the error by the report. But the fault is not with Hansard; it is with the Printing Bureau. I say that in fairness and justice to my hon. friend.

Hon. J. D. REID (Minister of Railways and Canals): I am very much obliged to my hon. friend for correcting the error. There was another error in the same Hansard. For instance, it appears as if I had made the statement that there were "11,099" men employed on the Trent Valley canal; whereas every one present will remember that I said 1,199.

THE BUDGET.

The House resumed the adjourned debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means and the amendment of Mr. McMaster thereto (resumed from Wednesday, June 11).

Mr. MICHAEL CLARK (Red Deer): Mr. Speaker, in addressing the House on this important subject from the somewhat precarious, but nevertheless very interesting and, latterly, much coveted location (the cross benches), I wish to make a brief reference to the question of political independence which was raised in the debate on the Address by my hon. friend the member for Shelburne and Queen's (Hon. Mr. Fielding) when there was a slight apparent divergence of opinion between him and me. He seemed to me to plead rather strongly for party government as being necessary for political accomplishment. I interjected a question as to whether Mr. Cobden was not a proof to the contrary. I still think that I was correct in that, and I am of opinion that a good many more proofs can be adduced that political accomplishment is very often great along the line of political independence.

We all know what happened in the case of Cobden. He declared again and again in the British House of Commons that he was neither a Whig nor a Tory, but a Free Trader. He converted the greatest administrator—and, some would say, the greatest statesman—of the 19th century to his views, and on the occasion of those views being passed into law the pre-eminence of Cobden's position in the matter was given the

most generous recognition by Sir Robert Peel himself in these words:

> The name which ought to be, and will be, associated with the success of these measures is the name of one who, acting, I believe, from pure and disinterested motives, has with untiring energy made appeals to our reason and has enforced those appeals with an eloquence the more to be admired because it was unaffected and unadorned; the name which ought to be associated with the success of those measures is the name of Richard Cobden.

The events of that day led to the creation of a party which was known in England as the party of the Peelites—the most distinguished subsequent member of which was, of course, Mr. Gladstone.

At a later period of English history, at the time when Mr. Gladstone himself endeavoured to pass Home Rule, he was left by a body of the most distinguished parliamentarians, both in the House of Commons and in the House of Lords. The names which occur to one are those of Bright, Chamberlain, and the late Duke of Devonshire. These men, not only outstanding, but by far the most outstanding of his followers, could not see eye to eye with him, and left him, and up to now they have had the better of the argument as between themselves and their great leader, because Home Rule is not yet an accomplished fact.

At a still later period, when the Conservative party of England under the brilliant leadership of Mr. Chamberlain was tempted to go back on free trade principles, which had for a generation or more been held by both parties in Great Britain, again the then Duke of Devonshire led a number of distinguished men to dissent from his party and take an independent line, which at that time had a marked effect in defeating Mr. Chamberlain's proposal to take Great Britain back to protection.

I need not confine myself to the other side of the Atlantic for instances of independence in politics having a marked effect upon the fortunes of a nation. Is it not the case, Sir, that at Confederation itself the very greatest men of both parties suppressed their party convictions for the meantime and joined in one Government for the purpose of carrying through Confederation?

And a still later case, which surely ought to appeal to my hon. friend (Mr. Fielding), is that of the Liberal Unionists of Canada, who left the most distinguished political leader probably that Canada has ever had because it was their misfortune, from the personal point of view, not to be able to agree with him upon the methods by which the great war was to be carried to a successful conclusion. That case ought, I say, to appeal most strongly to my hon. friend from Shelburne and Queen's, because by length of parliamentary experience and by the greatness of his parliamentary ability he was the most distinguished member of these Liberal Unionists.

My hon. friend the Minister of Immigration (Mr. Calder) said something yesterday about heroism and popularity being the rewards under certain conditions of Liberal independence.

If that be true, in a good many cases they have been the only rewards that have come to the Independents. The road of an Independent in Canada has usually been particularly thorny, because rarely does Canada elect Independents to Parliament. In the case of Sir Robert Peel, the result of the independent lead which he gave the British nation and by which he accomplished the greatest economic reform of the century for his country, and, I believe, the greatest economic reform of the world for all time, was told in graphic language by himself at the end of the speech from which I have already made a quotation. Those of us who remember our English history at all know that Peel broke his party to accomplish his reform, and that he had to retire from public life and from the Premiership of Great Britain as a consequence. In closing his speech he said:

> In relinquishing power, I shall leave a name, severely censured I fear by many who, on public grounds, deeply regret the severance of party ties—deeply regret that severance, not from personal motives, but from the firm conviction that fidelity to party engagements—the existence and maintenance of a great party, constitutes a powerful instrument of Government. I shall surrender power, severely censured also, by others who, from no interested motive, adhere to the principle of protection, considering the maintenance of it to be essential to the welfare and interests of the country. I shall leave a name execrated by every monopolist who, from less honourable motives, clamours for protection because it conduces to his own immediate benefit: but it may be that I shall leave a name sometimes remembered with expressions of good-will in the abode of those whose lot it is to labour and to earn their daily bread by the sweat of their brow, when they shall recruit their exhausted strength with abundant and untaxed food, the sweeter because it is no longer leavened by a sense of injustice.

I have ventured thus far on that topic, because I think the House will agree with me that it has some bearing upon the particular events through which we are passing at the present moment in this country.

In looking at the matters of finance and

trade which have been brought to our attention as they are annually in the Budget, I want to say that not only this, but all other matters that come before Parliament and before public men generally for consideration should be viewed in the bright light from the fields of France and Flanders that shines upon our proceedings. It is trite to say to-day that we fought for freedom; that our sons and brothers fought for freedom in Flanders and France; but surely a primary consideration arising from that fact, which we all acknowledge with gratitude in the presence of the victory that we have achieved, is that having fought and won freedom in France and Flanders, we must take good care that it is not surrendered in Canada.

In my opinion we are, on this straight question and on this general principle of government, at the parting of the ways in Canada. We have been told ad nauseam, not only that our sons fought for freedom, but that they fought against autocracy. What is the weapon that autocracy used in Germany? I think I shall be right when I say that it was bureaucracy. Autocracy used bureaucracy as a weapon for the carrying out of its purposes of government. The consequence was that one of the prime causes of trouble in that country was that they had too much government, and as the case is in a number of other countries in Europe, to get rid of this, they had to reduce things to the state where there is very little government at all. We are not without our share of government in Canada. For a country of eight millions population we are a pretty well governed people. We have ten governments, ten prime ministers, ten parliaments, and ten sets of officials. I need not say that I do not intend this year to set up any active propagandism in favour of a change in the British North America Act, but the fact remains that under that Act we have a great deal of government, without establishing under any one of those governments any more bureaucracy than we can prevent. In my judgment, protectionism is, from this point of view, Kaiserism cut down. Protectionism and Kaiserism have a very close relation to one another. That was obviously so in Germany, because the Junkers were the backbone not only of the government, but of protection and of the militaristic system in that country. Some one has said—and I think with a good deal of truth—that militarism itself is the spear head of protectionism. If that be so, then, as a peace-loving and democratic country, surely we can get light from recent world events for examining this thing upon its merits from the root upwards. I think it can be demonstrated that there is a close political affinity between Kaiserism and protectionism. What was Kaiserism? It was from one point of view the magnification of the State into everything; it was the embodiment of despotic government. What is protectionism? It is an appeal to the State for assistance in doing one's own business. Protection arises because a certain class of persons come to the State and say: We would like a little help in the conduct of our business.

Well, what is the state, Mr. Speaker? I see the state sitting to your right and to your left to-day. This is all there is to the state. There is this peculiar thing about the state, that, divided as it has been from the time of Confederation up to the present into two halves, one-half of the state never has any confidence in the other half. I think the House will be in agreement with me upon that. As one half of the state never has any confidence in the other half, I may be illogical, but I do not think I am when I say that this should be a good reason for the people of this country being careful how they themselves bestow undue confidence upon the state.

I repeat, protectionists come to the state for assistance in their business, and what is the outgrowth of that? Is it to be supposed, human nature being what it is, that when other ranks of society see protectionists coming to the state and getting help for their business, that they should not think that a little help might be good for them, while it is going? That is exactly what happens, so we saw that in Germany, state socialism came to be the accompaniment of protectionism, and we are threatened in all protectionist countries to-day with the same thing. I do not want to elaborate this very far as regards our own country, but it is a fact patent to the observation of every one of us that we are in the Government of Canada to-day absolutely inundated with commissions and boards and committees working under the Cabinet until I think one would be right in saying that we are threatened with a state of affairs in which politics will be the leading business of the country, and to get a Government job the highest ambition of the average ordinary citizen. Against that state of affairs I protest for this reason: Because it increases the cost of Government by increasing the machinery of government. It increases the taxation of the people, and we are led to have done by Government a

number of things that under freedom people would do better for themselves.

From these general considerations I now pass a little more closely to the Budget. I cannot quite agree with my hon. friend from Marquette (Mr. Crerar)—and this is the only disagreement I shall have with him—in describing the Budget as a protectionist Budget. I think a fairer thing would be to define it—and I think history will so define it—as a Budget tending towards free trade. I am particularly grateful for the Budget. There was a time when I was charged with being the only free trade member of this House, but to-day, Sir, I am in the proud position of seeing a Government bring down into this House a Budget which proposes to lower tariffs. I have on my other hand an Opposition which says to the Government: You are not lowering the duties enough. I myself still occupy my old position, as between lower tariff on the one hand, and low tariff on the other, in believing in no tariff at all. I repeat, I am proud to see that the House and the country is having its face at any rate turned in my direction. The tariff is coming down and therefore I would not like to use quite as strong language as my hon. friend from Marquette used about the Budget.

There are a good many things that can be said in favour of this Budget, even as compared with the amendment which has been moved by the Opposition. The Budget has this advantage at least over the amendment: That it can be pointed to by its authors as having done something. It is embodied in resolutions, which, if they pass this House, will become the law of the land, and we must give a great deal of credit to people who do things in preference to those who—for the moment they cannot do any better on the Opposition benches—only profess them. I do not want to be misunderstood on this point, and I do not want to go into ancient history; the times are too serious to spend much time in party quips and passes—I want to say again that the Opposition cannot do better in the circumstances in which they are placed. They can only profess to believe what is in the amendment, while the Government has the credit of having done what they have done. I think Western Canada will be grateful for so much.

I am perfectly sure that Western Canada will be grateful for another item which is not in the Budget. They will be very grateful that the Minister of Finance resisted very strong pressure which was brought to bear upon him to give certain bounties in this Budget. The Government resisted what I know was very strong pressure, and they have not only done something in this Budget, but they have left some bad things undone. That may be news for the Opposition, but it is so, I think, and provably so as far as the Budget is concerned.

Then the Government have gone a very long way,—which shows the value of education in fiscal matters,—to embody in the statutes and law of this country the reciprocity agreement which they were not quite friendly to eight years ago; the reciprocity agreement is very largely embodied in the Budget proposals.

The Government also has imposed fairly steep direct taxation. Here the Budget has a very great advantage over the amendment offered from the other side, because I do not observe that direct taxation was mentioned in the amendment at all; not by specific proposals anyhow. I think the West will be grateful, not only for all these things, but also, in a degree fitting the case, for such reduction of the tariff as there is. It is not satisfactory; it is not very abundant; but it is there.

As my hon. friend (Mr. Crerar) pointed out yesterday, under the tariff war taxes the Minister of Finance raised $45,000,000, and he leaves $28,000,000 of that still to be got from the country. He relieves the country of the other $17,000,000. So the reduction of taxes is more apparent than real. We are not having a reduction of the tariff at all in this Budget as compared with the state of the tariff in pre-war times. Rather, we are having kept up in time of peace certain taxes which were imposed in time of war, and which I think we might reasonably have expected to be relieved from now. If we are to regard this as a war year, as the Minister of Immigration (Mr. Calder) indicated yesterday, there is something to be said for the point of view that it would have been better to leave the tariff alone this year; that would have been more logical. But, there is one over-powering reason for dealing with the tariff at this time, and that is to be found in the serious condition of the country. And from the point of view of the western organized farmers the tariff is not merely an instrument, but it is a vital and fundamental instrument in dealing with that serious condition of the country.

Now, my hon. friend the Minister of Immigration (Mr. Calder) touched upon some very tender points yesterday as between himself and my hon. friend the member for

Marquette (Mr. Crerar). I do not intend to intervene in that quarrel any more than is necessary to clear up a few points in which I do not think my hon. friend the Minister of Immigration got quite the right view of the question. He said, I think, that in his opinion the tariff was no issue in the 1917 election. I do not think that is a view that can be supported in its entirety. It is true that no specific proposals were before the country on the tariff from either side of politics. The winning of the war was the one all important issue in that election. But it is equally true that numbers of us from Western Canada could not have won our seats by the majorities we did, if indeed we could have won them at all, had we not asserted to our people, with all the sincerity that we were capable of, that we held the same views upon tariff matters that we had always held. So that it is not correct to say that the views of certain members of the Unionist party on tariff matters were not before the electors in the 1917 election. My hon. friend (Mr. Calder) went on to give us the reasons for his particular view of the duty of members of the Unionist party at this time. He said that there were certain grave problems before the country. Well, Mr. Speaker, we all know that. But what problems are they? They are no longer the problems of war; they are the problems of reconstruction. Every one of us who looked ahead at all knew that the war period would be succeeded by a reconstructive period, and these problems are problems of reconstruction. In 1917, as I have just pointed out, it was foreseen that we should come to this point in our history; and for better or worse, right or wrong, my hon. friend from Marquette (Mr. Crerar)—and a good many of us agree with him—believes that in the fiscal policy of the country is an instrument which, if wisely handled, will help us tremendously in dealing with the problems of reconstruction. That is the point where I think my hon. friend (Mr. Calder) was a little wrong in his view in blaming, so far as he did blame, the hon. member for Marquette. I did not apprehend at first that he intended to blame him at all. He laid down a perfectly sound doctrine in this matter when he said that in so serious a matter and at so serious a time every man must stand or fall by his own conscience; and I do not know that it was quite consistent with his having made that utterance that he immediately proceeded to take some rather ugly jabs at the conscience of my hon. friend from Marquette. Now, in this connection, as explaining our position further, may I quote from my hon. friend the Minister of Finance, when he expressed the hope, as he did in his Budget speech, that by next fall, I think he said, conditions will be so stabilized that he can really safely begin to look into tariff matters. Well, one would be very sanguine in temperament to anticipate a great deal more stability next winter or the winter after that, even than one sees in the affairs of Canada at the present moment. I hope my hon. friend is right, but I am not going to enter into a competition in prophecy with him. What I am going to say is this: That it is not a government's business only to hope for stability; it is a government's business to try to bring about conditions which tend to stability. Surely there is no contradicting that position. It is not enough to hope for stabilization. What would be thought of a doctor who was called to a delirious patient and was content with strapping him down in bed? You cannot produce stability alone by increasing the Northwest Mounted Police—that may be necessary; I believe it is necessary. You cannot produce stability alone by any proceedings of that kind. You must accompany your steps for preservation of law and order by measures to relieve public discontent so far as you can do it by financial, taxation, and trade propositions. If a patient is delirious a wise doctor straps him down in bed, but he does not for that reason neglect him in the matter of suitable food and medicine. The two things go together, if there is to be any chance of restoring the patient to health.

Now, what are the duties of reconstruction? We all agree that the first of them is to look after our soldiers. We shall only be able to look after our soldiers if we proceed as rapidly as we can to pay our debts as a nation. It is rather important both for the nation and for the individual that debts should be paid: very important for the debtor and very important for the other party himself. To pay our debts and look after our soldiers it is essential to increase the wealth of the nation; and to reconstruct the country it is equally necessary to relieve the burdens on the rank and file of our people. And I should add another principle of reconstruction: that it should be the duty of the Government to inculcate in civilization, thereby enriching it, a spirit of service, of sacrifice, and of hard work, and so give the people the luxury of approaching in some degree the moral grandeur of the half million of men who crossed the

sea, willing to give everything for the glory and honour of their country and the freedom of civilization and mankind.

Now, I am afraid that I have to say that the Budget falls short of what it should have measured up to along these lines. I have been reminded in private that I have said in this House and elsewhere that it took some nineteen years to build up the free trade edifice in Britain, or rather to pull down the tariff edifice. That is quite true. But that statement does not meet my objection that we are not doing enough in this Budget along the lines I have advocated. This will be apparent if the House will permit me to read a few words from a speech which Sir Robert Peel delivered on March 11, 1842, and to tell the House what he did in the way of fiscal proposals in that year, which was four years before the repeal of the Corn Laws. Speaking on that occasion, Sir Robert Peel laid down principles which ought to be a great guide for all time, to finance ministers, in periods of great financial difficulty in any country. He said:

> In great financial difficulties the first step towards improvement is to look those difficulties boldly in the face. This is true of individuals; it is also true of nations.

To look those difficulties boldly in the face—I am not sure that my hon. friend the Finance Minister of this country has done so in the sense of the language of Sir Robert Peel, who went on to make this statement —and the House will notice he expected the unanimous consent of the House of Commons to the proposition:

> I apprehend therefore, that with almost universal acquiescence I may abandon the thought of supplying the deficiency by the miserable device of fresh loans.

Mr. Speaker, that is very strong language, and I commend it to the careful attention of my hon. friend the Minister of Finance. What did Sir Robert Peel do in 1842? But here our present Government is on very much stronger ground. What Sir Robert Peel did in 1842 was to introduce direct taxation in the shape of an income tax for the first time. In that connection let me say that there was a great deal of political wisdom in what was suggested to this House in what some regard as the somewhat puzzling speech of the hon. the Minister of Customs (Mr. Sifton). He claimed, and claimed, I think, rightly, for this Government that in the income tax which it has presented to this House it had laid the most solid foundation for either party in this country to pursue fiscal reforms in the future along the proper line —the line of lower tariff. But, Sir Robert Peel did not stop with introducing the income tax. In the first budget that Sir Robert Peel introduced into Great Britain in 1842, he practically put all raw materials on the free list. He left on some duties but he left no duty of more than five per cent on any raw material whatsoever. On partially manufactured articles he left no duty of over 12 per cent and on wholly manufactured goods he left no duty exceeding 20 per cent. Out of 1,200 articles contained in the tariff schedules of Britain before that budget, he reduced or abolished the taxation on 750 and he did it in so far as history records without any tariff commission running all over the country. He was determined upon a great reform, he saw that the country needed it, that no further delay could be brooked in the matter, and that is the way in which he tackled it.

Having regard to this historical record, I purposed, if the rules of the House had allowed, introducing a sub-amendment which would have gone a little farther than either the proposals of the Government or the proposals of the Opposition as I understand them. Might I be permitted to say, Sir, that a rule that does not allow a sub-amendment appears to me to be an absurd anomaly and I trust that one of these days, either yourself, or some other Speaker of the House, will see that that rule is abolished. It seems an absurd anomaly that there has never been since Confederation in contemplation the possibility of three groups in this House or the possibility of expressing three different opinions upon the Budget. I purposed if I had been allowed, asking the House to affirm that:

> Inasmuch as any scheme of tariff reduction is faulty and illogical which is not calculated to stimulate equally all the industries of our country, so necessary to reconstruction, therefore be it resolved,
>
> 1st. That the removal of the duties from all foodstuffs and from the implements used in their production should be accompanied by the abolition of duties on iron and steel the raw materials of these implements and many other manufactures.
>
> 2nd. That the abolition of the duties on boots, shoes and articles of cotton and woollen clothing should be accompanied by the removal of duties on raw materials entering into the production of these articles.
>
> 3rd. That all duties should be removed from coal, which is so large a factor in the producing power of our factories and the comfort of our homes.
>
> 4th. That debt should be reduced and further borrowing as much as possible avoided by the imposition of increased income tax and

super-tax, a federal succession or inheritance tax and a tax on land values.

I think the House will agree that such an amendment as this would have been a procedure approximating much more closely to the first step taken by Sir Robert Peel along the same line in England and would have done more to meet the western point of view than either the Budget proposals or the proposal contained in the amendment. But as there is a little lack of heroism on the part of both the old parties in Canada, and as there is, in my view, an imperfection in the rules of the House, one has to look carefully at the proposals of the Government on the one hand, and the amendment before the House on the other hand, to see what course one shall take after he has read his still-born sub-amendment.

My fault with the amendment of my hon. friend (Mr. McMaster) is that it requires a little too much interpretation. It needs to be interpreted. I agree with very much of it; if I am allowed to interpret it and supplement it, I think I should agree with it all, but, of course, it would not be the same amendment. The part of it which calls for free food, I agree with absolutely. Mr. Speaker, there is no excuse in Canada for anybody being short of plenty to eat three times a day. With our sparse population, our abundant territory and great wealth, there is no excuse in Canada for any tax whatsoever upon food. I want to put that idea forward and to state it so emphatically as to carry my profound convictions in the truth of what I am saying to both sides of this House and, through both sides of this House, to the country. I am convinced, furthermore, that in what I am stating I have the support of the large majority of the people of the country, men, women and children.

The cost of living in its relation to food should be at the minimum in Canada. I know there are opposite views expressed. No less an authority than the right hon. the Prime Minister (Sir Robert Borden) to whom I always want to pay the utmost attention, expressed a doubt whether the cost of living would be reduced by the removal of duties on food. I have heard the same question put myself in committee, in caucus, and in private conversation. Well, I think it would be reduced and I will tell the House why in a moment. But if it would not be reduced because there is no food to come in, which is the further assertion always made in accordance with this argument, if there is no food to come into the country; if we could not get any food into the country at the present moment, and for that reason the taking of the tariff off food would not reduce the cost, then

4 p.m.

all I have to say is that reduction is well worth trying anyhow because if the tariff has kept nothing out it is a very unnecessary and useless piece of national equipment. The tariff, if it has kept nothing out, is not doing any good along that line but it would be worth while trying for a Government that was not altogether heroic just to see what would happen. I contend that there is no scarcity of food in Canada. My right hon. friend the Prime Minister on the occasion to which I refer, said that in the various countries in which he had been travelling the cost of living was as high as it is in Canada. I have no doubt as to the accuracy of his observation in the hotels in which he dined, but some returned soldiers, who observed the buying of bacon by the pound in the old country—I am sure my right hon. friend had not much time to buy bacon by the pound—assert, and assert quite confidently, the exact contrary, and say that you can buy bacon cheaper in England to-day than you can buy it in Canada by the pound.

If that is so, then it is a serious reflection upon our economic system. It is the more serious when I tell the House that according to figures in the last edition of the Canadian Year Book, for eight millions of people in Canada there are twice as many live pigs to-day as there are in Great Britain amongst forty millions of people. Now, if there are only half the number of live pigs for forty millions of people in England that there are in Canada for eight millions of people it is something of a miracle that the price of bacon is kept as low in England as it is. How is it kept as low, or brought lower? By the simple fact that Britain brings it in; Britain brings bacon across the seas to her shores freely—she brings food in. The fact of the matter is that the tariff on foodstuffs in this country does little or no good to the producer. It does a great deal of harm to the consumer, and it builds up the fortunes of the middlemen—that is what the tariff does on foodstuffs in this country. I have cited a simple figure in regard to live pork. Now let me give the House the figure in regard to cattle. There are, or were when the figures were collected last for the Canadian Year Book seven and a half million head of cattle in Great Britain with forty millions of people; there were six and a half million head at the same date in Canada with eight millions of

people. Why should food be scarce in Canada? Six and a half millions of cattle as against seven and a half millions in Britain, and eight millions of people as compared with forty millions; and twice as many pigs in Canada for eight millions of people! There is only one answer: The food is being held from the people for exorbitant prices and the building up, beyond the dreams of avarice, of the fortunes of the middlemen.

With the item in the amendment of the Opposition which calls for free food I am in hearty agreement; and coming as I do from the West I need scarcely add that I am in hearty agreement with free implements for the production of that food.

But now I come to the clause in the amendment which needs interpretation. There is a clause in that amendment which calls for "free necessities of life." If it had stopped there it still would have needed interpretation to the extent of defining what you mean by "a necessity of life." Personally, I think coal is a necessity of life in a country where you have eight months of winter and the thermometer going sometimes to sixty degrees below zero. I think a good case can be made out in the argument that coal is a necessity of life. I do not think it would make much difference to a man whether he perishes for want of coal, or starves to death for want of food; I am not sure which I should choose if the dread alternative were offered to me. I think coal is a necessity of life, and I wonder if my hon. friend the leader of the Opposition so interprets the amendment. Perhaps it is not fair to ask him to interpret the amendment of the hon. member for Brome (Mr. McMaster). Whether he will interpret it or not, I am pretty sure it required an older head than the member for Brome to draw the amendment in that beautifully vague fashion; I rather suspect that vague clause in the amendment was drawn by the leader of the Opposition. Well, I gather from his attitude now that he disavows the paternity of it, but he won't interpret it to me. Then he will have to try and prove to me when he speaks at a later stage, and he certainly will have to try and prove to this country when he comes into power, that coal is not a necessity of life, because he is pledged by this amendment to free "the necessities of life," and I contend, not being a lawyer, that a good case can be made out for calling coal "a necessity of life." In any case, I believe in free coal, and I think there is a splendid argument to be advanced not only for abundant food for people who live in a hard and trying climate like Canada, not only for free food, but also for free fuel—free fuel for homes, and free fuel to enable our manufacturers to contend in the tremendous competition of the coming years in the industries of the country.

Then I believe in boots and shoes, and woollen and cotton clothing being necessities of life. Apart altogether from the decencies of life, the climate demands that we wear clothes in Canada for a great part of the year. They are necessities of life; so are boots and shoes; and I have yet to meet a Canadian who can give me a good reason why, at this moment, boots and shoes are absolutely free on the tariff of the United States, and have been carrying a duty of thirty and thirty-five per cent in this country. There is nothing in the price of hides to account for it at the present moment, because the western farmer at the present time is practically giving his hides away. Being of benevolent disposition, I do not suppose he would mind that very much if the consumers got the benefit; but he is very decidedly up in arms when he sees the tremendous price that goes on to the hide between the time it leaves him, for little or nothing, and reaches the wearer of the boots.

While interpreting it in this way, the amendment does not begin to look so bad, always including the free coal and the free boots and shoes. Now I get on to more difficult ground when I read into the clause about the necessities of life, free iron and steel. Iron and steel are articles very much used in the making of railways. In a country of the size of Canada we talk half our time in Parliament about the building of railroads, and we have a tremendous agitation to get railroads built in this country. It is frequently argued that protection is more necessary in a young country than in an old country from the point of view of iron and steel. Mr. Speaker, I think that protection is a much greater curse in a young country than in an old one, because an old country, especially of small size, is always gridironed with railways; but where you are building railroads by the thousands of miles, as you are in Canada, at first sight it would not seem to expedite the business to make iron and steel dear. But that is one of the wonderful contradictions of protection, that a good way to build railroads is to have dear iron and steel. I submit the opposite to that contention, and I hold that would

be at least worth thinking over even by my hon. friend the leader of the Opposition. Cheap iron and steel would help not only the building of railroads but the easier production of mining, of agricultural and other classes of machinery, which are used in the productive industries which constitute so much of the industries of a young people like the people of Canada. Indeed, these are the very basic needs of a young country. If I wanted to argue this question further I should say that in Nova Scotia, where there is a large iron and steel industry, it will be safe to prophesy that if you had free trade to-morrow, Nova Scotia would benefit more in the development of her coal and iron industries by the amount of shipping that would ply to and from her shores than by being engaged in the production and selling of the iron and steel, and killing her shipping.

I should like to put again on Hansard some figures that I think I quoted some years ago, to show that the idea that protection is needed to build up the industries of a country finds very little support in the history of the greatest commercial nation for all time, at least for her size. In the year 1800 the value of the exports of British produce, which of course were manufactured products, was thirty-nine and a half millions sterling. In the year 1830, after the first thirty years of the nineteenth century, when protection was in full sway in Great Britain, the figure of thirty-nine and a half millions of exported produce actually fell to thirty-seven millions—£37,000,000 as against £39,500,000 as a result of the first thirty years of the 19th century manufacturing under protection. In the year 1842, after twelve more years, the figure had grown by £10,000,000 a year to £50,000,000. But railroads began to be built in Great Britain at that time and accounted amply for the rise to £50,000,000. The bald fact, however, is this, that between 1800 and 1842 the manufactured exports of Great Britain under the last forty-two years of protection rose from £39,500.000 to only £50,000,000. In the year 1878, when thirty-six more years had passed over the history of Great Britain, under a free trade policy her exported manufactured goods had risen from £50,000,000 to £218,000,000 per year; in the last twelve years of protection it showed only a £10,000,000 advance. It rose during thirty-six years of free trade to £218,000,000, and by the year 1910 that figure had risen to £344,000,000, which constituted a record export for all nations and all tariffs—a record export held and made under free trade. I do not think if one were to read figures from now until bed-time that it would be possible to controvert the obvious inference to be drawn from these figures, that Great Britain until she had free trade never really had manufactures worth speaking of.

I not only want to interpret the amendment, but I want to be allowed to supplement it. And the point at which it needs supplementing is one that puts considerable suspicion in one's mind as to certain things that do not appear in the amendment at all. I have already said that I think the Budget has a great advantage over the amendment of the Opposition in that it imposes very substantial direct taxation. So far as the amendment of the Opposition goes, it is blank upon this subject. The hon. member for Brome (Mr. McMaster) indeed told the Minister of Finance that he should stop borrowing. But how can he stop borrowing and at the same time lower the tariff if he is not shown some other method of raising the revenue? I want to say quite candidly that I associate myself fully with my hon. friend from Marquette (Mr. Crerar) in his opinion that the direct taxation proposed by the Budget, though a tremendous advance on anything that Canada has ever dreamed of before, is not sufficient for the times we are passing through, and is not sufficient to carry out that principle that I laid down when I said that it is the duty of the Finance Minister by taxation to teach that economy which he preaches, and to teach the far more valuable lesson that this war will have been lost in moral value upon our civilian population unless they are taught to approach somewhat to the sacrifices that were made by those who for four years bled and suffered and died for us.

I think my hon. friend from Marquette (Mr. Crerar) mentioned yesterday comparative figures as between Canada and Great Britain in regard to income tax. I now quote only figures of two incomes. And I approach this subject with considerable diffidence because I came from the Old Country and I have no right to set standards for Canadians, but I would fain have them set standards for themselves, because Canada's sons suffered just as Great Britain's sons suffered, Canada's sons fought just as Great Britain's sons fought, and I do not believe that the fathers and the mothers of Canada are one whit less willing to suffer in their pockets than are the fathers and mothers of Great Britain. In Great Britain a $10,000 income to-day pays an income tax of $2,775, and in Canada it

pays $590. There is a great disparity between those two figures, Mr. Speaker. A $20,000 income in Canada pays $1,990, while in Great Britain it pays $5,775. As I say, I have no right to enforce this point any more than the figures do, but I should like to ask both sides of this House whether it is not our bounden duty as a Parliament to give our people a chance of coming a little nearer to the British standards in this matter.

We are asked: How are you going to raise revenue if you abolish tariffs? In the sub-amendment which I would have moved if the rules of the House would have allowed me I intended to ask the Minister of Finance to impose a federal succession duty; and in this connection I do not compare this country with Great Britain, where they have very large duties, but with Australia, who also suffered with us in the battlefields. It is estimated by our chief statistician that the total wealth of Australia is $8,000,000,000; Canada's wealth is $19,000,000,000—a startling difference. It almost appears to me sometimes, Sir, as if this country were the happy hunting ground of capital, and I believe we have been taught such a lesson by this war that our people are getting to know too much to allow that to go on. Australia raised last year by a federal succession duty $5,000,000; we raised nothing. By provincial succession duties Australia raised $4,500,000, and we raised about the same. That is to say, if we had taxed ourselves by way of succession duty as heavily as Australia is doing, instead of $4,500,000 of provincial succession duties only we should have been taxed under this head for federal and provincial purposes $25,000,000. And I point this out to my hon. friend the Minister of Finance with every desire to help him towards his next Budget as a line along $20,000,000 that is going abegging.

In the debate of 1915—because in every year of the war before the formation of Union Government in 1917 we actually had no land tax,—I laid down the doctrine which I am trying to inculcate to-day in my humble manner; in 1915 I pointed out that the year before Australia had raised $13,500,000 by land tax; in 1915 we had not raised a cent. We have much better land and more of it than in Australia, and we have a larger population, have large amounts of land, as my hon. friend for Marquette so well pointed out yesterday, held in Western Canada by speculators, having its value augmented tremendously by the efforts of those who hold land in the neighbourhood and live on it. And that ought, in the strenuous and terrible times succeeding this war, to be made the source of Federal revenue for the purposes of looking after our soldiers, clearing our debt, and relieving our people of the tremendous burden they are bearing in the matter of the common necessities of life.

But we are told: You will frighten capital away from the country; you will not be able to borrow any more money. In my opinion that would not be a bad job for Canada. I agree absolutely with the hon. member for Brome (Mr. McMaster) when he says: Stop borrowing. It is well at this point to remember what we do economically when we borrow. When we borrow money, either from the United States or from the old country, what we do is to give an enormous and immediate stimulus to the industries of the country from which we borrow, because I need not tell this intelligent House that what we borrow comes in, not in the shape of money, but in the shape of goods. When we borrow from another country, we get simply a cheque which is changed into exchange notes and becomes a purchasing agent for the goods of the country from which we borrow. And one of the reasons why I doubt very much the wisdom of those economists who tell us that we must be a borrowing country in Canada, is that when we borrow, like it or not like it, the economic truth is that we stimulate not, in the first instance, our own industries, but those of the country from which we borrow.

I have heard a great deal of extravagant praise given to the Victory Loans, and I understand we are to have another domestic loan floated. It is as well for us to understand economically what a domestic loan is, how it operates. These loans are bought and owned, necessarily, mostly by the wealthy people of the country, because you do not get them unless you have the money to pay for them. They are owned free of taxation; they are bought by the wealthy who have made millions in the war; and the interest upon them will, we have been assured by the Minister of Finance, be extended over a large number of future years upon the devoted heads of the rank and file of the people of this country, if you continue to raise your revenue by a tariff. Therefore, the loans being owned by the wealthy, the interest will be paid, first by every returned soldier and his wife and family upon the clothes which he wears and the boots and

socks which his family wear; second, by the ranks of labour; third, by the farmers; and fourth, by the general consuming public of the country. Under those conditions, I have no hesitation in saying that I am not a five and-a-half per cent patriot myself. There is no patriotism in those loans, and while that is a very strong statement to make, many that have bought them say: We do not profess to be patriots in buying upon the credit of the Dominion of Canada at five and-a-half per cent; you could not get a better financial investment upon the surface of the world. That is how I view these loans, and that is why I emphatically endorse the advice of the hon. member for Brome when he says: Stop borrowing. Nineteen billions of dollars of a total wealth is Canada's wealth as compared with eight billions of dollars in Australia, and I am to be asked: Where shall be get the revenue? When we floated our last loan, the people of Canada subscribed $600,000,000 in three weeks. If we had taxed that wealth properly we would have taken $200,000,000 of that somehow or another, and we would never had to pay interest or pay back capital, and things would have been squared with the profiteers if we had done that. That is where we should get the money. But, a finance minister who cannot get money to carry on the business of a small country with a small population like this, with nineteen billion dollars of wealth rolling around, wants some assistance in the running of his business. I emphasize this point, because I remember well that in the last election—and this I want to put strongly to the Government—the phrase was used upon every platform: We are behind the boys in France and Flanders to the last man and the last dollar. I have given the Government all the support in my power and all the credit that is coming to them, because they put sufficient emphasis on the man. Now I want the emphasis on the money. I am logical; I am patriotic, and I believe the people of Canada will demand that that shall be done, because I am certain that the people of Canada in their innermost natures are as great-hearted and as good people as are to be found anywhere on the face of this earth. We were told at the last election, as we have been told on innumerable platforms since the beginning of the war, that after the war things were not to be the same; that nothing was to be the same—nothing excepting tariffs and the millions of the profiteers. That is surely not our doctrine.

I think the minister should have gone further along this line of taxation. The supreme condemnation of tariff lies in this, that while it draws most of the taxes of the country from the poor, it at the same time, imposes upon the poor the heaviest burden of living, while it builds up the fortunes of the rich and fails to tax the rich even as much as the poor in the numerous cases where the poor have larger families than the rich.

We have been talking and are hearing a great deal about the unrest and the discontent there are in the country. It is these conditions that the Government has the power to relieve that I want to impress upon them. It is these considerations that are burning themselves into the hearts and minds of our people, that are stirring up the discontent. Society was stirred to its foundations by this war, and it is to-day stirred to its foundations by the consideration that the cost of living is bringing the actual pinch to make ends meet into 75 to 80 per cent of our homes, while the other 20 per cent are living in luxury, which is flaunted everywhere. Society has been compared to a stream with two banks, and I try to visualise it as such to-day. On the one bank there are few inhabitants, comparatively, walking amidst flowers, riding in automobiles, dressed in the finest, occupying boxes at the theatres, having joy rides at home and pleasure trips abroad, lavishing in plenty beyond the description of words—on the other bank there is the great mass of the returned soldiers, the labouring people and the farmers getting up at early dawn and working until bedtime, and between the two banks there floats this sullen stream of discontent. On both banks every individual can say with the utmost truth: "Naked came I out of my mother's womb, and naked shall I return thither." It is a terrible thing that in a country where there should be plenty there should be such disparity of fortune, and every right thinking man, whether he be in private life or in a public position, will reflect with greatest pleasure when he comes, as we have been reminded by recent events we shall all too soon come, to the end of life, on any efforts he has made, whether as an individual or as a legislator, to bridge that stream of discontent by bringing about, so far as law can do so, a greater equality of fortune amongst all the masses of our people.

We have been told more than once in this debate that free trade versus protection is an old controversy. Well, there are older controversies than that in the world—that of original sin, for instance. That is much

older, and I do not know that anybody wants to put up with sin for all that; we want to get rid of it. The tariff is old enough. It is so old that it is losing caste to-day among people who formerly thought a great deal of it. A very genial and good friend of mine among the members of this House was good enough to put a letter in my box the other day expressing the hope that I would define free trade. I am very glad to oblige him, if the House will permit me. Free trade is the assertion of the right of every man and every nation to buy in the cheapest and sell in the dearest market without the law intervening to help any given set of producers. That looks a very sensible and decent thing. It is a right we all assert for ourselves when the Government leaves us alone. We all like to buy in the cheapest and to sell in the dearest market.

I have already submitted in the course of my remarks this afternoon a definition, or an illustration, of protection. Why, the very word protection is beginning to smell, especially in the light of the events of this war. What grown man should want protection anyhow? We have discarded the need of it on our western farms; we do not ask for it. We are all British through and through out there, and all we ask is a fair field and no favour, which is an old British proverb. Our sons and brothers in the trenches did not want protection; it was the fellows they went up against that needed protection. And yet, hon. gentlemen in this House for whom I have very great respect stand up and ask for protection, but I am glad they do so apologetically. My hon. friend the leader of the Opposition the other day grieved me when he said: "I am a protectionist." But then he apologized. "Not a very large one," he said. My hon. friend the Minister of Marine and Fisheries (Mr. Ballantyne) said that he also was a protectionist, but not a very large one. The leader of the Opposition is in favour of protection, just a little bit in Nova Scotia for iron and steel and coal. I do not know what the Minister of Marine and Fisheries wants protected. My hon. friend from Brantford (Mr. Cockshutt) closed his speech last night by saying "I am a protectionist." He has to be at the present moment, because he has just had a little piece shaved off, and I should not wonder if he became one of my chief apostles now for shaving the other fellow. That is the way it is bound to work, and no one knows it better than the hon. member for St. Antoine (Sir Herbert Ames). In the reciprocity debate eight years ago, in a speech I very well remember, he described wheat as the keystone of the protectionist arch, and he said if wheat was taken away the whole arch would fall. I hope he was a good prophet, and I hope I shall be there to see the arch tumble.

Protection needs to be apologized for to-day. It was beaten in argument long ago, and on this continent. May I give to the House a brief exposure of protection, and a splendid motto for re-construction, from that great literary philosopher, Ralph Waldo Emerson. They have not all been protectionists in America. The best prose writer that country ever produced had this to say:

> The way to mend the bad world is to create the right world. Here is a low political economy plotting to cut the throat of foreign competition and establish our own; excluding others, by force, or making war on them—

He knew the connection between protection and militarism.

> —or by cunning tariffs giving preference to worse wares of ours. But the real and lasting victories are those of peace and not of war. The way to conquer the foreign artisan is, not to kill him, but to beat his work.

There is a fine moral tonic both for men and for Governments facing reconstruction, and here I would even be so venturesome as to try and improve upon the motto which the Minister of Finance has thrown out to this nation. He said: "Produce and save." I would say, "Work and trade." If you work hard enough you will not spend too much, and if you trade hard enough you have to produce stuff to trade with. Trade is before production. No one is going to produce things unless he can dispose of them. "Work and trade" would be the motto I would recommend to this country during reconstruction.

The argument for free trade was won long ago by words, but in this war, Mr. Speaker, I claim that it has been won to a world demonstration by events. How have fiscal policies stood the test of the greatest war the world ever saw? Great Britain raised seven million men to fight by sea and land. But for her navy not an American soldier could have landed in Europe. We have the high testimony of a man who does not waste words, General Foch, who says that in the last grim conflict it was the hammer blows of the British army that brought about the German debacle. Having done all that on land and sea in the early stages of the war, she financed herself, financed the Allies, and the outlying portions of the

Empire, and to-day she is the only belligerent country in Europe that is solvent. I hate to say anything that seems to reflect upon France, but facts must be stated, and it is a fact that France's notes would not run in the United States at this moment if they were not backed by the little free trade island of Great Britain. That is the record of how free trade stood the strain of the greatest war in history. We did our share in that war.

I have paid my tribute before to the men composing this Government who carried our part in the war to a successful conclusion, and I want to pay my tribute now once more to the Prime Minister of this country who shares with General Botha the proud distinction of being the only two Prime Ministers who have occupied that position from the beginning to the end of the war. That credit is coming to the Prime Minister of Canada. Credit is also coming to him for the very great patience and effort by which he formed Union Government, without which one questions whether the war would have been carried on as we, on this side of the House at least, wished it to be carried on.

Might I appeal to the party with whom I have been associated for two years to keep an open mind upon this question of freedom? We fought for freedom. Let us have freedom in Canada. I wish to end on this point as I began—I am not wedded to any special method of fiscal reform, but a great service will be done for the freedom of the world, a tremendous service will be done for the building up of this Empire, and for the development of Canada to greater glories along the financial and economic line than she has ever dreamt of, when the policy of British preference first enunciated by Sir Wilfrid Laurier and my hon. friend from Shelburne and Queen's (Mr. Fielding) is extended further until we have absolute free trade between the Mother Country and this great Dominion. Why should we not have it? Will Canada lose anything by being linked up to the greatest commercial entity of all times? Lose! She will gain infinitely. Great Britain is not only a tremendous market for the commodities which we have to sell, but she is the emporium for the world's commerce. Why should we not be linked up to her absolutely freely commercially.

When that intrepid man from Australia, Hawker, with his equally intrepid companion attempted his transatlantic flight amid the breathless excitement and expectation and hopes and sympathies of a world looking on, he could not do it from his own home in the southern seas. He had to come not far off from the shores of Canada to attempt his flight. Was there not in that an inspiration for us? Was there not a lesson for us in the fact? It is from the shores of Canada that this linking up process must be effected—a condition which will be one of the greatest compensations of the war. From these shores must come this linking up of all who speak the English language and understand and appreciate British institutions. It is from Canada, I reiterate, that all the linking up must originate. The little islands in the North sea held their hands out to us at the beginning of the war and they were readily and tightly clasped and held until together we carried the war to a successful conclusion. They are held out to us now again. We have a free market there for our goods. Five short days compass the journey between the two countries, and Canada's future greatness would receive a most tremendous impetus from this course. Our blood was mixed forever in union on the battlefields of Europe. We are united politically, and a rich blessing of material good, and the future peace and glory not only of the Empire but of the world, await the party or the man who will unite us to Britain commercially.

Mr. FRANK BAINARD STACEY (Fraser Valley): I shall ask the indulgence of the House for a short time while I endeavour to do two things. First, I desire to make a correction. On my arrival in this city and on entering this Chamber last Tuesday evening, and in attendance at the session of the House since, I have heard a statement continually made and which in my humble opinion is incorrect, and that statement I desire now to rectify in the presence of hon. members in this House. Hon. gentlemen have spoken on both sides with reference to the respective merits or demerits of free trade, and have cited the actions and attitude as well as the utterances of western farmers as though they represented all the farmers west of the Great Lakes. I think, Sir, that it is only fair for me to say, on behalf of at least one large section of those farmers, that they are not in sympathy with the deliverances of the Council of Agriculture and with your permission I shall read a document in order that their position may be more clearly understood:

Whereas,—An extensive propaganda urging material reductions in customs duties with the avowed object of ultimately abolishing all such duties and the establishment of a policy of free trade, is being carried on by the organized

farmers of the provinces of Alberta, Saskatchewan and Manitoba, the objects and purposes of this propaganda being set forth in the platform adopted by the Canadian Council of Agriculture and endorsed by the organized farmers of the three provinces named, and

Whereas,—The public announcements originating from these associations, and representations made by them to the Federal Government convey the impression that the farmers in the western part of the Dominion are practically unanimous in support of such policy, and

Whereas,—The impression thus created is not in keeping with the facts and it is important and necessary to the best interests of a large section of western farmers that such an impression should not be accepted by the Government and by the public,

Therefore be it resolved,—That we, the farmers of British Columbia, as represented by the organization named below, do not endorse or accept the tariff platform of the Canadian Council of Agriculture. That we protest against any tariff legislation in the interest of any one class or industry without due consideration of the welfare of others and the progress of the Dominion. That we favour the immediate appointment of a competent commission for the purpose of making a thorough investigation of the Customs tariff with a view to preparing legislation that will best serve the interests and welfare of the whole nation.

And be it further resolved,—That a copy of these resolutions be sent to each member of the Federal Cabinet, to organizations interested in tariff legislation, and that they be published in the daily press.

This is signed by four distinct bodies. Two or three of them favoured slight variations in the wording, but the document embodies in substance the judgment of the four. First of all, there is the Fraser Valley Milk Producers' Association representing about a thousand farmers; secondly, the executive of the Provincial Dairymen's Association; thirdly, the British Columbia Fruit Growers' Association; and last, but not least, the United Farmers of British Columbia. I think it is only fair, in commenting now upon their deliverance or upon their recommendations, to say—and I think it is right that I should mention the fact—that there was a difference of opinion in regard to the clause referring to the appointment of a "competent commission." Men who believe that the tariff question should be left outside the pale of party politics and be free from partisanship, regard the appointment of a commission as a proper means of settling the problem involved; while those who maintain that the tariff question should be determined by the party in power are of the opinion that the Government should make an inquiry and reach its own conclusion. With that single difference, Sir, the resolution which I have read expresses the opinion of the bodies I have named.

My second purpose in speaking is to say how I shall vote on this amendment, and to give my reason for my vote. Last night for the space of two hours or thereabouts we listened to the champion of protection (Mr. Cockshutt) delivering an address in favour of a high tariff policy. This afternoon for over two hours we have listened to the apostle of free trade enumerating its virtues as a national policy. I assure you, Mr. Speaker, that it is not my intention to enter into that discussion to-day. I could not fail, however, to notice one thing: That neither of these lengthy addresses was received with any marked enthusiasm by this House. I am not surprised at that. The hon. member for Brantford (Mr. Cockshutt) spoke of visiting the West. I may say to him that should he go to that part of Canada we should be delighted to see him, but if it should be his desire to deliver that speech there I would advise him to do so immediately on his arrival, for if he remained for any length of time before delivering it he would find that, in common language, it would not go. In many sections also of the great West the speech of the hon. member for Red Deer will have to be considerably modified before it will meet with a hearty reception.

It is not my purpose to discuss this question of free trade or protection. With many of the statements made by my hon. friend this afternoon I am in hearty accord. With others I disagree entirely, but that is neither here nor there at the present time. I wish as a private member of the House to state here and now why I propose to vote as I intend to do. The hon. member for Marquette (Mr. Crerar) saw fit in this House yesterday to state the reason for his disagreement with the Government on its fiscal policy and his desire to make that position known to the country. He had a perfect right to do so and the country will certainly read with very great interest the hon. gentleman's decision and the result of his deliberations. I claim as a private member the same right and the same privilege to state here why, as a Unionist and a former member of the Liberal party of Canada, I have decided to vote against the amendment of the hon. member for Brome (Mr. McMaster).

The hon. member for Marquette and the hon. gentleman who has just taken his seat stated at the outset of their addresses that the war was over and that therefore they were free to do as they pleased. I wish I was as sure as they are that the war is over. I wish in all seriousness that I could

bring my mind to believe that the actual day of conflict is over. One thing I am sure of, Mr. Speaker, and that is that the day of trouble and of difficulty is not over. One thing I am fully satisfied of is that apart from the single question of the loss of life which, I hope, will not be continued, as great troubles, as great difficulties and as serious problems confront us as confronted us during the last four years. During the period of the war this country as a whole—as a whole, I say—was united. We were agreed as a whole upon the great issue before us. Can anybody to-day, in his sane moments, assert that

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this country is united on almost any single question that could be presented before a public audience? It is not simply a difference of opinion on minor or superficial matters, but the people are at variance on questions which, in my judgment, are as vital to the well-being of Canada and as essential to the prosperity and success of this nation as were the issues before this country during the war. We are in just as serious a situation to-day as we were four years ago. I have recently crossed this continent and I know something of the spirit which prevails in the western provinces. The hon. gentleman from Red Deer made a very earnest and eloquent plea for the perpetuation of liberty in this country and in this House. Does my hon. friend not know that on this very day and for the last three or four weeks, there have been thousands and thousands of men and women in the four western provinces who have been fighting for liberty just as seriously and just as earnestly as they ever did during the four years of the war? We are not at peace. Were I the rankest free trader west of Winnipeg—were I the rankest free trader in Canada; moreover, were I a member of this Cabinet—I would think hard and long before I would take any step that even appeared to strike a blow at the Government of Canada. Hon. members on the other side of the House may smile at that.

Let me say that it is not simply striking a blow at Union Government. Men in this House do not know the facts. I have read in history that while Rome was burning, Nero fiddled. There is almost a counterpart of that situation at this day. It is not simply striking a blow at the Union Government; the situation to-day in the western country means striking a blow at government. Make no mistake about that. Let no one be so blinded by partisanship as not to realize that it is not any one Government that is assailed to-day. It is not Union Government and a Conservative Government is not now in the province of Manitoba. The aim is to strike a blow at government—all governments—and, therefore, I say with all modesty and seriousness that it is a terribly serious thing for any minister of the Crown at this stage of the game to even appear to strike a blow at, or to embarrass, the Government of Canada.

What is the situation? I am no alarmist. I am accustomed to be somewhat moderate and calm but a man must open his eyes to-day to the facts and acknowledge the truth. I said a moment ago that there were men and women in the provinces of the West who were literally and actually sacrificing and fighting to-day for liberty. Let me make that statement stronger. Let me tell the hon. member for Marquette and the hon. member for Red Deer and every other man in this House who regards the tariff as the supreme question that they are mistaken. West of the Great Lakes the one great thought running through the minds of men and women is this: Shall the Union Jack float over our cities or the red rag of revolution?

References have been made, Sir, by the eloquent gentlemen who have spoken—references are frequently made—to the labour men, and to the returned soldier. That reference has a popular ring; it is a fine appeal to the gallery. It is a splendid slogan to use, this appeal to the labour men and to our returned soldiers, as though Parliament were opposed in any way to the rights of the former and were not desirous of doing justice to the latter. Does this House not know—it surely must know—that this is not a labour strike? If any hon. gentleman does not know it, I take the responsibility of telling him—this is not, strictly speaking, a labour strike. I grant you it has the appearance of it, and I do not propose at the present moment to enter into any lengthened discussion of the labour situation—this is not the time for it. But I want to give the House two or three reasons for the assertion I have made. The materialistic philosophy of the nineteenth century gave birth to two great heresies: one of them, Sir, was the heresy of the superman, and the other was the heresy of the under man. The heresy of the superman had its culmination in Prussian militarism, and was overthrown upon the battlefields of Europe; the heresy of the under man has not yet been overthrown. Let no one think for a moment, as has been intimated, that the Bolsheviki terror is an aftermath of the war. It is

nothing of the kind. It was born long before the war. It was what I have termed the heresy of the under man. It was known in France first by the name of Syndicalism. It was known in Russia by the name of Bolshevism. It was known in the United States first by the name of I.W.W-ism. It is known in Australia, in Great Britain, and in Canada, by the name of "One Big Unionism." It is the same thing, gentlemen; it is the same thing in different forms. It has flourished in England during the war. It bids fair to enter upon a career that can scarcely be outlined. You know its dominancy to-day in Australia. It has had one fight already on this continent, in the city of Seattle, and was vanquished. The second conflict on the continent of America is in progress to-day in the city of Winnipeg. Do not be misled by the assertion that this is a labour strike.

That brings me, Sir, to another point. "One Big Unionism" has been seeking for a long time to secure the co-operation not only of labour but also of the returned soldier. Shall I pause a moment and repeat that "One Big Unionism" has been moving heaven and earth to secure the sympathy and the co-operation of our returned soldiers. To some extent, in some cases, I grant you they have succeeded. A few have yielded to the courtship and have given their sympathy and support to it, perhaps not knowing fully what they were doing —yet they have done so. But let me say that the great majority of the returned men of the Canadian West are true to the principles for which my eloquent friend (Mr. Michael Clark) made such a powerful plea —the principles of liberty. They will not be dominated in Canada by the underman, as they refused to be dominated in Europe by the superman. That is where the great struggle of this country is to-day concentrated: as to who shall obtain control of the great forces known as the labour element.

Now, Mr. Speaker, there are other things I would like to say, but shall not proceed further than to admit that we are to blame, a great deal to blame, for the labour unrest in Canada to-day. That is owing in part to two things. Let me say to you that the labouring men of this country have a very strong and pronounced objection to what are known in Canada as our land policies, both Dominion and provincial. We have made some great blunders in the past with regard to our public lands. The records placed on the table of the House the other day show that nearly thirty-two million acres of public lands have been given to corporations, and let me say in passing that nearly twenty-nine million acres of those were given between the years 1896 and 1911. In the parting with those lands is to be found one cause of unrest. Another cause lies in the fact that the great employers of labour in Canada have not dealt justly with the labouring men. I do not hesitate to say that because I believe it to be true. They have a feeling that until they used the weapon of compulsion they were exploited. They believed, rightly or wrongly, that they have not received a square deal in the operation of the great industries of the country. I shall not go further into that question except to say that from my own observation and study of this question there is only one solution. There is, I believe, one solution, but it is not along the lines suggested by my hon. friend (Mr. Cockshutt) last night, nor along the lines suggested by my hon. friend (Mr. Michael Clark) this afternoon. You could build a tariff fence around this Dominion eight rails high, with a rider on top of that again, and it would not solve the existing industrial problem. My hon. friend from Red Deer (Mr. Michael Clark) could tear down that tariff fence, level it to the ground and burn every rail, and still the difficulty and the unrest would remain. That would not help the situation. —It might satisfy him for a while, but it would not satisfy the great labour element of the country. What is the solution? It is simply this: A practical, sympathetic, and actual business co-operation with the employee. That, gentlemen, is the solution, in the judgment of many men to-day, of the great labour unrest which prevails in Canada. We have that industrial problem before us. The strike is not, I believe, in the last analysis, a real labour trouble; it is the subtle attempt to exercise influence and power, with the design of destroying government—all governments, any government. It is that power which is seeking to-day the co-operation of the labour forces of this country, and which, to some extent, appears to be succeeding.

Now, Mr. Speaker, if that be so, let us seriously consider whether or not it is our business to discuss hour after hour superficial questions, or whether we should not seriously and assiduously set ourselves to the task of really attempting to solve the great issue and the great difficulty which is confronting this country to-day. You read your papers morning after morning, and you note what is going on in that western country, and I want to say to this House

that this is no time for the discussion of questions which are not involved distinctly in the programme of Union Government as it was settled by the country in December, 1917.

Reference was made last night by the hon. gentleman from Maisonneuve to a visit to this House by Mr. Samuel Gompers. I thought he rather attempted to make light of that visit, to ridicule it. Perhaps not so, but that was the impression upon my mind. For my part, I am delighted that we had the opportunity of hearing and recognizing such a champion of labour as Mr. Samuel Gompers. If there is one man on this North American continent, especially in the United States, that the I.W.W. and other revolutionaries are attacking from every angle it is Samuel Gompers.

Hon. Mr. LEMIEUX: My hon. friend is mistaken. I never alluded to the visit of Mr. Gompers. I was here and welcomed him and was proud to have him the guest of Canada. I alluded to the telegram sent by the Minister of Labour to Mr. Gompers.

Mr. STACEY: I am glad to have that explanation.

Mr. LEMIEUX: I am a great admirer of Mr. Gompers.

Mr. STACEY: I am glad to know that my hon. friend did not exactly mean what he appeared to say.

Mr. LEMIEUX: The hon. gentleman ought to accept my explanation. If he was not here last night he might read Hansard.

Mr. SPEAKER: Order. The hon. gentleman clearly accepted the statement of the member for Maisonneuve.

Mr. LEMIEUX: No, Mr. Speaker, he qualified his acceptance.

Mr. TRAHAN: He did not understand what was said.

Mr. STACEY: I shall make another attempt, Sir. The hon. gentleman made reference to a man whom he termed the leader of this movement in the city of Winnipeg, and wanted to know who he was. Is that right? Now, I shall tell him. Until a couple of years ago the gentleman was the pastor of a church of one of the larger Protestant denominations in the province of Manitoba. That relation was severed. Since then he has been nominally the spiritual guide of the revolutionary party, and of the labour party also, in the city of Winnipeg. And I have one other item of information to give the hon. member which may not be so comforting—this same gentleman was the recognized leader of the anti-conscriptionist party in the city of Winnipeg during the last election.

Now I come, Sir, to what I may call personal reasons why I intend to vote against the amendment. The hon. gentleman from Marquette told us yesterday that he was going to vote against the Government because of principle. I do not claim to have principles any better than those of my hon. friend. But I am an older man, and perhaps my convictions are a bit deeper in consequence. The war has come to him, I presume, as to many another man as a citizen of Canada. But, Sir, the iron has pierced my soul—time can never heal the wound. What I have said with regard to myself can be said with regard to many a man in this House. To many of us, as to thousands more in this Dominion, home and the family circle is but a memory. We gave our best without regret, and there are homes in this country that will never again see the light that once shone around the fireside. But it will be a long and dark political night before the sun will rise upon the day that will see me again ally myself with that party which, when the fate of the nation was in the balance and the perils of war seemed about to overwhelm the Empire, refused to support the fullest measure of help that it lay within the power of the Dominion of Canada to give.

Mr. Speaker, I propose to vote against the amendment and with the Government.

Mr. ARTHUR TRAHAN (Nicolet): Mr. Speaker, although the vitality of a nation must not be circumscribed in financial matters, yet these questions are daily taking a greater place in the life of humanity. Figures and numbers do not govern the world, but they are very useful to teach us how a nation is governed. The financial problems confronting our Dominion as a consequence of the war are of paramount importance, and during many years they will dominate our political life.

Canada's prosperity will mainly depend upon the solution given to those problems. It is then our duty to examine them in all their complexity, and to study very carefully the relations existing between the public finances, the private credit and the general economic organization of the country. When you consider, Sir, that our national net debt has increased from $336,000,000 to $1,584,000,000 on March 31, 1919, and that it will amount to $1,950,000,000 in 1920, which means an increase from $43.69 to

$220 per capita, and that the carrying charges on this debt have advanced from $1.96 per capita in 1913-14, to an estimated $15.33 per capita for the next fiscal year; when you find that every man, woman and child in the Dominion paid last year approximately $18.45 in customs taxes, the Government having collected $147,000,000 of customs duties and our population being approximately 8,000,000 people; when you ascertain that the cost of living has more than doubled, its increase being 115 per cent, and that the purchasing power of the dollar is gradually decreasing; when finally you have a deficit of $402,000,000 for the last fiscal year, and when you are told that for the next fiscal year there will be another enormous deficit; when you know that Canada will continue to live upon borrowings, you are amazed at the seriousness of our financial and economic situation, and as was said by a friend of the Government, you "cannot see where we are going to land unless it be in repudiation or bankruptcy," and if I rightly understood the hon. member (Mr. Stacey), I may add, in revolution.

What policy has the Government adopted to prevent such a calamity? Have the ministers been clearsighted? Have they spoken plainly, openly? Did they expedite matters with boldness and courage? No, Sir, on the contrary, they sheltered themselves and their responsibility behind commissions of which the weak point is to delay, more than is reasonable, useful solutions. We have the Commission on Labour and Industrial Unrest; and, Sir, the strikes are going on with all their troubles and disastrous consequences. We have the parliamentary Committee on the Cost of Living, appointed only at the end of this session. Finally, the Minister of Finance, in his Budget speech, tells us that we shall have a tariff inquiry, not now, but probably next fall. And yet all classes of society are anxious to have this question speedily settled.

It is time to clarify such a vitiated atmosphere, to reform these unfair practices if we wish to restore vitality and efficiency to our national organism. The people of Canada are sick and tired of commissions, inquries and reports, which, always ending only in speeches and gestures, indicate on the part of the Government their incapacity to conclude, move, and do something. The masses know that, in ordinary life, mediocre solutions coming in due time are preferable to perfect but tardy solutions. They feel that a firm and steady decision is more beneficial, chiefly in financial matters, than hesitation and contradiction. The Government should not forget that there is responsibility in inaction as well as in action. Moreover, responsibility in inaction is heavier, because inaction, under present circumstances, is synonymous with cowardice on the part of Government and engenders, in the masses discontent and Bolshevism.

The most absorbing problem in our economic life is to determine how our Dominion will be able to create new capital and how we can extinguish first the currency inflation and then the fiscal inflation, so that we may come back as soon as possible to a lower cost of living. Reductions in the cost of living would involve a lowering of the cost of labour and of manufactured products, and then would favour an increase in internal consumption and the development of external trade. Speaking on the Budget, last year, I said:

> The Government should cease to finance this country on paper. I warn them against the evils of such a policy. It will create further depreciation and economic tension. If they continue to increase this fiduciary circulation without adopting proper means to redeem it, they will make the trouble worse instead of better.

Unfortunately, the Government did not take these remarks into account, for our gold reserve, which was in August, 1914, 86 per cent of the total issue of $112,000,000, and 47 per cent in March, 1918, has been, according to the statements made by the Minister of Finance, reduced to 38.92 per cent in March, 1919, thus showing a decrease of 47.08 per cent since the outbreak of war. We are obliged to admit that our paper currency, particularly our Dominion currency, is in a state of inflation; that it is more and more watering, that our Dominion dollar is shrinking and that its purchasing power is lowering to a dangerous extent. The sole test of the dollar is what it will buy, and it rises and falls by that standard.

As stated by a correspondent of the Gazette, on March 10 last, "When paper issues increase beyond the maximum requirements of circulation for domestic business purposes, prices of commodities increase in approximately the same degree; and the more irredeemable paper issued, the greater the demand for currency to purchase commodities at the higher prices."

The same opinion was truly expressed by Mr. C. H. Cahan, in a letter published in the Financial Times on April 19 last. After having demonstrated that the basic circulating medium of the Government, which stood at $114,000,000 on June 30, 1914, has been diluted by the issue of an additional

issue of over $98,000,000 of irredeemable fiat currency, he adds:

> It is a recognized economic law that such dilutions of the basic currency of a country inevitably decrease the purchasing power of money, or, in other words, increase the price of commodities; and this has undoubtedly occurred in Canada to some extent.

We think that a dollar is worth what it was when the war began in 1914. But it is not. The purchasing power of our dollar has decreased to 40 cents, as compared with pre-war prices, for the cost of living, according to statistics published by the Department of Labour, has increased by 115 per cent. The value of the purchasing power of our dollar, which is 40 cents, corresponds almost exactly with the amount of the gold guarantee that we have for each dollar and which is now 38.92 cents.

The Minister of Finance, who proudly says that the bank deposits in Canada almost doubled in the six years period from 1913 to 1919, should have added that this increase cannot be construed as evidence of an increase of wealth, and that it is more the result of currency inflation than of the people's savings. In reality, you have, it is true, $1,604,649,034 deposited in the banks, but the purchasing power of this money being cut down to 40 per cent per dollar, as compared with pre-war prices, you can buy on that basis only $641,859,-613 of goods, services or commodities; that is to say, $347,333,754 less than in 1913, since at that time we had bank deposits amounting to $988,191,367, and our dollar was not cut down to 40 cents but had a full hundred cents purchasing power. Consequently we can safely affirm that the national savings are more apparent than real; indeed, if you apply to them the test of purchasing power, they have fallen more than three hundred and forty millions of dollars since 1913. This is not to the credit of the Government who, by their improvident policy of issuing irredeemable currency contrary to the law, have hypothecated the future of the country to an alarming extent, forgetting that monetary inflation, caused by the enormous development of governmental credit and emission of fiat currency, is not the proper means to obtain more goods and services, but constitutes, in reality, a debt which must be liquidated sooner or later.

I entirely agree with the Minister of Finance when he says that " the policy will be to gradually restore our note issue to the statutory condition, which requires us to hold in gold twenty-five per cent up to fifty million dollars of note issue, and dollar for dollar for any further issue." Further, I say that this should be done in the very near future. Great Britain has appointed a committee on currency and foreign exchanges after the war, to consider the various problems which will arise in connection with the currency and the foreign exchanges during the period of reconstruction, and report upon the steps required to bring about the restoration of normal conditions in due course. In Canada this work should be immediately done by the Treasury Board.

It is more than ever time for us to get back to sanity in matters of currency, because there is nothing more dangerous to the well-being of the people than inflation of money.

One of the most evident revolutionary ferments is the cost of living, the rise in price of all commodities necessary to life. It is also evident that the unlimited issue of currency notes has largely helped to modify the level of prices, and consequently, to aggravate the unrest.

According to a financier of world repute, Lord d'Abernon, " 80 per cent of the present industrial troubles and of Bolshevism " in England are due to the " enormous displacement in the value of the money;" he makes the further statement that " changes in the value of currency in which wages, salaries and other forms of remuneration are paid are the real cause of the prevailing unrest."

We have the same conditions in our country; when the cost of living goes up more rapidly than salaries, we must not be surprised if the wage-earners are always asking for higher wages and go on strike in order to obtain a living wage.

We have two evils to combat: insufficiency of producers and the crowding of all kinds of middlemen beyond regular trade. The Government, instead of encouraging the former and of restraining the greed of the latter, has adopted as its panacea for solving all our war-problems the easier course of manufacturing money; this policy was an inducement to profiteers to increase their prices and has been the source of nearly all our labour unrest; and the Government must be held responsible for these monetary and fiscal inflations which have accentuated the hardships of the consumer by maintaining and keeping up the high cost of living. They deserve absolutely the criticism which the Economist of London applied to the British Government, on November 2 last, in the following terms:

"Thus the huge increase in paper money and bank credits, which has helped to push up prices, has swollen the cost of the war, and has caused an atmosphere of suspicion and unrest of which we may not yet have felt the full effects, is shown clearly to be due to the failure of our war Governments to get money in the right way, and their short-sighted abuses of their power of manufacturing money with the reluctant help of our bankers. If our Government had had the courage to take the money needed by taxation or forced loans instead of making new money and so depreciating the whole currency of the country, we should have been spared many an evil legacy which will complicate the after-war position."

I repeat, Sir, that we must come back to sanity in matters of currency if we sincerely desire to relieve the people by reducing the cost of living, and to prevent further labour unrest and troubles. It is our imperative duty, if we wish to attain these ends, to promote the deflation of our currency, even if such deflation were to be temporarily grievous, because it is better for our country to endure transitory difficulties than to enjoy a fictitious prosperity which will be the source of a permanent crisis and may be the cause of repudiation, bankruptcy, or revolution.

What are the remedies for our present calamitous financial, economic and social situation. And does the Government intend to apply these remedies?

It is a recognized fact that the state expenditures are one of the main causes of inflation; hence, it is absolutely necessary that they should be minutely controlled in order to reduce them. The hon. member for Neepawa the other day recommended the establishment of a parliamentary national expenditure committee, such as there is in England, and I heartily approve of the suggestion. As stated by the London Economist, quoting the report of the British Committee on Currency: "Money needed for reconstruction purposes should not be provided by the creation of new credit, and, in so far as such expenditure is undertaken at all, it should be undertaken with great caution. . . . . The shortage of real capital must be made good by genuine savings. It cannot be met by the creation of fresh purchasing power in the form of bank advances to the Government, or to manufacturers under Government guarantee, or otherwise, and any resort to such expedients can only aggravate the evil and retard, possibly for generations, the recovery of the country from the losses sustained during the war. A timely recognition of these homely truths would enable many well-meaning gentlemen, who propose to cure all our post-war ills by multiplying money and credit instead of goods, to take a well-earned holiday, most beneficial to themselves and to the public."

Well, Sir, when you consider the enormous amount of expenditure for the present fiscal year you naturally try to find the reasons why these expenditures are progressively growing so rapidly and so unwisely. The answer is that the ministers have so great a love for big private interests that they lose sight of general and national interest. Instead of resolutely cutting down every expenditure which is not absolutely necessary, and of abandoning the policy followed in this country for many years, they adopt a policy of reckless extravagance, not in accordance with the financial and economic possibilities of Canada. Yet, the re-establishment of the equilibrium between revenue and expenditure with surpluses is necessary and more important than the execution of all philanthropic and financial schemes conceived by men saturated with the idea of governmental paternalism.

It is quite evident that the revenue necessary to meet the $438,000,000 required by the Government to provide for the expenditures mentioned in the Estimates, not including the amount required for demobilization, will not come from income or earnings, and that we will be obliged to cover the deficit by the creation of new credit, either by the issue of new currency, or by way of loans.

With the Weekly Sun, I am of the opinion that, under present circumstances, to borrow money to give employment at war wages upon unproductive public works such as highways, Welland canals, public buildings and railways, is not justifiable in the general interest. It merely defers for a short time an inevitable crisis in the relations between urban labour and capital, and tends to aggravate that crisis.

Nations are like individuals; when they have not sufficient financial resources to make improvements, they must delay them, especially if the country suffers from currency and fiscal inflation, which increase the cost of living and cause labour unrest.

If the Government was anxious to find a remedy for the abnormal situation actually confronting us, they should adopt a policy of curtailment of expenditures and set the example of economy. But, they prefer to

favour their good friends, the profiteers, to the detriment of the people, by accumulating deficits and increasing, for unproductive works, the national debt.

Government borrowings should cease at the earliest possible moment, if we wish to get rid of all these inflations, to reduce the cost of living, and to prevent more industrial unrest. The first way to realize these purposes is to proportion our expenditure to our revenue and to reduce the deficits. The Government has chosen another course, they are wasting money, they want to borrow again and again, and I charge them with being the direct cause of the unrest prevailing in the country, and which is largely due to the high cost of living resulting from currency, credit and fiscal inflations.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. TRAHAN (Resuming): When the House rose at six o'clock I was saying that if the Government was anxious to remedy the grave evils confronting our Dominion, and consisting in the high cost of living and labour unrest, its duty was to stop borrowing, make the expenditure correspond to the revenue, permit the deflation of currency, and take all proper measures to lessen the fiscal inflation.

Another remedy to cure the existing evils would be to increase our production and our export trade,—which brings me to the tariff question.

The hon. member for Fraser Valley (Mr. Stacey) stated this afternoon that in view of the fact that there existed in Canada the menace of revolution and general unrest all over the Dominion, it was no time to discuss the tariff question, and for that reason he would vote against the amendment moved by the hon. member for Brome and in support of the Government. May I be permitted to tell the hon. gentleman that as the Government, by its policy of inaction, is directly responsible for the existing general labour unrest, he would have good ground for voting against it, because he himself says that that unrest is a bad thing for Canada.

As a Liberal I am theoretically a free trader because, as Cobden said, "Free trade is the best factor for peace." Sir, respect for liberty, property, peace and harmony will only exist when men rise to that level of international morality evidenced by economic co-operation, and which consists in the free exchange of the commodities necessary to life. Otherwise, humanity is greatly exposed to fiscal tyranny and to the injustice which characterizes its operation. I may add with Mr. George Evan Putman, president of the American Free Trade League, that "if we repudiate Prussianism we must also repudiate its brother, Protectionism." But, Sir, taking into consideration the new conditions created by the war, the enormous debt and the annual charges which confront us, we must all admit that it is altogether impossible to have, for the present, absolute free trade in Canada. It would be also more dangerous to continue the practice of adequate protection in our commercial relations with other countries. It is sufficient to quote the maxim of free trade: Laissez faire, laissez passer,"—"Let do, let pass," and to bear in mind the imperative "Produce and export," which must be the programme of this Dominion, to understand that in the future the mere application of either protection or free trade in its entirety would become more and more difficult. A judicious, practical, and patriotic opportunism must, above all during the new era of reconstruction, actuate and direct every true Canadian in the most noble enterprises for the economic renovation of this Dominion. We must of necessity have sufficient revenue to pay the interest on our war loans, the pensions to our soldiers, and the ordinary expenditure, without being obliged to resort to new borrowings.

Consequently we may without any protectionist views, but only for fiscal purposes, provide a part of the necessary revenue by way of fiscal duties, but it cannot be a question of protective or prohibitive duties. There is antagonism between fiscal and protective duties. The former, which exist in England, the classical land of commercial freedom, have for their sole object the providing of revenue for the treasury; they are not intended to prohibit the entrance of certain products, or to raise the prices of certain national products. On the contrary, the protective duties are naturally prohibitive. President McKinley said that they are not designed to increase the national revenue, but by prohibiting the importation of the protected products to reduce, or to even suppress revenue.

We have now adequate protection, and the Budget proposals do not alter our protective duties. Bearing in mind that after having first of all provided generously for the home consumption of natural products,

we are bound to increase our own export trade if we want to accumulate national wealth and to have a better rate of exchange—as is well known, the present rate of exchange against Canada is 3 per cent—considering that the development of our export trade is in direct proportion to the Liberalism of our tariff, and that in matters of external trade the rule "Do ut des"—"give in order to receive"—is rigorous and strict, that industrial progress to be satisfactory should not strangle agriculture—which is intrinsically essential to this country and must be developed to the utmost in order to have a prosperous Canada—I enthusiastically support the amendment moved by the hon. member for Brome, which embodies the policy of the Liberal party and the claims of the farmers of this country, as regards reduction of the customs tariff, free food, free agricultural implements, and the revival of the reciprocity agreement. This amendment constitutes a step forward in the right direction, and every one admits that in this matter we must proceed gradually but surely.

The Minister of Public Works (Mr. Carvell) and many other members have asked this House, where we are going to get the extra revenue which we shall require to meet the state expenditure. They speak of an estimated annual deficit of $100,000,000. Would it not be more proper, Sir, to look carefully into the Estimates, to examine seriously the various proposals made by the Government, in order to ascertain if it is not possible to economize and practice the thrift so eloquently preached by the ministers on the treasury benches? What we should do in the future is to refrain from extravagant and wasteful expenditure. I venture to say, Sir, that the Government could have saved this year the estimated deficit of $100,000,000 by putting off the shipbuilding programme, $30,000,000; the housing scheme, $25,000,000; the highways vote, $25,000,000; by not granting to the soldiers so generous a bonus, which, according to one of their best friends is "absolutely absurd and ill-considered," and will cost millions and millions of dollars; by not assuming the deficits of the Canadian Northern railway and the Grand Trunk Pacific railway; by making reductions in the number of civil servants; by abolishing the information bureau and the Canadian Official Record. If the Government followed this policy of retrenchment we would not have to face deficits and we would not be obliged to borrow to the detriment of this country.

As to the income tax, Sir, I may say that it should be the incumbent and necessary correction of the fiscal duties. But I regret that it is much lessened by the fact that the Victory bonds are exempt from taxation, and I may ask, with the Financial Times, "What is the good of an income tax if the incomes on $1,250,000,000 to $1,500,000,000 is not to be taxed?" For my part I say: Away with tax exemption. And I sternly blame the Government, as I did last year, for having exempted such bonds from taxation. This is an unjust policy, and to illustrate that I wish to put in Hansard two extracts which, to my mind, prove conclusively how great has been the mistake of the Government in adopting such a course. The first extract is taken from the Labour World of August last year.

This paper is the organ of labour in the city of Montreal, and the article that I quote is entitled:

> The Income Tax, a boon for the rich. A legislation which enables profiteers to accumulate their gains instead of forcing them to bear their share of the burden imposed by the war.

The article reads:

> The law, as it stands now, provides for the taxation of excess profits and surplus of revenue over a certain definite amount, but provides also for the exemption of all money invested in war bonds or war charities. And of course, every practical financier will invest in war bonds bearing a fair rate of interest all the money that otherwise the government would seize for war purposes. The excess profits, instead of being confiscated, as it was intended by the Income Tax Act, is being borrowed by the Government, and the mass of the people will have to pay the interest on same later. Thus instead of relieving the poor it adds to their burden.
>
> By the tax exemption on investment in war issues, these bonds are as good to a man with a $6,000 yearly income as would any other investment at 5.73 per cent. To a man having an income of $12,000 per year these bonds are as good as another investment yielding 6.10 per cent. To a $80,000 a year income, they are worth 7.47 per cent. To a $500,000 income, they are worth 11.61 per cent and to a $1,000,000 income these bonds are worth 20.29 per cent.

I may say that these calculations were made under the old law. If they were made on the new rates proposed in the Budget, the rates of interest on these bonds would be higher:

> Moreover every one agrees that our income taxes are most likely to increase in which case the above figures will be more discriminating.
>
> As these bonds are only worth 5½ per cent to the man whose income is less than $2,000 a year, it is obvious that tax exemption in that case as in any other case, becomes class favouritism. Well, class favouritism is the very thing that this war is intended to abolish and which we all strive to strike out. Class favouritism does not exist at the front, why should it be main-

tained at the rear? The poor have readily given their lives for the defence of the country and civilization; they have contributed to a large extent to the various patriotic enterprises and war relief funds. The rich are still evading their duty, though they appear to be very generous. They want compulsion for all except for themselves, and when investing their profits in war bonds they are being credited with patriotic instincts, although it is a means of escaping taxation.

It may be said that this extract comes from a radical source. I have thought proper to quote another extract coming from another source, from a financial paper, the Financial Times, of Montreal, the organ of many financiers in that city, in an article published on August 3, last, said:

Great Britain and the United States tried the tax-exempt bonds, but found that the exemption was not necessary. Patriotism in those countries apparently was not to be measured by interest bonus or tax exemption. Those countries did not underestimate the spirit of their people.

As the present Government has done by adopting the policy it has adopted regarding these bonds.

The future danger of present tax-exempt bonds is the danger of permanently high rates of interest. General interest rates always pivot around the prevailing rate of Government bonds. Government bonds provide the yield basis upon which all moneys for social (municipal service and industrial development are borrowed. Whatever a government bond yields, the graded securities must regulate their interest yield accordingly. Money borrowed for purposes of the pulp mill, the steel works, the street railway or the school board, must be borrowed at a rate which will appear attractive in comparison with government bonds.

Therefore, a load of tax-exempted bonds will have some very serious possibilities: it relieves the rich man of a definite duty towards the State; it places the onus of taxation upon the poor man (by indirect taxation on necessities); it raises the rates on money for industrial enterprise, the effect of which would be to make money so expensive that further development would be checked; and it puts a price and a prize on patriotism when no price or prize is asked.

If we all are equally to share the burden of the cost of freeing the world from the Prussian influence, we cannot do it by exempting from taxation a billion dollars or more of the money spent in the fulfilment of that purpose. The word exemption should be taboo. It does not fit this democracy.

I hope the bearers of these bonds will follow the advice given to them by the Minister of Immigration and Colonization (Mr. Calder), when addressing the Westmount Canadian Club, he said:

Many people made money during the war and tucked it away in Victory Bonds. Unless some one is ready to loosen a little of that money in order to tide over the situation, that is to say, to provide employment—well, just think about it.

I hope also that the Government will adopt a better method in negotiating our next domestic loan.

There seems to be a consensus of opinion that the income tax must be collected on a graduated scale. It is necessary to guard strictly against false declarations by the taxpayers, otherwise the income tax may be a tax on honesty, the honest taxpayer paying while the clever hypocrite evades the tax, and owing to an important political situation the latter is assured the benevolence of the Administration. The income tax must more and more admit of a system of wide publicity. Public opinion has the right to exercise an efficient control over the participation of every citizen in the national taxation. I therefore respectfully suggest that an annual report should be made to Parliament in the first ten days of the session, giving the name and residence of the taxpayer, the class in which his income falls, the amount of income tax paid, and the amount exempted. Some may object that secrecy or privacy is necessary in business. But these objectors are the first to go to mercantile or information agencies and make inquiries on the financial standing of the industries, contemplate dealing. After all, we must recognize that the actual situation of everyone in his relation to the public treasury should be known by the public; not in full detail, but that we may know the class in which he should be placed according to his own declaration. In my humble opinion this would be an excellent method of preventing false and fraudulent declarations.

Another class of people who often try to evade the income tax are the holders of shares, bonds, debentures, and other personal or moveable property. To prevent these evasions I would urge the Government to establish a system of registration so that each owner of bonds, shares or other personal property would be obliged to register against his name the amount of his personal property, and in case of sale the transfer would be noted under the name of the new owner. A penalty should be imposed for non-compliance with the law, and in case of recidivism, such moveable property, that is to say, shares, bonds, debentures, etc., should be confiscated. I believe this method would to a certain degree settle the action of moveable capital, limit its power, prevent evasions of the Income Tax Act, and facilitate the work of the tax collector. Moreover, every person should be compelled to make a return show-

ing whether or not he is liable under the Income Tax Act, and the names of those making fraudulent declarations should be published. We should also adopt the distinction made in England between earned and unearned income.

I sincerely believe that if these suggestions were adopted and put into practice the income tax, which yielded only ten million dollars last year, would produce a much greater revenue. One word more on this question. The Minister of Finance was right when he said that " carried beyond a reasonable point," the income tax " can only defeat its purpose, with consequences detrimental to capital, labour, and the community as a whole." Why? Because it would then become a cause of rack for the ratepayer, a device to an arbitrary distribution of wealth, and at length a great factor of impoverishment. I notice that the tax on the smaller incomes has been increased by one hundred per cent, and I would ask the Government to reduce the tax for this class.

In conclusion, let me say that the Budget proposals are not satisfactory. They do not attempt in the slightest degree to solve for the benefit of the masses the problems of the cost of living and industrial unrest. On the contrary, by the inflation of national expenditures, by adding further to our currency inflation, by increasing the cost of living, they will aggravate existing evils and cause greater labour unrest. The Government, instead of practising financial wisdom, that is to say, moderation in expenditure, prudence in taxation, and a stubborn struggle against the increasing of the national debt, lavishly spends public money, accumulates deficits and borrowings, manufactures new money and credits to encourage profiteers, and dislocates our national finances. In matters of fiscal policy they always " wait and see," forgetting that if they desire to avoid new and greater catastrophies and disasters their duty now is first to be clear-sighted, then to speak plainly and openly, if they have ideas, and finally to be courageous enough to act quickly. But they prefer to postpone solutions and to continue, on this tariff question, to bilk ideas and facts with words.

Well Sir, we on this side of the House strongly condemn this sluggish and suspicious attitude of the Government. We emphatically declare that at the present juncture there is not a more imperative and solemn duty than the accumulation of national wealth in Canada. It is a sacred duty in the interests of the families who have contributed their best manhood to the cause of the Allies and have shed bloody tears during the past years of trial. There is no more sacred duty than the careful preparation for the future of our country and the ensuring of its permanent prosperity. There is no more sacred duty before us than to provide employment for the returned soldiers as soon as they are reestablished in civil life. There is no more sacred duty to our beloved Canada than to enable her at the earliest possible moment to pay the heavy debts that she has incurred in order to assure the triumph of liberty and right. It is a sacred duty, if moral and social order will prevail in our country, to make an earnest appeal to every true and faithful Canadian to join in a patriotic movement to the end that we may promote the welfare of Canada and realize in the result national strength and national unity.

Hon. NEWTON W. ROWELL (President of the Privy Council): Mr. Speaker, I shall not attempt to refer at any length to the remarks of my hon. friend who has just taken his seat (Mr. Trahan). He has criticised the financial administration of this country during the war, and as I followed his observations, two of the main points of his criticism appeared to be, first, the inflation of the country's currency, and secondly, the extent and character of our borrowings. Just a word in reference to this in passing. My hon. friend, who appears to have made some study of this question, must recognize the fact that inflation of currency is, to some extent at least, inseparably associated with a war such as that we have just passed through. But I believe that the records will show that Canada has less inflation of her currency than any other country that entered the war at the time we did. I desire to pay my tribute to the Minister of Finance (Sir Thomas White) for the splendid manner in which the finances of Canada have been managed during this war. I think that when you compare Canada's financial record in the war with the record of any other country, it will be conceded that no Government can show a better record of judicious handling of the country's finances, and that in no other country have the people responded more readily to the appeals of the Government for financial support in carrying on the war.

Just one word with reference to the borrowings of the country. My hon. friend from Red Deer (Mr. Clark) touched on this point, and he suggested that the Victory bonds had got into the hands of a few

capitalists and were exempt from taxation. That was the substance of a portion at least of the complaint he had to make. I think my hon. friend, in speaking as he did, could not have had in mind the actual facts of the situation. In the Victory Loan of 1917 there were no fewer than 820,035 subscribers, and in the loan of 1918 no fewer than 1,067,879 subscribers. Now, Mr. Speaker, when we recognize the fact that many of these subscribers were heads of families, it is apparent that the number of subscribers represents a very much larger percentage of the population of Canada than the actual number of names, and I venture to think that if we could trace out the number of families represented, we would find somewhere from a quarter to a half of the entire population of Canada directly interested in the Victory bonds subscribed for in the last loan. I am not going to enter into a discussion to-night of the question as to whether or not bonds should be exempt from taxation, but I wish to point out that these bonds are in possession not of the rich alone. The rich have some, but these bonds are owned by all classes of people throughout the entire country.

Mr. DUFF: Is it not a fact that a large number of these bonds have since changed hands and gone into possession of large investors?

Mr. ROWELL: My information is that comparatively few have changed hands. The people do not wish to sell them. The credit of the country is so good that the people are glad to have the bonds. But whether they have changed hands or not, the fact is: The terms upon which a loan is put on the market govern the price at which it will be taken and the extent of the subscription which will be made to it. And in putting this loan upon the market, the Finance Minister, having regard to the condition of the market and the demands which had been made upon the Canadian people, considered that the terms were fair to the subscribers, fair to the people as a whole and were such as would ensure that the Government would get the money necessary to carry on the war, and maintain our forces at the front. So far as the work of the Minister of Finance is concerned, I have had an intimate knowledge of it only during the past eighteen months, but I have generally observed it during the three and a half years preceding, and I want to say that I do not know of any finance minister of any country at war who has handled the finances of the country better and has achieved finer results than has the present Minister of Finance. These are the only observations I intend to make with reference to the remarks of my hon. friend (Mr. Trahan).

With regard to the remarks of the hon. member for Red Deer (Mr. Clark) I would like to make two or three observations which I am sure the hon. gentleman will not take amiss. I have always listened to him with the greatest interest and have always been able to gather valuable information from his addresses. But I must confess that to-day I did not think that either in the substance or in the manner of his deliverance he was equal to his best efforts in this House and elsewhere, and I felt it was due to the fact that he was not on wholly sound ground in a portion of his address.

Mr. McMASTER: He was trying to say a good word for you.

Mr. ROWELL: The hon. member always has a good word to say for the Union Government because he recognizes its merits. My hon. friend's criticisms of the Government's fiscal policy as I recall them, laid special emphasis on two points, apart from the general discussion of protection and free trade, into which I do not intend to enter. First, he criticised the duties on food, and discussed at considerable length and with great force the importance of food supply and also the high cost of living. In connection with that argument he made two points. First, his argument was that the duty should have been wholly removed from foodstuffs; and second that the high prices of food in Canada were not due to any shortage of food in this country. He held that we had an abundance of food in Canada, and attributed the high prices to the hoarding of food and excessive profits made by the profiteers. Let me say in passing, that if the food is in the country and if the scarcity of it and the high prices are due to the two causes mentioned, I confess that personally I cannot see how the removal of the duty would have stopped hoarding or affected prices. I deeply regret for many reasons, but to-night particularly for the reason I am about to mention, that my hon. friend the hon. member for Marquette (Mr. Crerar) has retired from the Government. It is a matter of deep regret to all his colleagues, and especially to me, because our relations have been the most cordial and sympathetic from the day we entered the Government together. But I wish my hon. friend had been in my place here to-night to defend his adminis-

tration in relation to the prices of food and the work of the Canada Food Board. I am sure the hon. member for Red Deer did not realize that this afternoon he was delivering a strong criticism of the administration of my hon. friend the former Minister of Agriculture.

He was in charge of the food board and of all these regulations during the past fifteen months. The food board under the administration of my hon. friend the ex-Minister of Agriculture, did take steps to deal with hoarding; they did take steps to cut down excessive profits; they did take steps to protect the public. I believe that my hon. friend the ex-Minister of Agriculture took such steps as he believed to be effective and as he believed to be in the public interest. My hon. friend the ex-Minister of Agriculture will agree that he never submitted any proposals to the Government, he never made any proposition to his colleagues, to regulate the price of food and to prevent hoarding or to limit profits, that his colleagues did not most cordially support. He had the backing of his colleagues in connection with every effort he put forth in this direction.

If there was any friend of the food profiteers in the Government, it must necessarily have been my hon. friend the ex-Minister of Agriculture and I think it is only necessary to state the proposition to convince the House and the country of the absurdity of the suggestion no matter from what quarter it may emanate.

Mr. MICHAEL CLARK: I do not want to pry into Cabinet secrets, but I would like to know if my hon. friend (Mr. Crerar) ever suggested taking the tariff off foodstuffs?

Mr. ROWELL: I know that my hon. friend (Mr. Michael Clark) is very able and very clever but I was dealing with the proposition which my hon. friend put forth when he said that the high cost of food in this country was due to hoarding and excessive profits.

An hon. MEMBER: Answer the question.

Mr. ROWELL: Let us keep to the point under discussion and I will deal with the other question when the time comes. Confining ourselves to this question, what I am saying to the House, to the country and to my hon. friend is: My hon. friend the ex-Minister of Agriculture had charge of that branch of the public service. He administered it with great efficiency. If there was any failure it was failure on his part to recommend to his colleagues what further steps should be taken, but I do not believe that there was any failure on his part. He did his duty as he saw it with the results that we see in the country to-day.

An hon. MEMBER: You are not very complimentary to your former colleague.

Mr. SPEAKER: If the hon. gentleman desires to address the House he should do the House the courtesy of rising and addressing the Chair.

Mr. DUFF: Mr. Speaker, we were asked a question from the other side of the House. I said it would be more complimentary to the former colleague of the hon. gentleman (Mr. Rowell) not to discuss Cabinet secrets before the hon. ex-Minister of Agriculture resigned.

Mr. ROWELL: I am not discussing secrets; I am stating facts. Then, let me refer to some of the measures taken to deal with this matter. I only touch upon them because I know that my hon. friend from Red Deer wishes to be fair and does not wish to misrepresent the position of the Government one iota. Take the question of the profits of the big packers and cold storage men which has been so much discussed in this House. What was done under the administration of by hon. friend the ex-Minister of Agriculture? Regulations were imposed which, in the first place, limited the profits on the turnover of the leading cold storage men and packers. They were required under regulations, which were administered by the Government, and under license issued by the Department of Agriculture, or the Food Board—I forget which—to so carry on their business that their profits should not exceed two per cent on their turnover. Notwithstanding that, if they earned a profit on the capital invested in the business of over 7 per cent, and up to 15 per cent, one-half over 7 per cent went to the Gov-
9 p.m. ernment as revenue, and the other half went to the packer. All over 15 per cent went to the Government. The result was that no packer could earn more than 11 per cent on his total actual capital invested in the business. and he was subject to the business war profits tax as well. The packers very strongly resisted these regulations and protested against them. We are sometimes asked the question: "Why has not the Government done as the American Government has done in regulating the packers and controlling food prices?" The

Government under the administration of the ex-Minister of Agriculture has gone farther than the American Government in regulating and controlling profits and prices. Our regulations have been far more drastic and far-reaching than those of the American Government. What has been the position of the American Government in dealing with this same matter? They allowed packers whose turnover was less than $100,000,000, which would include all our packers, a profit of 2½ per cent on their turnover, with no limitation whatever upon the profit on actual capital invested in the business. Those whose turnover exceeded $100,000,000 were allowed a certain percentage on the capital invested in the business. The limitation varied according to the character of the particular branch of the business carried on but by a coincidence it figured out that the profits of the four big packing houses of the United States were limited to 11 per cent on the capital. Under the American regulations capital included borrowed money, so that the American packers were able to earn eleven per cent not only on the capital invested in the business but on money borrowed, as well. The Canadian packers protested against our regulations. They said, in the first place, you are imposing a greater limitation on the annual turnover than is imposed upon the packers in a similar position in the United States, and then you are adding to that limitation a further serious restriction upon the actual earnings of the packers, a restriction even stricter than that imposed in the United States upon the four big packers. In other words, this Government combined the limitations and regulations which the American Government imposed on both classes of packers upon our packers, and made them far more stringent. It is under this system that the packers of this country have carried on their business since January, 1918. In no country at war have such stringent regulations been imposed upon the packers and cold storage people as have been imposed by the Government on the packers of this country.

When my hon. friends talk of this Government being the friend of food profiteers—I am not speaking of my hon. friend from Red Deer, but of some hon. gentlemen opposite—they are speaking either without a knowledge of the facts or for political effect; they are misrepresenting the situation, and I say that at this time any hon. member who falsely charges the Government with standing in with the food profiteers, when there is such a feeling of unrest throughout the country, is only contributing and adding to that unrest which may shake the foundations of government in Canada.

Mr. McMASTER: Did this Government take any means, either on their own behalf, or on behalf of the British Government, to recover from certain packing houses in this country the value of the post-cured bacon—salt water pumped into the bacon uselessly and for which the British taxpayer had to pay?

Mr. ROWELL: My hon. friend's remark is about as relevant as his remarks usually are to the subject under discussion. The Government took whatever action the British Government required in all matters that related to the administration of British affairs in this country.

Coming to the situation in Great Britain, my hon. friend mentioned that the price of bacon was lower in Great Britain than it was here. I do not know, that may be the case; but there is this fact which the House and the country should keep in view. The British Government adopted a policy, which this Government has not adopted. Men may differ on it, some may think that this Government should have adopted it, but personally I do not think that the situation in this country called for its adoption. The British Government undertook to look after the feeding of the British people, and the British Government purchased the food. All purchases were made on behalf of the British Government. It all came in through the Government, the Government distributed it throughout the country, sold much of it to the people of Britain at less than cost and charged up the difference as part of the war expenditure.

That is one reason why certain classes of food can be sold cheaper in Great Britain than they can in Canada—the British people are paying for it as part of war expenditure. I doubt very much if the people of Canada would sustain the Government in paying to the farmers and producers of the Dominion a price in excess of the regular price, and selling it at a substantially lower figure. But what I say is this: If that is a wise policy it was not recommended by my hon. friend. He is a pretty good judge on these mattters, and I would depend on his judgment. Notwithstanding the fact that the British Government is to-day buying this food, and has been for the past two years; notwithstanding that the British Government is selling it to the people of Britain at less than cost, paying the difference out of the exchequer; notwithstanding

that Great Britain is a free trade country, and has been during all the period my hon. friend has mentioned, the cost of living in free trade Great Britain, with food partially paid for by the Government, is higher to-day to the average man than it is in the Dominion of Canada. Now that is no argument against free trade.

Mr. MICHAEL CLARK: It is a perfectly general statement as to which my friend has no proof.

Mr. ROWELL: All I can say in proof of the statement is this: I have discussed the matter with those who have been over in Great Britain looking after our trade interests, as well as with the Prime Minister of Canada (Sir Robert Borden). They have had special occasion to look into the question with a view of developing Canadian trade; they had to consider the price at which goods were being sold in Great Britain—foodstuffs of all kinds and manufactured articles—with a view of seeing how far Canada could compete in the British markets; and the one testimony they have all brought back is that at the present time the cost of living is higher in Great Britain than in Canada and that we can sell our goods in the British market at a profit. That is the basis for my observation.

Now, let me turn to another matter which my hon. friend mentioned. One of the important points discussed in his address, was the question of what should be the policy of the Government with reference to the iron and steel and the coal industries. If I rightly understood my hon. friend he took the logical and consistent position, from his standpoint, that all duties, all protection, should be removed from these industries, and that if they could not live under those conditions they did not deserve to exist. If I have in any way misapprehended my hon. friend in that respect I would be very glad if he would correct me. I understand him to admit that I have correctly stated his position, and such being the case, there are two or three facts I should like to bring to his attention which appear to me to have a very important bearing on this matter. My hon. friend will recollect that one of the most important and most valuable industries in Canada during the war was that of the manufacture of munitions. The British Government expended in Canada something like $1,000,000,000 first through the Shell Committee, and then through the Imperial Munitions Board, for the purchase of shells and other munitions. Mr. Speaker, the people of this country do not realize how large a factor the pouring of those millions into all channels of trade in Canada was in our industrial operations, and how it has contributed to Canada's ability to bear the burden of this war. If we had not had that immense expenditure of public money, Canada at this time would have been in a very serious position financially. I am not going to argue on the merits or demerits of protection and free trade; I am simply dealing with the facts. That munitions industry could not have been carried on in this country if we had not had iron and steel and coal industries here. This is not a theory we are dealing with, it is an actual condition. You may agree, or disagree, with the theory of protection and free trade, but I repeat that we could not have carried on the munitions industry without our iron and steel and coal industries in Canada.

Then I want to go a step further. When the United States entered the war we found it practically impossible to get the necessary steel, the necessary raw materials in certain lines, to provide the amount required for our domestic uses. We faced this situation at one time during the war—the public did not know it, because it could not be disclosed to them—the railway companies of Canada claimed that their tracks were in such a condition that they were a menace to the travelling public, and yet they could not better their position for the reason that they could not get the rails necessary to relay the tracks. Why could they not get rails? Because to get them we would have had to stop the manufacture of steel for munitions, and it was a choice between continuing the supply of shells for overseas or making the rails to renew railroad tracks in this country. Every pressure was used to increase the output of steel. As a matter of fact, under the pressure of necessity, the output of steel in Canada was doubled during the war. A colleague sitting beside me states that it was more than doubled and I will accept his statement. Notwithstanding that there was this pressure I have mentioned, it was only after the utmost efforts that some relief was secured, by buying rails which had been sold to Russia, but which she had failed to take. We also, after great effort, secured certain rails in the United States. Then, by the most persistent pressure through the War Trade Board here, and through the War Trade Mission in Washington, headed by Mr. Lloyd Harris, we got some further relief to supplement the steel required to carry on our industrial

operations. Every iron and steel plant, every plant depending on iron and steel in Canada, was living from hand to mouth for weeks at a time, and I wish to say now that, so far as I am concerned, it is not a question of protection and free trade, it is a question of national safety and national defence. I am going to stand for a policy that will make Canada self-contained, so far as possible, in connection with the iron and steel industry. So long as I am a member of this House I am not prepared to see Canada again in the position she was during the war because we did not have this basic industry adequately developed. I believe that what is true of iron and steel is equally true of coal. We know about the coal shortage, and we know all that it involved. In respect of iron and steel and coal, so far as is practicable, Canada should be self-contained. But I add to that declaration, Mr. Speaker, that if the iron and steel industry needs to be further developed in order that we may be self-contained, it should be accompanied by such regulations as would prevent men making an excessive profit out of it. So far as I am concerned that is the policy I intend to stand for. I believe we require it in the interests of the nation for the protection of our national life. But we will see to it that the industry shall be carried on under such conditions that excessive profits will not be made by those engaged in it.

Now, if my hon. friend will permit me, I will turn from his address and touch on some other matters which have been discussed in this debate. From the very nature of the issues in this war, from the forces engaged on either side, from the weapons of destruction used, and having regard to the period over which the war extended, certain results have inevitably followed. But the same results have inevitably followed in every other country that was at war; they are not peculiar to Canada, they are world-wide. Let me mention three or four. First, a heavy public debt, an inevitable result of the war; second, high cost of living, an inevitable result of the war; third, industrial unrest, an inevitable result of the war. Fourth, as a result of the strain and stress of the war almost the whole nation is suffering from neurasthenia.

Let us look at these inevitable results of the war for a few minutes. First, the national debt; what is it? The Finance Minister has pointed out that by the end of next year Canada will have a national debt of not less than $1,950,000,000. An enormous debt for a country like Canada, and yet less, having regard to our ability to pay, than that of any country at war except the United States. And having regard to the character and ability of our people and of our great national resources, I am sure that with unity and courage we can face that task and accomplish it without serious difficulty.

But what is entailed by that public debt? This year it is estimated that the interest on it will be $102,000,000. The cost of pensions will be $30,000,000. We have already voted for soldiers' re-establishment, to assist in the retraining of our soldiers and the care of those disabled, $22,763,000. Those three sums represent a total this year on current account of $154,000,000, and there may have to be something added in the Supplementary Estimates. Now, I ask the House—and this must be viewed in the light of actual conditions—to compare that with the ordinary expenditure of Canada before the war. Our highest expenditure for the year 1913-14 was $127,384,000. We face this year on current account an actual expenditure for those three items of $25,000,000 more than the total expenditure on current account in the year preceding the war.

Then take not only the current expenditure this year, but the expenditure on war account. The estimated expenditure on war account this year is $300,000,000. Our total expenditure on war account for the year 1915-16 was $166,197,755; for 1914-15 it was only $60,000,000. But suppose I take 1915-16, because that has been referred to as the year this war tariff was put on. Our expenditure on war account this year is practically double our expenditure on war account in the year when this additional tariff was put on for war purposes.

Now, why have I referred to these items? For the reason that the Finance Minister was within the judgment of this House and of the country when he said that so far as finance is concerned this is a war year. This is vastly more a war year than the year when the duty was put on. Both our capital and our current expenditure on account of the war are vastly greater than they were during the year that duty was put on. Therefore, if it ever could be justified—I am not now saying it can; I am not now discussing it—as a measure to raise revenue in aid of the war, it could be absolutely justified during the present year.

I want to say to the House that I entirely share the view of the hon. Minister of Immigration and Colonization, that

when this House met, the Finance Minister might have said: This is a war year, and the finance this year must be war finance. The question of a revision of the tariff must stand over until this war year is over. The Union Government was not formed for the purpose of dealing with that issue. He might have stated that to the House and the country, and I would have stood side by side with my hon. friend the Minister of Immigration and Colonization in support of that position. And I am dealing perfectly fairly with all my friends and colleagues when I say that there would have been no dissent from that proposition by any member of the Government. The Finance Minister could have come down to this House with that policy and a united Government would have faced the House and the country in support of it.

When the House met, our friends from Western Canada, including my hon. friend from Red Deer, pressed most strongly that the Government should not pursue that course, and they urged that there should be at least some reductions in the tariff. I am sure that every member of the House recognized that it was not possible to have a thorough revision this year, no matter how anxious the Government might have been to undertake it. If any hon. member questions that statement let me call to the attention of the House one or two facts in the situation. What was the position when it was known publicly that the armistice was likely to be signed? The Prime Minister was called overseas to attend the Peace Conference. He went because all his colleagues thought that that was where he should be. I was glad that my hon. friend from Maisonneuve (Mr. Lemieux) last night frankly stated that that is where the Prime Minister should have been, and that if he had not been there my hon. friend (Mr. Lemieux) would have demanded that he should have been there to represent Canada. But I say to the House and to the country, if the Prime Minister had not gone overseas to represent Canada at the Peace Conference, how this Government would have been denounced for neglecting Canada's interests in the greatest conference ever held among the nations. And the House will learn, when the time comes for the Prime Minister to make his statement, how greatly Canada has benefited by his presence at the Conference, and how seriously Canada might have suffered in many proposals that came before the Conference if she had not been represented by her Prime Minister, with authority to speak for the whole nation and to insist that Canada's rights and interests should be protected.

The Prime Minister was overseas necessarily attending the Peace Conference, he was where duty called him and the country demanded he should be, and the ministers at home were as busily engaged as they could possibly be in dealing with problems here at home—I ask how was it possible for any Government in the absence of the Prime Minister, with the conditions under which we were working, to make such an investigation of the tariff as would make possible a thorough revision this year? There is not a thoughtful member of this House—and I put it up to the conscience of the members, and particularly of those on this side of the House—who would say that it is humanly possible for the Government, since the armistice was signed and with the Prime Minister overseas, to radically change the fiscal policy of the country and thoroughly revise the tariff, and at the same time bring down new and radical taxation proposals to make up the revenue. It could not be done. If, therefore, it was not possible for the Government to make a thorough revision of the tariff this session—and hon. members will concede that it was not—how can hon. members who are supporters of the Government vote against it because it has not achieved the impossible. When our hon. friends came down from the West—and some from the East, too—they urged that something should be done this session—that, at least, the tariff war tax of 7½ per cent and 5 per cent should be taken off. I do not hesitate to say that I urged my hon. friend the Minister of Finance to endeavour to meet this view. Every man must exercise his own judgment on an important issue like this, and I have the greatest respect for the judgment and sincerity of my hon. friend the member for Marquette (Mr. Crerar; but I say to the House and to the country that if I was prepared, as all my colleagues were, to support the Finance Minister in coming down to this House during this war year without any revision of the tariff, I do not believe that I am absolved from supporting him when he has revised the tariff in a measure according to the lines that I desire. I feel there is a double obligation upon myself to stand by the Minister of Finance and my other colleagues who have made a partial revision in the tariff along lines which I believe to be just and right in the public interest.

I am particularly pleased with certain aspects of the Government's tariff proposals. I want to join with the hon. member for Red Deer (Mr. M. Clark) in expressing appreciation of the Government's tariff proposal to the extent to which it increases the British preference. From the standpoint, not only of our national position, but of the economic position of Canada, one of the wisest features of the Budget of 1897, the Fielding tariff of 1897, was the provision for the British preference. I thought so then; I have always thought so since, and I am glad that this Budget carries us a little further along the line of British preference. I do not know what the investigation next autumn will show when it is undertaken, but I earnesly hope it will show that it may be possible to increase that preference without seriously interfering with established industries in Canada.

I am glad of the provision that does go a certain distance towards removing the duty on foodstuffs. When the revision takes place, I hope it may be possible to go further, I am sure the hon. member for Marquette (Mr. Crerar) and the hon. member for Red Deer will both agree that it is difficult to draw conclusions from general statements unless one knows all the facts. Let me mention the case which the hon. member for Marquette mentioned yesterday about the Dominion Textile Company and the large profits they had earned. Yesterday, by a strange coincidence, Sir Charles Gordon, president of that company, happened to be in my office, before my hon. friend had spoken. Some question came up about this announcement in the paper showing their large profits, and Sir Charles told me that more than 50 per cent of the profit was made owing to the increase in value of raw cotton and other raw material they had on hand during the year. In other words, they had bought at a fortunate time; they had exercised good judgment in buying; the price of raw materials had gone up, and that resulted in more than one-half of the total profits they made. I am not mentioning that except for this point, namely, that if we are to adjust the tariff, having regard to preserving so far as is feasible, consistently with the public interest, existing manufacturing institutions, we must carefully look into the facts before we reach conclusions. That is my sole reason for mentioning this matter. If it is suggested that they earned these large profits because there was a tariff on those goods, I point out to my hon. friends that in to-day's Montreal Gazette, by another coincidence, is a list of the dividends paid by the British cotton companies during this past year, and it shows that the majority of the cotton companies in Free Trade England made on their capital stock a much larger profit than did the Dominion Textile Company in Canada. It is not necessary for me to trouble the House with the details which I have here, but the profits made on the capital stock run up to 90 per cent. That is no argument against free trade. It only shows that owing to war conditions——

Mr. PEDLOW: Did the gentleman connected with the Dominion Textile Company inform the President of the Council how much watered stock was provided for in declaring the dividend of 31 per cent?

Mr. ROWELL: No, I did not discuss that with him; I was discussing only this point. But even that again would show the importance of investigation in order to find out the facts.

In the third place, I am glad to support this Budget because, as the hon. member for Red Deer has so well pointed out—probably some of my colleagues on this side of the House may not agree with me—it embodies and puts in permanent form those items in the reciprocity agreement of 1911 which I deemed of most importance and in respect of which I most strongly supported that agreement in the country, that is, free wheat and flour and reduced duties on agricultural implements. I have here a comparison—I am not going to trouble the House with putting it upon the record—of the duties on agricultural implements under the reciprocity agreement and under this new proposal. So far as there is any change, this gives a greater reduction, taking them altogether, than did the reciprocity agreement, and under those conditions I am glad to support the Budget. In view of the fact that these reductions are very important considerations amongst the agricultural community, I am quite sure no hon. member representing an agricultural constituency would like to vote against this Budget, containing as it does these important proposals which he so cordially endorses.

With reference to the investigation promised next fall, I am sure every thoughtful member of the House will agree that it is absolutely necessary preceding a thorough revision of the tariff. In respect of that I have little to add to what the Minister of Immigration and Colonization so well said yesterday. I stand in respect of it exactly where my hon. friend does, but I want to emphasize one point in connection with it.

The Minister of Finance, in announcing it, said that the investigation would be conducted in such a way as to give the consumer, the producer and the workingman all an opportunity to be heard and their representations made in order that the Government might have their views. I believe that in every revision of the tariff that position is sound. The consumer's interest should be considered; the producer's interest should be considered; both should have the careful consideration of the Government. As regards men engaged in manufacturing, I believe in the past some have made great profits, no doubt contributed to by a protective tariff. I do not believe any man whose business is carried on under the protection of a tariff which enables him to increase his profits has any right to question that the legislation should be so framed and carried out as to protect both the workingman employed in his factory, and the consumer, of the goods produced. These are very important features of the proposals of the Minister of Finance.

In passing, let me say just a word on the other two matters I have mentioned as inevitable results of the war. My hon. friend opposite (Mr. Trahan) charged the Government with being responsible for the high cost of living. Who is responsible for the high cost of living in England? The Government, I suppose. Who is responsible for the high cost of living in France? My hon. friend, I am afraid, would not say the French Government, but if he is logical, he would have to do so. Who is responsible for the high cost of living in the United States? The President, no doubt. The high cost of living and the increase in the cost of living were just as inevitable as casualties upon the fields of Flanders, and it is no more within the power of a government at this time to bring the cost of living back to pre-war days than it is for the Government to raise the 60,000 dead in Flanders fields. No government can make up for the diminished production or the awful war wastage of the past five years. Let us frankly face the issue. It is not possible, it cannot be done. We are paying the price of war; we are paying the price of victory. Let us whine less about paying the price when our gallant men overseas have so nobly paid it on the fields of Flanders.

You cannot wage a war like this and not pay the penalty for years after it, and I hope that the realization of the price we have to pay for the part Canada has taken in this war will enable us to appreciate the hope, at least, that comes from the League of Nations, which we earnestly trust will be established to avoid forever a repetition of this horrible war. While the Government cannot get us back to the pre-war cost of living—no government can—I agree that everything a government can possibly do to prevent excessive profits and exorbitant prices should be done by a government. I believe that my hon. friend the ex-Minister of Agriculture (Mr. Crerar) did everything which he believed—and he is a wise man on the subject—could properly be done by the Government in that direction. The Department of Labour has also been dealing with certain important aspects of the question and a Committee of the House is now investigating the whole problem.

I pass now to the third, the question of industrial unrest. Hon. members have said that the industrial unrest is due to the excessive cost of living. The excessive cost of living is not the cause of the industrial unrest; it aggravates it undoubtedly, but it is not the cause. It is very superficial thinking to say that the cost of living is the cause of the industrial unrest, and I am afraid the majority of the people of this country and even some of the members of this House are not aware of the deep and vital currents of social and economic thought that are moving the masses of the workingmen in all countries to-day. The movement had started long before the war, but the war has given it a tremendous impetus. The workingman in all lands is determined that so far as he is concerned he is going to have a better deal in the days to come than he had in the days before the war. A reduction in the cost of living will not solve the problem of industrial unrest. The worker demands vastly more. There are two currents of thought among the workers on this matter, and may I just suggest what they are. One believes in co-operation between labour and capital, and that by such co-operation the best interests of both can be secured. The other believes that there is inevitable and irreconcilable conflict between the two, and that there can be no peace until Capitalism is destroyed and a dictatorship of the proletariat established. They preach a class war. One believes in the right of private property regulated and controlled by the State, so that the workingman and citizen may own his own home, the farmer his own land; the other believes

that private ownership of property must be completely and forever destroyed. One believes in democracy and in the right of every citizen to an equal voice in the government of his country; the other repudiates democracy and demands the dictatorship of the proletariat. One believes in using constitutional methods for the redress of grievances and the improvement of the position of labour. The other repudiates constitutional methods and demands direct action and the use of force. One bases its claim for a change in social and economic conditions on the justice and righteousness of its cause; the other on the force at its command.

The one stands for law and order under constituted authority, the other for the overthrow of the existing form of government and the substitution therefor of the Soviet, under the dictatorship of the workers, as in Russia. One is Anglo-Saxon in its origin, democratic in its outlook, the result of the development of the labour movement under Anglo-Saxon and democratic institutions. The other is German in its origin and in its spirit. Its leaders are the disciples of Carl Marx, and proclaim economic and social theories developed under the blighting influence of German autocracy. Lenine and other disciples of Carl Marx proclaim the gospel of force and that might means right just as unblushingly as either the Kaiser or Bernhardi. It may surprise many people to be told that there are hundreds in Canada to-day, as there are in Great Britain, the United States and in all other democratic countries who hold the extreme views I have mentioned and are openly and assiduously advocating them. There is no occasion to doubt their sincerity. They advocate their views with all the energy and enthusiasm of the disciples of a militant faith. The industrial question is the most difficult and the most important problem facing the people of Canada to-day.

We have had the tariff for the past forty years discussed pro and con. No action you may take to lower it, as between low tariff and high, will have half so great an effect on the future of Canada as will the solution of the industrial problem which we are now facing. What is true of Canada is equally true of the neighbouring republic, the United States. I have not time to read to the House the address of President Wilson at the opening of the present Congress, but he proclaims to the people of the United States that the great outstanding problem facing the people of that country is the labour problem. There is exactly the same situation in Great Britain, exactly the same situation in France. We must face it, and how are we to solve the problem? So far as I am concerned, and I believe it is the view of the members of this House and the people of this country, having regard to the situation which exists in Canada, and the magnificent part the workers of Canada took in the war, I believe that in the days that lie before us labour should have larger recognition than it has had in the past.

They are asking certain specific things. They ask for an eight-hour day; they ask for a living wage or a larger share in the joint product of labour and capital; they ask for a larger voice in the control of industry; they ask for more adequate provision against unemployment. At the Peace Conference all these questions were fully and seriously considered, and all the statesmen of the world there assembled came to the conclusion that these demands were in spirit just, and that all nations should take steps to meet them; and I believe that in the wise dealing with this problem, in real sympathy with labour, in endeavouring to establish not a class war between labour and capital but the most hearty co-operation between the two, lies the hope of Canada for the future, and that upon that rests the peace, progress and prosperity of our country. Towards that this Government, this House, and the people of this country, employers and employees, must direct their attention.

What should we do under these conditions? There is this extreme element in Canada actively propagating the views I have mentioned. I know it. I have the responsibility of administering the Royal Northwest Mounted Police, and for months I have had weekly and sometimes daily reports on the conditions. We know what these men are saying in secret. It is not necessary to tell you what they say in secret; it is only necessary to tell you what they say in public. At the Calgary conference to organize the One Big Union, what did that conference decide? I have the resolutions here, and I wish I had time to read them.

Some hon. MEMBERS: Read them.

Mr. ROWELL: I shall just read a few. These resolutions are copied from an infallible authority, the Winnipeg Tribune, which published a verbatim report of the conference. Let us take the first resolution submitted by Mr. W. A. Pritchard, of the Vancouver Trades and Labour Council. I

think it sets forth a little more clearly than the resolution actually adopted, the object of the mover. This is the resolution as it was submitted:

Whereas great and drastic changes have taken place in the industrial world;

And whereas in the past the policy of the organized centres of this country in sending their provincial and Dominion executives to the legislative assemblies pleading for the passage of legislation which is rarely passed and which would be futile if it were, is now obsolete:

Therefore, be it resolved that this conference of western workers lay down as its policy the building up of organizations of workers on industrial lines for the purpose of enforcing, by virtue of their industrial strength, such demands as such organizations may at any time consider necessary for their continued maintenance and well being, and shall not be as heretofore the sending of executive officers to plead before legislatures for the passing of legal palliatives which do not palliate.

There is a direct statement by the mover of that resolution that for legal action and for constituted authority they will substitute an organization by means of which they shall secure their rights by the use of force or organized strength. Now let us read the resolution actually adopted:

Whereas great and far-reaching changes have taken place during the last year in the realms of industry;

And whereas we have discovered through painful experiences the utter futility of separate action on the part of the workers, organized merely along craft lines, such action tending to strengthen the relative position of the master class;

Therefore be it resolved that this Western Labour conference place itself on record as favouring the immediate reorganization of the workers along industrial lines, so that by virtue of their industrial strength, the workers may be better prepared to enforce any demands they consider essential to their maintenance and well being.

That was moderated somewhat, no doubt to meet the views of moderate elements in the assembly, for I do not for a moment suggest that all the men in that conference shared the views of the mover of the first resolution. But you have the same idea in this resolution as in the original, viz., that in lieu of legal and constitutional parliamentary action they intend to substitute their own direct action. Just listen to this resolution:

Mr. McKENZIE: Does the hon. minisetr say that both these resolutions which he has read were read and passed?

Mr. ROWELL: No, the first one appears in the official report of the convention as being proposed, while the second one appears as having been passed. Take the next one:

Whereas holding the belief in the ultimate supremacy of the working class in matters economic and political and that the light of modern developments have proved that the legitimate aspirations of the labor movement are repeatedly obstructed by the existing political forms, clearly showing the capitalistic nature of the parliamentary machinery.

This convention expresses its open conviction that the system of industrial soviet control by selection of representatives from industries is more efficient and of greater political value than the present system of government by selection from district.

This convention declares its full acceptance of the principle of "Proletarian Dictatorship" as being absolute and efficient for the transformation of capitalist private property to communal wealth.

The convention sends fraternal greetings to the Russian Soviet government, the Spartacans in Germany and all definite working class movements in Europe and the world recognizing they have won first place in the history of the class struggle.

Let me quote an extract from another one:

That the interests of all members of the international working class being identical that this body of workers recognize no alien but the capitalist..... Our alien, in so far as we are concerned, that is the master class, that is the reason for this resolution.

Here is another one, No. 7:

Therefore be it resolved that this conference places itself on record as being in full accord and sympathy with the aims and purposes of the Russian Bolshevik and Spartacan revolutions; and be it further resolved that this conference is in favour of calling a general strike should the Allies persist in their attempt to overthrow the Soviet administration in Russia or Germany or in any country in which it is or may be established.

Mr. R. L. RICHARDSON: Was that passed?

Mr. ROWELL: It was also adopted at the conference to organize the One Big Union movement in Western Canada, held at Calgary some few weeks ago. What I want to point out to the House and the country is that we must clearly appreciate the seriousness of the situation on the one hand, and on the other, the importance of discriminating between men seeking to overthrow constituted authority, and sober, serious leaders of the movement. A certain group of western men came to the Trades and Labour Council's annual meeting held, I think, in the city of Quebec last September or October, and sought to press these radical views upon the body of labour there, and the sober, serious leaders of labour at that conference fought the resolutions and defeated them. I do not mean, of course, these particular resolutions, but the radical resolutions that were then submitted. What did the men of the West who presented

these radical resolutions do? They went West and organized this One Big Union movement to cut adrift from the sober leaders of the East and from men like Samuel Gompers and other great leaders of organized labour in the United States Why did they cut adrift? Because they knew that under the serious and judicious leadership of the men who made the labour movement what it is in Canada and the United States they could not advocate the overthrow of constituted authority without incurring the hostility of these men. The quesion is asked: Why do you not take action? Well, I believe that the only way in which you can successfully defeat error is by teaching the truth; the only way in which you can combat false ideas is by promulgating true ones. And I think it is of the utmost importance that the people of this country who do believe in organized government, who do believe in democratic government, and who are not prepared that the Russian Soviet system, with all that it implies, shall be introduced into Canada, should make clear their views on these issues and let the public know and understand what is involved in them. The same convention that stood by the Soviet form of government demanded free speech and liberty of action in Canada.

Mr. L. A. LAPOINTE: Are you opposed to that?

Mr. ROWELL: Am I opposed to it ? The fact that these men moved these resolutions and carried them unmolested is the best evidence of the absolute freedom of speech in Canada. Now, in Russia there is no freedom of speech. In Russia there is no freedom of the press. In Russia there is no freedom of assembly. In Russia there is no right to vote except by the workers who support the Soviet Bolshevik movement.

Mr. CANNON. The same as here?

Mr. ROWELL: My hon. friend has the right to vote. Does he say he is a supporter of the Russian Bolshevik movement? There they only permit men to vote who work with their hands. The man who works with his brain has no right to vote over there. My hon. friend will be able to say in which class he belongs under that classification. They have no freedom of speech, no freedom of the press and no right of assembly. No man except those who will absolutely support the Bolshevik movement has a right to vote. They dissolved the constitutional assembly because it did not support the minority. They stand for a dictatorship of a limited class. They stand for the dictatorship of a limited class, a fraction of the population of Russia, who exercise their power in as despotic a manner as the Government of the Czar. Do the people want anything like that in Canada? That is the result in Russia. There is no question about it. These people cannot triumph in Canada. The sober, serious-thinking people of this country will stand by constituted authority. The people who own their own property will not stand for confiscation. In Russia they take the furniture of a man in the city, the live stock and agricultural implements of the farmer, and they make them the property of the community. The people of this country will not stand for those theories and practices. The man who within this House or this country delivers inflammatory speeches charging the Government with profiteering and being friends of the profiteers is playing into the hands of these very Bolsheviks, and it would only be a certain measure of justice if the first property confiscated were his and he were put to do the manual labour that is required in Russia. These people say they want freedom. I gathered from the remarks of my hon. friend from Kamouraska (Mr. Lapointe)that he had rather a liking and sympathy for his friends of the Soviet government.

Mr. E. LAPOINTE: Oh, no; not at all, but I want freedom of speech.

Mr. ROWELL: I am afraid my hon. friend will not get what he wants, because there is no freedom of speech in Russia and they enforce compulsory military service there.

Mr. E. LAPOINTE: It is the hon. gentleman (Mr. Rowell) who is in sympathy with that part of their programme.

Mr. ROWELL: I am certainly a believer in compulsory military service in time of war, and that it is the duty of every man to defend his country in the hours of his country's need. We must combat ideas with ideas. There is another thing we must do. It is the first duty of every Government in Canada, municipal, provincial and federal, to see that law and order are preserved and that life and property are protected. There has been a great popular misconception—I do not know what is the explanation of it—that the federal Government is the only Government that has power to act. One would think from the way some people talk

in this House and outside of it, and from the way that some newspapers write, that we had a legislative union instead of a federal union in Canada, that this Government has all the authority, that the provinces and municipalities have none, and that if any trouble arises the only thing to do is to send to this Government and ask them to right it. Then, if this Government does not immediately right it, it is damned and said to be no good. To illustrate: They had trouble out in a small community in British Columbia. They had a strike. There were some aliens misconducting themselves. The Acting Prime Minister got a telegram from the chairman of the committee of the town asking the Federal Government to intervene and to preserve life and property in that town. What answer did he send back? He said: Have you applied to the Provincial Government for protection? If you have applied to the Provincial Government and they say they need Federal assistance, the Federal Government will immediately come to your aid. That is the Federal constitution. The provinces are extremely jealous of their rights at times, they are very jealous of their autonomy at times; but when it comes to dealing with disagreeable tasks, they are prepared to shift their responsibility to the Federal Government and throw their sins upon us. It cannot be too clearly stated that the responsibility for maintaining law and order rests in the first instance upon the municipal government. If they are able to maintain law and order the responsibility rests upon them. If they are unable to preserve law and order, the law contains provisions whereby they may call to their assistance other forces. Next to the municipal government the responsibility rests upon the Provincial Government. They are responsible for the administration of justice and for the prosecution of offenders against the law. If there is any failure to prosecute any man for any offence under the law the responsibility rests upon the Provincial Government. It does not rest with this Government. The policy of this Government is this: If municipalities find that they are unequal to the task, or if the provinces find themselves unequal to the task, of preserving law and order, this Government is prepared to back them up to the full limit of its power.

10 p.m.

I appeal to the members of this House; if you hear criticisms of the Government in connection with these matters, find out first what the municipal or provincial authorities have done. First, have they done their duty? It is not until they have called upon the Federal Government for assistance that we have the right or the duty to intervene.

One word further as to what we should do. I think we must meet this labour situation fairly and squarely. We must do justice, and more than justice to the legitimate demands of labour. We must put the honest, patriotic, public-spirited labour leaders into a position to successfully combat the extremists in their own ranks by showing that the Government and people of this country have dealt fairly and squarely with them. We have to deal fairly and squarely with labour and we have to maintain law and order.

I know of no other panacea. As I view the situation—and I believe it is true in every democratic country in the world—important as may be the tariff, the great issue facing the governments to-day is the problem of labour and the industrial issue. On the wise and patriotic solution of this problem depends the hope for the peace, progress and prosperity of the countries involved.

May I close by referring again to the tariff. I believe that, for Canada, more important that any particular scale of tariff duties is a good understanding between East and West and all sections of Canada. No section can have its own way absolutely, and unity and strength be our portion. Confederation was brought about by the public-spirited leaders in those days recognizing that something must be surrendered in order to obtain the greater end, the greater goodwill, and to bring about a united Canada. I say to the manufacturers in the East and to the farmers in the West, and in every other section of the country Canada can only be strong and prosperous, she can only prove worthy of the gallant sons who have died for the right if we try to get together, not press our prejudices or even our convictions to the issue, but unite whole-heartedly as a public-spirited Canadian people in enacting legislation which we can all co-operate in working out and which will make for the unity and strength of this great and growing nation.

Mr. LUCIEN CANNON (Dorchester): Mr. Speaker, the papers of this country have been printing rumours as to a probable election. I was very much in doubt as to whether the Government would decide to go to the country or not till I heard the speech delivered by the hon. the President of the Privy Council (Mr. Rowell) who evidently is training for the stump. I can only say that if he repeats on the hustings the

speech that he has made to-night, he may achieve an oratorical success, but the people after pondering upon it may say: "It was a beautiful shell, but a very empty one indeed."

A few weeks ago during a debate here I mentioned my fear that a revolution was threatening in Canada. As a result I have read in the papers that as usual I was an extremist, that as usual I had spoiled my speech by making a statement which had no foundation in fact. To-night I heard the President of the Privy Council make a far more serious statement, and one which he supports with all the responsibility of a Cabinet position. The President of the Privy Council has declared to the House and to the country that not only are we threatened with a revolution but that the revolution is an actuality. Mr. Speaker, I am very much afraid that the revolution might not be as actual as the minister has depicted it, but the war in Europe being over he feels it is necessary to have a small local war so as to permit him to repeat his familiar arguments.

The minister was very severe in his account of the situation in Russia. He described the programme of the Bolshevik party in full detail. I am curious to know where the minister got his information? Is it perchance from newspapers that are prohibited?

Mr. ROWELL: I got the information from official documents issued by the British Government, a copy of which was laid on the table of the House a short time ago.

Mr. CANNON: I see, the minister gets his knowledge from the first cousin to his own Information Bureau. Let me say to him that if the situation in Russia is so serious, if the programme of the Bolsheviki is such as has been described by him, how is it that this Government has withdrawn the Canadian troops sent to Siberia? Those troops were, or were not, sent for a purpose. If they were sent for no purpose the Government has committed a blunder and has made a mistake. If the troops were sent to put down the Bolshevik movement, and if it was necessary to suppress that movement, why has the Government recalled those troops?

Mr. Speaker, I had always read of the minister as being the leader of the Liberal party in the province of Ontario up to the year 1917 when he joined the Union Government. Listening to his speech to-night, I have noticed that the former Liberal provincial leader has become a great Canadian Tory. He has a good word for the profiteer, and for the manufacturer, but a bad word for the aspirations of labour—in short, he has spoken as very few Tories would dare to speak in this country. As a Liberal who still remains what he was two years ago; as a Liberal who has not forgotten Liberal principles, I believe there will be very little regret over his departure from our ranks. The rest of his speech was a very eloquent exposition of what I have already read in the Canadian Official Record. I am not surprised that the President of the Privy Council approves of the Budget. If he did not so approve he would not be where he is, and most probably that approval is due to his desire to retain his present position. Neither am I surprised that the minister disapproves of the stand taken by the hon. member from Marquette (Mr. Crerar). That hon. gentleman has left the Cabinet, a thing the President of the Privy Council will never do, I am quite sure.

Yesterday afternoon the hon. member for Marquette stated his position on the tariff, and the Minister of Immigration and Colonization (Mr. Calder) gave him the answer from the Government benches. This reminded me of an incident in the history of France when Marshal Ney—that hero, "the bravest of the brave," who had faced the enemies of his country on many battlefields of Europe, from the sunny plains of Portugal to the frozen banks of the Beresina, was brought to trial, the then King of France, Louis XVIII, moved no doubt by an extreme feeling of Bourbonic malice, called upon the fellow marshals of this great soldier to preside at his trial and to send him to his doom. The Premier of this country, moved by a spirit worthy of Machiavelli, yesterday called on a brother member from the West, an intimate political friend of the member for Marquette, to criticise the latter's conduct and to cast suspicion upon his motives. The Minister of Immigration and Colonization went through the ordeal very successfully. His personal friendship, and his political intimacy, gave way before an ardent desire to show his complete and entire subservience to his master. Such achievements, Mr. Speaker, are only natural to men of a certain class. In 1917, many Liberals in Canada left the banners of Sir Wilfrid Laurier from motives of real patriotism, although I think they were misguided. Others left the Old Chieftain because of lower motives. Time-servers they were by instinct, politicians they were by nature, and it is here that I come back to the Minister of Colonization and Immigration.

Mr. SPEAKER: Order. I think the hon. gentleman is entirely exceeding his privileges in attributing unworthy motives to an hon. member of this House. It is scarcely in conformity with the dignity of the House that he should do so.

Mr. CANNON: Mr. Speaker, I bow to your decision and say that others were moved by motives of less high order. The Minister of Immigration and Colonization in a speech which he delivered yesterday said that he was moved by only one consideration, and that consideration was the dictates of his conscience.

Mr. Speaker, evidently the conscience of a man is beyond the judgment and the criticism of his neighbour. It is impossiblbe to gauge the inner recesses of a man's conscience—I will not attempt to do it. But, on the other hand, we can always judge a man's motives by his acts. The Minister of Immigration and Colonization said that he was moved by his conscience. Was he moved by his conscience when, in the spring of 1917, Mr. Speaker, he was organizing throughout the Western Provinces a system to turn out of power the Government presided over by his actual chief? What were the dictates of the hon. gentleman's conscience when he was sending to the Liberal organization ways and means of putting out a government that he considered corrupt and absolutely unworthy of directing the affairs of this country? Conscience, the minister said, Mr. Speaker. Had the dictates of his conscience altered, when, at the convention at Winnipeg, he was drafting resolutions to the effect that the right hon. gentleman who is at the head of this Government was unworthy of being Prime Minister of this country? Conscience, the minister said, Mr. Speaker. Were the motives and the dictates of the hon. gentleman's conscience the same as they are today when he sent to the Prime Minister a message saying that no Union Government was to be considered with the right hon. gentleman at its head. Conscience, the hon. gentleman said, Mr. Speaker. When the War-time Elections Act was passed, when it was obvious to any observer that the Liberal party had no more chance in the Prairie Provinces, the hon. gentleman jumped on the first train and rushed to Ottawa, and on his knees he crept into the gilded hole wherein he has remained since —always with his conscience, Mr. Speaker. Conscience! Mr. Speaker, I would like the hon. gentleman to explain to this House how the dictates of his conscience would permit him, whilst he was a member of this Union Cabinet, to come down to the city of Quebec, and to other cities within our province, to try to make new readjustments and rearrangements to put out of power the Government to which he belongs. Conscience! Mr. Speaker. Did his conscience dictate the correspondence which he sent to the various political leaders of this country in order to organize a movement which would put this Government from power? Mr. Speaker, I leave the hon. Minister of Immigration and Colonization to his conscience, but I must say, before concluding, that up to now the uncrowned king of the western renegades was Clifford Sifton; I think that his crown and his kingship are now in danger.

Julius Caesar had no press agent—or rather, Julius Caesar was his own press agent. The hon. leader of this Government, although no less a man, is more fortunate a ruler, for he has a whole galaxy of sycophants who describe to the astounded universe his exceptionally high achievements. The hon. President of the Privy Council, who has just taken his seat, with his well-fed helpmates, Mr. Dafoe and his very faithful scribblers, have described, so as to enthuse the native Canadians and arouse their patriotic fervour, the Peace Conference as a world stage where our Prime Minister, surrounded by the dazzling and witty Mr. Doherty, the fascinating Mr. Foster, and the idealistic Mr. Sifton, has dictated in a stern tone of voice the terms of everlasting peace to prostrate Germany; coaching Wilson; advising Lloyd George; counselling Clemenceau; helping along Orlando. Even that did not satisfy the boundless energies of our Prime Minister. His omnipotent influence spread to the war-torn Balkan states. To Russia he went, and on the remote shores of Prinkipo island he stood, the bearer of a message of conciliation to the sturdy sons of Gengis Khan and the blood-stained followers of Lenine. But, Mr. Speaker, enough of this ridiculous camouflage, enough of this grotesque business. The Prime Minister of our country had as much to do with the readjustment of European affairs as the hon. member for Digby and Annapolis (Mr. Davidson) has to do with lowering of the cost of living.

What has been the result of this Peace Conference, Mr. Speaker, as far as Canada is concerned? What have we gained? Every country whose representatives sat around the Peace Table has obtained something. England will have Egypt, she will have new territories in Asia, and she will have

part of the German colonies. Every other part of the British Empire has secured some advantage. South Africa will have some of the German colonies; Australia will have some islands, and New Zealand will also acquire new territory. And what will we get? If we get anything, Mr. Speaker, it will be a chunk of icy Greenland.

Not only has every country acquired territorial advantages, but huge indemnities are to be paid. How much will we receive? Since his return the Prime Minister has made but one statement in this House; it was in connection with the Winnipeg strike. The matter was important, I will admit, Mr. Speaker; but there is a more important matter before this country, the matter of whether we are to get something from the war, whether we are to secure some advantage from the Peace Conference. As to that the Prime Minister has remained silent, and I have no doubt, will continue to remain silent. Why should we not have a part of this indemnity? Have we not spent enough money, have we not made enough sacrific? The sacred remains of our dead over in France, Mr. Speaker, the mangled limbs of our wounded, the victories of our battalions, the abnegation of our civil population, give us a valid claim to obtain fair and proportionate compensation for our important and vast outlay.

But in connection with this matter, as in connection with many others, we read beautiful articles in the press, we were told that our Prime Minister had attained the very highest heights of Imperial statesmanship—but he comes back empty handed, with nothing to offer to the people of this country.

As a Canadian who loves fair play, and as an Irishman who cherishes the memory of O'Connell and Parnell, I wish to protest against the indifference shown by our peace delegates to the cause of Irish freedom. The Government cannot unfetter the Poles, the Government cannot unshackle the Slovaks, the Government cannot deliver the Czechs, and at the one and same time trample under foot the national aspirations of a loyal and generous nation. Love of liberty is a gift given to man by God, and no human power, no matter how strong it may be, can wring from the heart of an Irishman the desire he has to see his country free like every other country in the world. Providence has moulded for the sons of St. Patrick a noble future, and the laws of Providence and also the laws of outraged humanity insist and imperatively demand that fair play should prevail. I regret that at this Peace Conference the man who is supposed to represent the Irish population of Canada in this Cabinet, the Minister of Justice (Mr. Doherty), has forgotten to that extent his duty towards Ireland and his compatriots as not to utter one word to help our glorious cause, not to utter one sentence to promote a sacred cause, that of Irish freedom.

At this late hour, I do not wish to detain the House very long, but I should like to say a few words in connection with the financial situation of Canada, as described by the Minister of Finance (Sir Thomas White). I admired the minister for his frankness. He told the people where we were, how deeply we were in debt and how enormous were our liabilities. For his frankness and his sincerity I thank and congratulate him, but I wish to touch on one subject in connection with our finances. How is it that our situation is so poor? How is it that our debt is so high? How is it, in a word, that Canada is in such a mess? The first reason is—our past extravagance. From 1911 to 1914, before the war, and from 1914 to 1917, since the outbreak of war, the Government of this country has run things in a most extravagant way. I regret that the Minister of Public Works (Mr. Carvell) is not in his seat. I should like to have his facility of speech and his eloquence to denounce the scandals of government extravagance in the way he did in connection, for instance, with the Allison scandal. I should like to have his information and parliamentary experience to show to the members of this House and to the people of this country at large how extravagant, how careless, this Government has been. Past extravagance is one of the causes of our bad financial situation, and when I see the Minister of Public Works in this Cabinet, I can say to him what the Bishop of Paris said to the chief of a barbarian army: "Convert yourself to Christianity, and if you wish to give evidence of your sincerity and of your good faith, burn what you have worshipped; worship what you have burned." The sooner the Minister of Public Works burns what he has been worshipping for the past two years, the better for himself, the better for this country and the better for everybody concerned. But I may add that if the minister does not wish to burn what he has been worshipping for the last two years, we shall leave him alone in his gilded temple of paganism where he now is, muttering insincere prayers to an

irresponsive divinity and offering to the Golden Calf the shattered remains of his former principles.

Past extravagance has been the cause of our bad financial situation. Future extravagance will aggravate our financial liabilities and will heighten, if possible, the huge pile of our national obligations. What does this Government propose? The Government proposes a new shipbuilding policy. I do not wish to criticise the Minister of Marine (Mr. Ballantyne), but I wish to criticise the enormous amounts which are being spent at the present time in shipbuilding. We ought to wait; we ought to curtail our expenditure. If there is one good feature about my hon. friend's policy it is this, that he wishes to have Canadian shipbuilding and a Canadian navy. Whenever this Government does anything good, that good it borrows from the programme of our late lamented leader, Sir Wilfrid Laurier, and when the Minister of Naval Affairs propounded his programme of a naval policy, it was to the grave of our late leader, Sir Wilfrid Laurier, that he went and plucked the seed of Canada's future naval greatness.

Let me take, as another example of extravagance, the policy of the Government as regards railways. We are unloading on to the people of this country the enormous debts of the Canadian Northern railway and of Mackenzie & Mann, and we have the Minister of Railways (Mr. J. D. Reid), who is now going to be the president or the head or the inspiring spirit of a new huge railway combination—and I am quite sure, judging by the speeches the minister has made in this House, judging by the ability and cleverness he has shown before the members of this assembly, that Shaughnessy will pale into insignificance and Beatty vanish into nothingness.

The unrest which exists everywhere throughout Canada to-day has been discussed by hon. members who have preceded me in this debate, and I do not wish to dwell at great length on that subject. Briefly, the first class of people in this country who are dissatisfied, are the farmers. The farmers want a low tariff; they want better trade conditions; they want to be helped by this Government, but the Government refuses to help them. The farmers from the West, the farmers from Ontario, and the farmers from the East, have united in one demand for a lower tariff on food stuffs and agricultural implements. I admit that the Budget brought down by the Minister of Finance makes certain reductions, but it does not meet the legitimate demands of the farmers. As long as this Government is more concerned with the interest of the manufacturer and of the industrial concerns than with the interests of the farming class, unrest among the farmers will continue to exist, and it will not disappear or abate until justice is done to them.

The second class of people in this country who are dissatisfied are the returned soldiers. And why? They fought on the other side and won a glorious victory. When they come back here what do they receive? Beautiful speeches of welcome, magnificent addresses, eloquent orations. Words, Mr. Speaker, words again, and always words; never, or very seldom, deeds. I am not the only one to condemn the attitude of the Government towards the returned soldier. Sitting upon your right is an hon. member who has always been a supporter of this Government, who resigned from his position as Parliamentary Secretary for the Department of Soldiers' Civil Re-establishment because the Government would not do anything for the returned soldier, because it was neglecting the most elementary and essential function of the Government in this vital and fundamental matter. More than that, a few days ago Lieutenant-Colonel McKelvey Bell resigned from the Department of Soldiers' Civil Re-establishment. These are the things that show us that the returned soldiers have real grievances, and that these grievances will not be removed by this Government unless its policy is changed, and changed completely.

The third class of people in this country who are dissatisfied are the workingmen. I heard the President of the Privy Council reading to-night resolutions moved by extremists at labour conferences throughout Canada. I am not concerned with what the extremists among the workingmen of this country want, but I am concerned with what the ordinary workingman of this country demands. What does he demand ? Only one thing; he demands fair play and equal justice. The workingmen of this country contributed the greater portion of the military contingents that we sent to Europe. When the workingman was in the trenches of France or Flanders he was equal to the manufacturer, the rich man, and the millionaire. To-day he comes back to Canada and he wants the equality to be preserved. He wants no more class privileges in this country, and no more class legislation. He wants his rights to be acknowledged and

recognized just as the rights and privileges of the capitalists have been acknowledged and recognized for years. I read in the papers to-day that riots took place in the city of Winnipeg yesterday and that numerous people were wounded, among them a soldier who had won high distinction in France and returned to this country decorated with the Victoria Cross. Unfortunately, his wound is probably mortal. Why is this strike in Winnipeg not settled? What does the labouring man in Winnipeg demand? He demands a very simple thing. The metal workers of Winnipeg want their union recognized. Why should it not be recognized? At the Peace Conference in Paris the Premier of this country subscribed to the covenant regarding labour legislation for the future, and one of the fundamental proposals agreed upon was that the rights of labour to organize into unions should be recognized throughout the world. Why should this be denied in the city of Winnipeg when it is proclaimed in Paris, and has received the signature of the Prime Minister of this country as representing the Canadian people? The President of the Privy Council said this evening that the people of Canada believed that the provinces have no more rights. Certainly the people of Canada believe that, and why? Because this Government, during a period of four years, has deprived the provinces of every right given to them under the constitution. Orders in Council have been passed, and legislation has been enacted, and every particle of privilege and right has been taken away from the provinces. Is it then extraordinary to-day that the people of this country, after such a reign of autocracy by the Federal Government, should doubt whether the provinces had any rights? The President of the Privy Council says that the provinces are to settle these labour troubles. I take issue with him there. I say that the Federal Government at Ottawa, under the British North America Act, has the right to legislate in everything that concerns public order in this country. Labour unrest is against public order, and to remedy the condition of affairs that exists throughout Canada to-day the Federal Government should take advantage of that provision in the British North America Act and bring down legislation that will bring rest where there is unrest to-day.

But what can we expect from this Government? We have been sitting here for six months—I should have said four months, but it seemed to me like six—and what legislation has been brought down? The Government thought of themselves at first, and the main legislation they brought down was the Bankruptcy Bill. We were told during the debate on the Address that we had to reconstruct this country, that questions of the greatest importance had to be solved. But no legislation was brought down. Then we were told that we had to await the return of the Prime Minister from France. The right hon. gentleman has returned, and what legislation has been brought down since? To-day we are told that next week we shall have three sittings a day so that we can get home as soon as possible.

No wonder the people are not satisfied. Who would be satisfied? It is useless discussing the high cost of living; it is useless discussing profiteering; and it is useless discussing various other reasons for the unrest that prevails. The main reason for the dissatisfaction of the people is the fact that we have still at the head of our affairs in Canada the Government that has bungled through eight years of administration. The moment this Government disappears 75 per cent of the discontent in this country will disappear with it.

The fourth class of people who are dissatisfied in this country are the consumers. The President of the Privy Council asserted quite solemnly that the cost of living could not be reduced. The Hon. Minister of Finance (Sir Thomas White) was in his seat when that statement was made; several other members of the Cabinet were also in their places. None of them protested; therefore, the President of the Privy Council when he uttered those words expressed the opinion of the Cabinet. Now the Government considers that nothing can be done to lower the cost of living. This is the consoling message which the President of the Privy Council has to offer the people of Canada. Starving women in our cities, suffering men and suffering children who have been looking for comfort and a remedy to this deplorable condition of things, have received from the President of the Privy Council the reassuring information that nothing can be done! Mr. Speaker, if the President of the Privy Council and the Government are convinced that nothing can be done to effect a reduction in the cost of living in Canada, how is it, may I ask, that last week it was decided to appoint a committee of the House to consider the subject with a view to discovering some means of lowering the cost of living? Is the Government merely trying to deceive the

people? What is this committee doing? The committee is investigating conditions in Canada and will probably present a report; but the Government beforehand declares to the country that nothing can be done in the matter. Are they serious? I have very little experience in Parliament, but I must say that never have I seen in any parliament or read in any book on parliamentary events the case of a government appointing a committee to investigate conditions in a country, and after having appointed that committee, and while the committee was at work, a member of the Cabinet declaring on behalf of the Government that it was useless to attempt to remedy such a condition of things as that which now exists in Canada. But we knew beforehand that the President of the Privy Council would take no steps to lower the cost of living in this country. The President of the Council is too generous and warm-hearted to cause any pain to his bosom friend, Sir Joseph Flavelle. They adore God in the same church; they offer to Heaven prayers in common. They modestly bow their heads before Divinity and in all humility kiss the dust of earth and say: How small we are when we are in church, but how big when we are outside. I am not surprised that the Government will do nothing to decrease the profits of the profiteers. The profiteers have put this Government into power; they have subscribed the money to put them where they are. Every member of the Government represents a body which is indebted to the profiteers of this country, and human nature is such that the attitude of men to heavy creditors is at the least that of extreme politeness.

The Minister of Immigration and Colonization (Mr. Calder), following in the footsteps of the Minister of Customs (Mr. Sifton)—our idealistic Peace delegate, as I said, while the minister was away—said that, although he did not approve of the principle of protection he would support the Budget and remain in the Cabinet. I appeal to your parliamentary experience, Sir, and to your knowledge of constitutional usage. Has there ever been heard in any British parliament or in any parliament where British constitutional procedure is followed a member of the Governement making such a declaration? If you will permit me, for the benefit of the hon. Minister of Immigration, I will give a very short history of the constitution so far as this question is concerned. A ministry never existed in England before William III, and if you will read the splendid essay by Sir William Temple you will see laid down the first principles of a ministry and also of a cabinet. The Whigs came into power under William III, and for the first time there was a ministry in England. Further development brought on a cabinet. Under the Georges this cabinet was more or less regular and complete. But under William IV and under Queen Victoria the cabinet assumed the form in which it is at present in England and in every other British country. What is the cabinet? The cabinet is the union of a small number of men, sitting either in the Lower or in the Upper House, who advise the King direct or through the Governor General on questions of policy and who agree together and necessarily must agree together. Not only are the members of the Cabinet bound to agree on every question submitted to Parliament but every member of that Cabinet is responsible for the acts of his colleagues. That is, there must not only be ministerial responsibility, but there must be a responsible solidarity. How, in this country, can a minister declare in Parliament that he is not in favour of a policy of the Government, but nevertheless will approve of the Government and remain in the Cabinet? Mr. Speaker, these are elementary principles. The Government during the war cast aside every precedent we knew in this country; but now, to suit their purpose, ministers make speeches of a nature to remove the corner stone of responsible government. I do not think that the people of the country will tolerate such an attitude. Ministers must approve a policy of the Government in principle and in its entirety. If they do not they must leave the cabinet. Instances are numerous in support of this doctrine. Just consider, Sir, what happened in England. Probably in England the people are more careful in the matter of constitutional precedent than is the hon. Minister of Customs. At the opening of the war, members on principle left the Government led by the Hon. Mr. Asquith because they did not see eye to eye with the Prime Minister. As they did not see eye to eye with the Premier they were bound, according to constitutional precedent, to leave the Cabinet. John Burns, a poor man, gave up his portfolio and the emoluments of office to save his principles. Morley did the same thing, and more recently Lord Robert Cecil dropped from the Lloyd George Cabinet because he did not approve in principle of the policy laid down by the Government. These are actions held up to the admiration of people

who like British institutions. I will ask the Minister of Customs and the Minister of Immigration and Colonization, when they have any leisure time, to study these precedents. If they do they may revise their views.

Mr. Speaker, I conclude. Charles V, King of Spain, Emperor of the Holy Roman Empire, after having lighted the fires of religious warfare throughout Europe, abdicated his tottering throne and withdrew into a convent, where he used to meditate on the vanity of all things human. Rumour has it that the Right Hon. the Prime Minister of this country (Sir Robert Borden) will soon abdicate his uncertain and shaky sceptre and withdraw to the ambassadorial splendours of Washington, where he will be in a position to contemplate the disorder which he has created in his own country. May he very soon convene his faithful to the parting scene. The people of this country will fervently pray that he may take along, as members of his ambassadorial staff, his tools of evil and mates of incompetency.

On the motion of Sir Thomas White the House adjourned at 11 p.m.

Friday, June 13, 1919.

The House met at Three o'clock.

EFFICIENCY IN THE CIVIL SERVICE.

On motion of Mr. Michael Steele (South Perth) the third report of the special committee appointed to consider the possibility of reducing or rearranging the staffs of the Inside Civil Service was concurred in.

SATURDAY AND MORNING SITTINGS.

Sir ROBERT BORDEN: I have spoken to my hon. friend the leader of the Opposition in regard to the motion which was presented yesterday, and he has suggested that instead of "Saturday the 14th of June" it should read "Saturday the 21st day of June," and that instead of "on and after Monday, the 16th day of June" it should read "on and after Tuesday, the 17th day of June." I think that the suggestion he has made to me is reasonable, and I intend to propose the motion with those amendments.

My hon. friend also spoke to me about an announcement in regard to legislation, and I may say to him that I hope to be able to make that announcement before Saturday of next week.

[Mr. Cannon.]

I beg leave to move, seconded by the Minister of Finance:

That on and after Tuesday, the 17th day of June instant until the end of the present session, the House shall meet at eleven o'clock in the morning of each day except Sundays, and that in addition to the usual intermission at six o'clock p.m., there shall be also an intermission every day from one to three o'clock p.m.; and the order of precedence on Saturdays shall be the same as on Fridays.

Mr. JEAN J. DENIS (Joliette): Mr. Speaker, I would like to make a few remarks before this motion is carried, but as I have some doubt as to whether it is debatable I will reserve my remarks until I am told whether I may speak.

Mr. SPEAKER: The hon. gentleman is quite in order.

Mr. DENIS: I have very little to say on this motion, but I think it is my duty to express my views in regard to it. I have no doubt that every member of this House is now eager to see the session brought to a conclusion. I do not blame any hon. member for that, but any member who says that he is anxious to be enabled to follow the sittings of the House and to know what is going on should also receive some consideration from his fellow-members. No hon. gentleman can reasonably contend that it is physically possible for a man to attend the sittings of the House in the morning, in the afternoon, and at night until twelve o'clock, and sometimes until one or two o'clock in the morning. This motion practically means, therefore, that on and after the day mentioned, hon. members will of necessity be precluded from being present at the majority of the sittings of the House. I do not think that is fair. If it is desired that the work of the session be brought to an early conclusion, the most important business of the House can be disposed of now, and the session adjourned until next fall, or a new session held next fall. But how can we follow the measures which will be brought before the House by the Government between now and the end of the session if the House sits three times a day? Moreover, there is no fixed time at which the House should adjourn at night. It has been promised that the new Franchise Bill will be introduced this session. I ask you, is it reasonable to expect that a Bill of that importance can receive adequate consideration during the last days of the session, when members are obliged to attend the sittings of the House morning, afternoon and night? I do not think that is right. On the Order

Paper there are several important measures for second reading which may be brought on any day; it is not right that these measures should be disposed of in such a hurried way as we disposed of important matters at the end of the session last year. During the dying days of the last session the House sat until one and two o'clock in the morning, and it has come to my knowledge that the House voted, within a few hours, something like $100,000,000. Well, Sir, if that is why we call Parliament a deliberate assembly I do not know what the words mean. If the House is going to sit, according to this motion, as it sat towards the end of the session last year, it is no longer Parliament; it is a House of Pretence. Hon. members have to look after their private correspondence; they have to attend the meetings of the committees—which will carry on their work as usual, notwithstanding the morning sittings of the House. Hon. members have to assist also in the work of the House at all these sittings. Every new piece of legislation that is brought before the House has to be studied. If we are here for anything at all, we have to know what is going on. I make an appeal more particularly—though I have not been asked to do so—on behalf of my chief, the leader of the Opposition (Mr. D. D. McKenzie). We have admired the work of a man who is no longer young and who has assisted in the work of the House every hour since the session began. Is it possible for the leader of the Opposition to sit here morning, afternoon and night, as is now suggested? I do not think it is possible for any man to do it. As for the Government, ministers of the Crown deal individually with their Estimates and with legislation which comes particularly under their direction, and have not always to be in the Chamber; but the Opposition has to be here all the time in order that it may carry out its duty of checking the legislation brought down by the Government and the Estimates which the Government asks the House to adopt. I do not know how many members share my views on this subject, because I have not discussed the matter with other hon. gentlemen; but in my opinion this motion is making it impossible for Parliament—at least for the Opposition—to do their duty.

Sir ROBERT BORDEN: There is a great deal of force in what the hon. member (Mr. Denis) says as to giving an appropriate amount of time to all the measures which come before Parliament at any session. After twenty-three years' experience in this House, however, I am inclined to the belief that that ideal is, unfortunately, quite incapable of realization. There is always a tendency to use time rather wastefully at the commencement of the session, and then to be very much pressed for time at the end.

I hope my hon. friend does not suppose that when members of the Government are not in the Chamber, they are disporting themselves in some idle gaiety outside. As a matter of fact, if the hon. member finds that the work devolving upon him in connection with the business of Parliament is serious, and, at times, almost oppressive, I hope he will remember that the work is still more oppressive for the members of the Government, who are not only charged with the responsibilities of private members, but have to sit in Council many hours during the day, being often, when absent from the House, engaged in Council in one of the rooms upstairs.

I rather resent the suggestion of my hon. friend that the leader of the Opposition (Mr. D. D. McKenzie) is no longer young, because he is some years younger than I am, and I find myself still quite a young man. I know pretty well what the burdens cast upon the leader of the Opposition are, because I had an experience of about ten years in that work. Those burdens are serious, but the leader of the Opposition may be assured that we shall always, in the arrangement of the work, be prepared to assist him or to lighten his burden in any way we can.

Hon. W. S. FIELDING: I think the greatest objection to the motion is the effect it will have upon the committee work of the House. I would not complain at any time of the absence of ministers from their seats, because I know that they have other engagements. But under the present arrangement a minister is not merely expected to be in two places, but in three places at the same time. A minister is supposed to be here in the House; he is also supposed to be in Council, and he is also supposed, in somes cases, to attend the meetings of committees. I can cite more than one case where the business of a committee has been repeatedly delayed simply because the committee felt that, as a matter of courtesy, it should wait for the presence of a minister. If, in addition to the difficulties which prevail now, you are going to meet in the mornings, you might as well dispense with your committees altogether and ask them to

cease sitting, because it is impossible for members to attend committees and also be here morning, afternoon, and night.

DEPARTMENT OF SOLDIERS' CIVIL RE-ESTABLISHMENT.

On the Orders of the Day:

Mr. C. G. POWER (South Quebec): May I ask whether the Government have received a communication from the Great War Veterans' Association demanding an investigation into the allegations made by Lieutenant-Colonel McKelvey Bell, in connection with the Soldiers' Civil Re-Establishment Department, and if so, whether it is the intention of the Government to grant this investigation?

Sir ROBERT BORDEN (Prime Minister): A resolution was received of the purport to which my hon. friend has alluded, but I have not yet had an opportunity of considering it attentively. I shall I think be prepared to make an announcement on the subject early next week.

PRIVILEGE—MR. STACEY.

On the Orders of the Day:

Mr. F. B. STACEY (Fraser Valley): I rise to a question of privilege. During my remarks yesterday afternoon I referred to a statement made by the hon. member for Maisonneuve (Mr. Lemieux) the previous evening. I was under the impression that his remarks were based upon the visit of the President of the American Federation of Labour to this House during the last session, but I have since learned that they did not rest upon that basis. I was not aware at the time that his remarks were based upon an entirely different fact. While the hon. member made this explanation yesterday afternoon, the hon. member for Nicolet (Mr. Trahan) was correct in his statement that I did not hear it. I did not hear the last sentence of my hon. friend from Maisonneuve at all. I wish to make the more ample apology because of not knowing what took place in my absence from the House on business in my province during the last ten weeks.

Mr. SPEAKER: I think it is the hon. member for Maisonneuve (Mr. Lemieux) who should have risen to the question of privilege.

THE BUDGET.

The House resumed the adjourned debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means and the amendment of Mr. McMaster thereto (resumed from Thursday, June 12.)

Mr. HOWARD PRIMROSE WHIDDEN (Brandon): Mr. Speaker, in rising to discuss some features of the Budget I find it easy to follow the example of several hon. members in introducing some preliminary remarks. I shall endeavour, however, not to make any far excursions into foreign fields.

I noticed with interest, though not with surprise, in the remarks yesterday of the hon. member for Dorchester (Mr. Cannon) references to members of the Cabinet which, while intended to discount them in the thought of the public, must of necessity have given the hon. gentlemen more amusement than nation-wide discount. I was interested particularly in his historical tracing of British usage in so far as the unanimity of views of Cabinet ministers is concerned, and I wondered why an hon. member of this House who gave such comfort to Germany in January of 1917 could be so interested in English precedent at the present time. If correctly reported, the hon. member on or about January 21, 1917, used these words:

> All that keeps back these men (members of the former government) that are ready to deliver us hand and foot to England is the fear in the country of conscription.

Again,

> Are we to ruin our country from the point of view—
> —of the men of wealth and everything else for England? I say no, without hesitation.

There seems to be something so incongruous in the endeavour to implicate members of the present Cabinet who hold views different from those of other hon. members, especially when the endeavour is made by one who spoke in this wise within the last two or three years. I was also struck with the words in his address, which seemed to be so unrelated and foreign to this time when we are still the grateful beneficiaries of the sacrifices of men and women who have fought and suffered for us, in which he endeavoured to implicate the Prime Minister, whose record, I am inclined to think, if we could get at the whole of it overseas, would in itself be sufficient to take care of our honoured leader. In his attempt to discount the work of the Prime Minister and other members of the Cabinet at the Peace Conference, I notice among others these three striking questions:

What have we gained? What will we get? How much will we receive?

Strangely followed by the sentence:

Have we not made enough sacrifices?

I do not quite apprehend the bearing of that " we." " We " were supported by eight men in uniform on the 17th of December. Have " we " sacrificed? Let us be slow to discount the work done by those who represent us so worthily in following up the sacrifices already made in actuality, in order that Canada might play her full part in the great struggle for the larger freedom —the freedom of all liberty-loving peoples. Have not the men who fought so gallantly for such a high and holy cause a right to speak at such times as these? Think of running away from the sheer uplifting idealism of these men and of their actions—the men who saved the day at the second battle of Ypres, the men who fought all through the Somme, who captured Vimy Ridge, Hill 70, and Passchendaele, who were right in the thick of it during the last great one hundred days, who took Amiens, Arras, Cambrai, Valenciennes and Mons. I believe that it will be a bad day for Canada when the work of these, our best representatives, is forgotten by the people, or by the representatives of the people in this House who refer to " our " past sacrifices and ask glibly: " What have we gained? How much shall we receive?"

Before passing to the direct discussion of some features of the Budget, I desire very briefly to refer to two or three matters that demand attention in connection with the present unrest. Mr. Speaker, I wish the Canadian people could see all sides of this problem, at least, all sides that are visible. It is very easy to take one, and only one, view of the situation. A part of this unrest is naturally incident to the times in which we live, while a part of it is an expression of the natural and wholesome desire for such fuller recognition of rights as will lead to a fair readjustment, securing an increasing measure of common right and freedom for all. But still another aspect of the unrest is the manifestation of diseased imaginations fed on the productions of the heated brains of class-conscious extremist agitators who, in order to right some wrongs, would introduce a vastly greater number of evils in following out their selected methods. Mr. Speaker, we, as Anglo-Saxon people and as Canadians, must ever bear in mind that where great moral questions are involved immoral methods cannot be resorted to if lasting and satisfactory results are to be reached. Some rather loose words have been spoken in connection with Bolshevism. I have heard good friends outside of this House refer to the demand of weary hospital nurses for three weeks vacation in the summer, instead of two weeks, as an evidence of the arrival of Bolshevism in the community. I have heard even more dangerous utterances on the character of Bolshevism. Those who see in Bolshevism the natural expression of the real soul of the common people, need to ponder this matter and investigate somewhat further. They should read a little more widely the results of the investigations of those who, as great outstanding socialistic leaders, have visited countries where Bolshevism is now rampant—men like the fair-minded John Spargo—and see in their findings whether it is liberty-loving people who now wave the red flag and march tyrannically forward. I think it is not. Sir, there is true labour, and we should honour it and stand for its rights. We should be ready to prepare the way for such readjustments as will make it possible for true labour to secure its rights. But there is also rank, naked, unadorned Redism, and sometimes, unfortunately for true labour, this menace becomes associated with people who are honestly endeavouring to solve their problems and secure the interest of all broadminded fellow citizens in order to obtain their due. The struggle that is on is not merely one between capital and labour. It is essentially a struggle between great conflicting ideas. Unfortunately, good ideas and ideas that are not so worthy have got mixed up on both sides. But if, as people endowed with ideas of British fair play and the instincts of our race dominant within us, we are willing to solve this problem fairly, recognizing that all are concerned and eliminating class consciousness as far as possible, I believe that we shall arrive at conclusions and achieve results that will mean for us a better and greater Canada.

Right here I desire to give my support most heartily to the essential features in the resolutions recently submitted to the Government by the Great War Veterans' executive with regard to an early conference of all parties concerned. The interests affected are not only those of labour and capital. Why can we not get a small group of men representative of agriculture, labour, capital, and the returned men—unless they wish to regard themselves as being reabsorbed into the various groups—and especially competent representatives of Mr. Taxpayer, the plain common people, with a view to arriving at some common satisfac-

tory understanding? We must have a "get together" of some kind, and that as early as possible, in order that differences may be clearly and frankly discussed around the table. Heated arguments will undoubtedly ensue, but as a result of such a conference there will be a truer understanding and a greater possibility for those who represent their several constituencies in this House to make such changes or to have such new legislation enacted as may be necessary in the interests not of classes but of all true Canadians. I believe, Mr. Speaker, that there is to-day a willingness on the part of most of the classes mentioned to negotiate. I hold no brief for any manufacturer, but I am delighted to learn from time to time, as I meet different manufacturers, that some members of this class of the community are prepared to meet the rest of us half way. I am not sure that all manufacturers are yet willing to do so, nor, indeed, am I sure that all the rest of us are prepared to meet them half way. With your permission, Sir, I desire to read part of a letter I received a few days ago from a successful young manufacturer in this country. I do not know whether all of his proposals are practicable or not, and it is not my purpose to declare my adherence to every sentence that he has penned. He writes:

I cannot see why the solution of some of our difficulties is not along other lines than either side is adopting at present. There are three big factors involved—Satisfied Capital, Satisfied Labour, and Satisfied Public. Perhaps the order should be reversed. There is no question that the spirit of greed is in full swing on the part of a large class in industry and business, and the general public is paying the bill. Every one is looking to the Government to reduce prices, which will go higher than ever if the Peace gets signed without future friction looming up. With still higher prices for the necessities of life, there will be more discontent. One of the big problems seems to be to keep the cost of living down at least to where it is, so that wages will both seem and be larger. The other problem of satisfying labour, it seems must rest on a self-interest solution. The third problem of satisfying capital involves capital making concessions to save the industrial life of the country, at this time of Canada's greatest opportunity.

If a law were passed affecting all Dominion Chartered Companies, allowing 6% to be paid per annum to the Stockholders on all actual Capital invested (cut out the water) and all Net Dividends over and above 6% to be divided into two parts, 50% to go to the capital invested, 50% to the employees in proportion to salaries and wages paid, it would form a new basis for a fair deal. All salaries and wages to be reasonable for the particular industry involved (the Government experts to act as the arbitrators, as they now settle Income Taxes). Management has so much to do with the success of any business, that inducement must be given for good men to take hold, and labour should give 5% at least of the above 50, and Capital give 5% of its above 50, making 10% of profits bonus for the manager to make extra effort to make good. Of the 45% left to each, labour and capital, I would say go further, and have 25% each of this go into a Fund for increasing the equipment and capital invested in the business. This would allow small businesses to grow, and give labour an actual capital interest in the business. With present tendencies, no small business will be able to start, or compete, if started, with the large trusts, and the public will be at the mercy of a few Trusts in the future, possibly mismanaged and overflowing with labour errors. Most of the big industries of the country started from small beginnings, and small beginnings want to be encouraged, and all individual initiative. This plan of 6% on capital, and a distribution of the balance of profits, would apply to all businesses, stores, etc., and not to manufacturing plants alone.

The capital invested ought to appoint the manager. Later the labour capital from the profits might exceed the original capital, so that labour in years to come might appoint the manager actually, but they would by that time see the problems, and do as the capital does, get the best man they can. The fundamental part of this plan is that if a strike occurs it hits the workingman's profits, as well as capital; and a direct loser is not going to strike but help. Also, the present idea of no work and more pay would gradually come to see that reasonably long hours mean more profits, and labour itself will not want too short hours.

Any country that can get settled down to every one working together, will get such a start at this time that they will win the world race. Australia, apparently, has about killed its industries by the shop foreman controlling and tying down the manager, so that efficiency and low cost of production are almost impossible. Rather than labour trying to get all they can out of the capital, whether the industry can compete or not, have a plan where all are working to the same end.

If the Dominion Chartered Companies (all the large ones) had their sphere of action defined by law, capital would know what to plan on, and individual ambition and initiative on the part of capital and management would not be killed but encouraged, with a reasonable return that could be depended upon. No individual storekeeper or manufacturer could pocket all the profits, the employees would get their just share, and all would in time work together.

If the Dominion Chartered Companies were made to set the standard, some provinces would follow the plan, and the balance would be forced to follow.

But the public must be considered. A monopoly like Standard oil, specialties, food articles, etc., could between the ambitious workingman and ambitious capital, boost prices to unreasonable amount, so that those in that industry, or dealing in a certain commodity, would get big returns at the expense of the public, and we would get the effect we are getting now of high prices for so many articles or commodities, to the profit of the pockets of a few. The public must be protected, whether the profits go to a few individuals, or among all of the employees. Prices must be reasonable in every line. To protect the public there must be a limit to the percent net dividends to be paid

in any business. Say, after 6% on capital invested, actually invested, then a further 20% to go to capital and labour, (make it high enough to keep both capital and labour enthusiastically interested); after that any profit to go to a Safety Fund to protect the particular industry involved—that is profit for that year. The Safety Fund to protect the industry or business in case of a bad year. The price of the commodity or commodities in question must be brought down as near as can be gauged each year, to the maximum excess profit of 20% mentioned. The Government oversight in this way protects the general public, and would keep all commodities within reason. Both salaries and wages being required to be reasonable also, would even protect the public in war time, against excessive prices in any one industry. As industries grow in size, the price of commodity manufactured would naturally come down, and if any large industry is not economically handled, the smaller fellow gets his growth and prosperity according to the laws of competition.

Mr. Speaker, in making our readjustments, we must be prepared, whatever schemes may be adopted, to change our viewpoint with regard to important incidents while holding to the fundamental principles that have characterized the people of our country during past years.

Coming more immediately—and I shall try not to weary the House—to the Budget, as a westerner—and we are all silent men from the West—I am grateful for much that is in the Budget, though naturally wishing that some further concessions could have been made. While coming from that part of the country which believes that it has not always had fair recognition, I want to say on the floor of this House that the West and the East must learn to understand each other without superficial friendly camouflage but by developing a mutual understanding of the whole situation which will naturally produce mutual confidence, goodwill and a united country.

I do not see how it would be possible for the Budget of this year to have all of the reductions in the tariff that we of the West, and many of the East, have desired and looked forward to. In fact, though an entire novice, I saw a year and a half ago, the possibility of some of my constituents being misled in this direction and I took occasion in every campaign meeting in agricultural centres to point out that as far as I was concerned, if returned as their representative in this Parliament, I would not expect to take the time of the country to enter into the old debatable territory until months after the war had been won and reconstruction was well on its way towards permanent establishment. I am not tied up with any signed pledges. I believe not in a delegated government but a representative government, and what was said in November or December, 1917, can be repeated in a present day form without having to take back anything in the constituency which I have the honour to represent.

I want to say, Mr. Speaker, that I find it necessary to vote against the amendment and to urge that it should not be supported for two or three reasons. It is too vague and indefinite. It is in part destructive and to a very small degree constructive. It gives much in promise and profession. It gives little that is practicable and that is sure to lead to actual possession. I believe the amendment should be voted against because it bears evidence of being coloured by the delicate hand of the leisurely theorist rather than by the hand of one who knows not only his theory but his practice. It has perhaps fortunately, Mr. Speaker, been recoloured, or retouched, somewhat hurriedly by the sterner hands of nervous though evidently more widely experienced men who desired to step in and make such modifications as to at least give it a semblance of appealing to a larger number than it might possibly appeal to if merely the product of the lone hand of the library, meditative idealist. Strange, and unfortunately, Mr. Speaker, the combination of colouring, and recolouring, yields no enduring work of art but a rapidly passing chromo.

There is no valid reason for supporting an amendment such as this. It is offered by men who have not yet given any evidence of a united grasp of the Canadian situation as it has been for five years, as it is to-day, and as it will be for several days to come. It is offered by men who have not displayed much evidence of capacity, at any rate, of such a character as to give the country any immediate relief, or a strong, steady, constructive administration in the interests of the entire Dominion. In fact I have understood that some hon. gentlemen opposite at least have intimated, in very practical, homely phrases, "that we fellows on this side should go to it and put the Budget through, because they do not want to see an election precipitated at the present time any more than we do."

I believe, Mr. Speaker, that the Budget should be supported because it makes a good beginning in the direction of meeting the needs and claims of the majority of the Canadian people. It makes a splendid beginning in the direction of making possible cheaper food, cheaper clothes, cheaper fuel, and cheaper tools with which to produce the wealth that Canada must have in the

coming days if she is to pay her war debt and "carry on" as a growing country. I would like to remind hon. gentlemen opposite that some of the best features in the Budget the Finance Minister has brought down are features to which they gave devoted allegiance in a pact which was introduced only a few years ago. If they were attached to these things in the piping times of peace, why should they not be thankful that at least an equal measure of relief is being given to those who claimed it in times of war and in immediately post-war days? While, as I have said before, the Budget does not give all that some of us could hope for, there are splendid indications of a good start, well begun. The assurance from hon. gentlemen who have honourably maintained this country's integrity and position during the trying times of war, that at a very early date an equitable revision of the tariff based upon a careful study of facts growing out of nation-wide conditions will be made, gives us reason to expect the larger thing that is in prospect and for which many of us have hoped for a long time. This makes us confident that the good work is to continue. And is it not within the range of possibility that if the hon. gentleman (Mr. Crerar), a close personal friend of many of us, who, no doubt honestly and conscientiously, found it necessary to withdraw his support from this Government at the present time, had thought of the larger influence he might have exerted on the process of tariff revision by remaining a member of the Government, and as he undoubtedly would have been, a member of the smaller group of Tariff Commissioners, and so have had a very positive and direct say in the whole business, that he might have taken a different step from the one that he did take?

I propose to support the Budget, and I believe that it should be supported, because in effect it serves notice that the more prosperous citizens of Canada, to-

4 p.m.

day and to-morrow, are to pay a fairer share of the war debt and of the expenditure involved in the upkeep and development of our country. Prosperous men are not to be penalized, but they are now to be put in what is in reality a privileged class. Let us see that they are never penalized, but that they are always given that large privilege which should come to those of strength, influence, and power, to serve the country by bearing no inconsiderable share of the country's taxation. I believe that the Budget should receive the hearty support of all hon. gentlemen who look into the conditions of to-day, because it is the Budget of a Government that at present can best handle Canada's affairs. Criticisms of the Government have been offered in the House and outside of it, which, after all, is only natural to-day. We have heard criticism to the effect that this Government has made many mistakes, but I have noticed that those who spend most of their time in making such statements are usually people who seem to be incapable of anything else. The nation-builders of the past on this continent, and in the countries across the Atlantic, have invariably been men who at some time or other in their public careers have made mistakes. Nevertheless, it is a great thing to see a Government that, despite the mistakes it may make here and there along the way, a difficult way, is really making permanent progress possible for a great and ambitious country. Mr. Speaker, let us, in this time of Canada's history, realize that a true evidence of development, of growth, and of forward movement, is far better than the support of anything in the nature of a sweeping revolution. I believe that the best achievements in the history of all nations have been made by evolution, and not by revolutionary processes. We have evidence in the best thought and action of the Government as expressed in the Budget which does credit to the hon. the Minister of Finance, to his colleagues, and to the country, of the fact that Canada's Parliament recognizes the need of making new adjustments, is prepared to make them in so far as seems possible at the present moment, and gives honourable assurance that further adjustment will be forthcoming in the immediate future as further efforts are made to develop our country, with all her great possibilities. We have evidence of a desire to carry on in the spirit of the men who fought for us in bloody battles overseas, that we who wage bloodless battles that will lead to days of greater prosperity and larger achievement, may, inspired by their action and their unfailing spirit, give our best not to partisanship, not to destructive, bickering, criticism, but to uplifting and constructive endeavour to make possible the best for Canada, for the freedom of all our people, and through us free people, the larger and completer freedom of the world. Mr. Speaker, I shall have great pleasure in voting against the amendment and in supporting the Budget.

Mr. PIERRE FRANCOIS CASGRAIN (Charlevoix-Montmorency): Mr. Speaker, the remarks of the hon. gentleman who has just resumed his seat demonstrates to me that one of the great aims of hon. gentlemen opposite is to indulge in waving the flag. The hon. gentleman has made reference to the few remarks delivered by the hon. member for Dorchester (Mr. Cannon) last night, and who spoke of the sacrifices we in Quebec had made in connection with our contribution to this war. The hon. gentleman (Mr. Whidden) seems to consider this word a little extravagant. Sir, I must differ from the hon. gentleman, and I might tell him that if there is mourning and sorrow in the other provinces on account of the war, there is also mourning and sorrow in the province of Quebec, and there would be more if the military authorities at the beginning of the war had taken proper steps to bring the province of Quebec to the front as the other provinces were brought. If there had been as much work done in the province of Quebec at that time as was done in the other provinces we would have had three or four 22nd Battalions—the battalion that went to the front and covered with glory the old province of Quebec. There is not a place that the hon. gentleman mentioned at the beginning of his remarks—Vimy Ridge, Courcelette, Cambrai and other battle fields—where you will not find sons of the province of Quebec, French Canadians, lying side by side with Englishmen of the other provinces.

I am very glad that the Government has at last decided to present the Budget. It was long expected, and at certain times we might have thought that it would not be forthcoming. The session really has just started. We have been here for upwards of three months, and what has been done? Not very much. The Government seems to have been marking time only. While our whole industrial system is being shaken to its very base, and the great problems of reconstruction and repatriation are facing us, when it is absolutely necessary to increase our production, our trade and commerce, and our population in order that our enormous debt be normally paid, when there is general unrest in the labour situation all over the Dominion and strikes are paralyzing the life of the country and are a real menace to its existence, what do we see? We see the Government allowing its followers to spend day after day going over such matters as the Fitzpatrick affair—a mere trifle of $5,000; the Guelph affair—which, after lengthy examination of the whole situation by the Government itself, it was found that the charges were worthless and baseless; the question of titles—of which we heard so much last year. We discussed it over again, although the Prime Minister seemed to have settled the question last year, and we made a muddle of it again this session. What ought the Government to do, and what is the public asking for and urging if not action? And what is the Government giving us to-day? Merely discussion; that is all we have got up to the present time. Then the number of defaulters under the Military Service Act was discussed to please a certain clique of the followers of the Government, the Orange people, who were absolutely eager to have a free-for-all field day.

But what result has been given to the country by such line of action being pursued? I find that nothing has been done. Why such a waste of time and money when the storm is raging at our doors? I ask you, Sir, if the Duma had such a Government to take care of the affairs of Russia, is it any wonder that there is to-day a Soviet Government in power there?—and it may come here soon.

The conduct of the Government, Sir, is a challenge to the people. It is breeding Bolshevism and will lead to the disruption of this country. If after the armistice was signed we had had such sturdy and resolute action from the Government as we had at the beginning of the war, some of the strikes that are at present disturbing the country might have been prevented. The Government was most eager in adopting stringent and urgent measures and resorted to the closure to pass the Military Service Act two years ago and the Canadian National Railway Bill this year. But to-day they are powerless, actionless and asleep when the whole economic life of the country is paralyzed and revolution itself is creeping in.

Sir, as a member of this Parliament, I want to put myself on record against the conduct of the Government in these matters. I happen to know friends of the Government in Montreal and other parts of the country, and they are all dissatisfied with the conduct of the Government. They are ashamed of its record to-day. They voted for the Government in 1917, but they were caught, and they are now waiting for a chance to vote against the Government because measures that they expected have not been enacted.

The Government has adopted a policy of dilly-dally on all big issues, and it cannot expect to retain the confidence of the people. What has the Government done to the tariff? Simply nothing—merely play-

ing politics with us and trying to fool the farmers. But, Sir, can we expect anything else from a Government, which, since 1911, has only acted by appointing commission after commission, and has always been ashamed and afraid to come before the representatives of the people in Parliament for real legislation.

What do we see to-day? We see the Government sitting there, and when any important question is put to them they are unable to furnish an answer. I remember some time ago when on the Canadian National Railways Bill, a question came up as to what was the salary of the general manager of the railways of this country—a very simple question, but not one member of the Government could answer it. Telephone messages had to be sent to some person outside of this city before any answer could be given to the question. It seems to me there is not much of responsible Government if the ministers of the Crown do not know what it costs for the services of the manager of such an important institution.

Last year, when any important question was put to the Government by the Opposition, we were told: "We are at war; do not say a word." This year, when inquiries are made of them, the Government say that they do not know—and they expect to get away with that method of answering questions. I am surprised that the Government, which was so eager to enact the conscription law and do away with privileges and liberties afforded by the constitution, ready to govern the country by Orders in Council, is to-day afraid to grapple with all the great problems which confront the country. The Government hesitate and are shy when they are confronted with the question of relieving the suffering of the labouring classes and restoring peace and maintaining order in the country.

Has the Government dealt satisfactorily with the grievances of the returned soldier? The soldier was promised a good deal when he went to the front, and much should come his way when he returns. Has the soldier received all that he deserves, and all that the Government agreed to give him when he returned? As soon as the soldiers commenced to arrive in this country from overseas, there was dissatisfaction; troubles arose in Halifax, Winnipeg, Toronto, and other parts of the country last summer. The soldiers claimed that they were not receiving proper care and attention. The former Parliamentary Secretary of the Department of Soldiers' Civil Re-establishment (Mr. McCurdy) resigned from his position on the ground that he could not support the Government because he did not think the Government was standing hand in hand with the returned soldier. The soldier is a good fellow, and deserves to be well treated and cared for when he comes home. He is somewhat like a child coming home after an adventurous expedition, and he should be received kindly and helpfully by the people of a grateful nation for whom he made tremendous sacrifices. But, however, if he is entitled to care and protection, he is still a citizen, and must obey the law. The Government is the custodian of law and order, and in connection with the disorders or troubles in Halifax, Winnipeg and Toronto last summer, the Government should have seen that the law was obeyed and respected and that the culprits were punished. Had the Government taken proper action at that time, we might not have to-day the disturbances and strikes and revolutionary movements that are taking place all over the Western Provinces. It is said that these strikes and economic disturbances are due to the high cost of living and to the attitude of the Government in that connection. For four years the Government has permitted the existence of, and even fostered, a most nefarious organization in the band of middlemen which has been such a curse to the country and has endeavoured to fill up all the cold storage plants with products that should be distributed to the people. These men have an army of agents going all over the country and buying from the farmers at fabulous prices, thus preventing the farmer from taking advantage of a normal rise in prices, and giving —according to the farmers' own admission—more for his produce than it was really worth. The farmers have been getting more than a reasonable price for the things which they sell. If the farmers of Quebec have made any money, it has been through thrift and economy and through following the suggestion of the Department of Agriculture with regard to increased production.

At the beginning of the war the press, which was not tied up body and soul to the cold storage people, urged the Government to take over the cold storage plants, but the Government refused to do so. Is there any good reason why butter should be selling at a higher price to-day than it was selling a year ago? It may be said that owing to the state of affairs in Europe there is an abnormal demand for butter; but should we allow the law of supply and demand to create abnormal conditions in

Canada? If there is shortage of food in Europe, where revolutions and strikes are going on, is that any reason why we should ship out of the country more than our surplus products? Would it not be better for the Government to take control of the cold storage plants in order that the people of this country, who have themselves produced these commodities, shall not be made to suffer?

The Government should have passed a law providing for the imprisonment of any dishonest promoter or speculator and making it an offence punishable by imprisonment for a middleman to exploit or speculate in food products. We read in the newspapers that in Bohemia they hang such persons. But in this country people who do this get titles; they are friends of the Government and have been receiving favours ever since the Government was formed. Something should be done, and done immediately. The Government's attitude is astounding, incomprehensible. The people have the right to know why the Government has assisted these storage houses to increase rather than to lower the cost of living.

Sir, a commission was appointed to go all over the country and investigate the different causes of industrial unrest. We do not so much object to the appointment of the commission as to the fact that the action is taken so late. But the Government should have had this question decided by the members of Parliament. Is there a member of this Parliament, a member of the Government, who is not familiar with the conditions existing among the people to-day and who could not give a sound opinion on this subject and help to pass such laws and regulations as would benefit the people of all classes? Why has the Government not tried to remedy this state of affairs by fixing the prices of commodities most necessary in the ordinary life of the people? Why has the Government not gone after the profiteer? The answer is very simple; because the Government is the friend of trusts, not of the people.

Last night the President of the Council (Hon. N. W. Rowell) referred to the prices paid in England as compared with those paid in Canada for certain Canadian products, and said that the prices in England were as high as they were here. I think my hon. friend was mistaken, because many Canadian products are dearer here than they are in England. I quote the following article published in a morning newspaper:

Bacon Prices.

In a recent issue of the Montreal Herald there is an interesting letter dealing with the high price of bacon and contrasting the selling prices in Canada with the prices which rule in England. The letter is as follows:

> Sir,—I am sending you herewith the official Government record of the prices of Canadian bacon and ham, price in English money is 1s. 7d. per pound, or 38c. per pound. This bacon is selling here at 65c. per pound, and poor quality at that. It plainly shows that this is one of the worst of the profiteering fraternity. Here is bacon shipped from Canada, freight paid, landed in England, and the British Food Controller fixes the price at 36c. per pound. Is it not high time this was altered and the public protected?
>
> S. Fry.
>
> 381 Victoria Ave., Westmount, May, 30.

The following are comparative prices, as forwarded to the Canadian Trade Commission, Ottawa, as among those fixed by the British Food Controller in April, for the sale by agents of the British Ministry of Food of "green" ham or bacon in original packages ex-store:

Wiltshires, Canadian	180s.	per cwt.
Class A., American	176s.	"
Cumberlands, Canadian	177s.	"
Class A., American	175s.	"
Hams, L. C. Canadian	178s.	"
Class A., American	176s.	"

This spread between the price in Canada and Great Britain is startling. It is a phase of the high cost of living which the commission now sitting in Ottawa should investigate immediately. The public want to know why Canadian bacon costs more in Canada, the country of production, than it costs in the Old Country. It may be that if the President of the Privy Council had read this article he would not have said last night that the cost of living was much higher in England than in Canada.

The number of commissions that the present Government and its predecessor have appointed since they came into office is astounding. In answer to a question put by me to the ministry at the beginning of this session a return was tabled in the House giving the number of commissions, their purpose, the names of their members, the work they did, and the cost to the country. With reference to the Georgian Bay Canal Commission, I found this significant sentence:

> The chief accountant reports that his office has no way of ascertaining what sum should be allotted to this commission, and that also applies to lighting, furnishing and equipment.

Why is the total cost of that commission not available? Here is a commission appointed to represent the Government, and yet the chief accountant reports that he has no way of ascertaining the cost of the

commission. Is that the way the public money is going to be spent? Are we going to tolerate still longer the squandering of public money on worthless objects? All these commissions were supposed to make reports. A lot of them have done so, a lot have not done anything but simply die of their own incapacity and incompetence; but the members of the commission have never failed to draw fat salaries and all their expenses. What return have we got from the money spent on these commissions? I leave it to you, Mr. Speaker, to say whether the country has benefited at all.

Another direction in which a great amount of money was spent by this Government in recent years was in the enforcement of conscription. That cost the country over $6,000,000 and disrupted the nation. How much did the National Registration last year cost the country? I find by the report that it cost $788,189.44, and I should like to know what results we got from it. It caused a lot of trouble, but I have yet to be shown what good resulted from it.

Another item which has cost a large amount of money is the publication of the Bulletin, of my hon. friend the President of the Privy Council. Since its inception it has cost $100,980, and you cannot find anything in it except glorification of the President of the Privy Council. I do not think it has done an ounce of good to the country at large.

In answer to a question put by an hon. member on this side of the House at the beginning of the session, a statement was submitted by the Secretary of State showing that the printing of the Government for the year 1918 had cost $2,569,599.73. This is a very large amount, and I should like to know what results the Government got from this vast expenditure. All the expenditure I have mentioned, and many others, were made to help down-and-out friends of the Government, and to keep in line the followers that the Government was afraid of losing.

I come now to a question which has been much discussed in the House this session and last, the so-called abolition of patronage. We were told that a Civil Service Commission had been appointed and that patronage would be abolished; we have all heard that. But patronage has not been abolished. Let me give two examples of patronage in my own county. Last year a member of the board in charge of the National Registration asked me to suggest the name of some person in my county for the position of registrar. I gave him the name of one of our most prominent citizens, a highly respected merchant, already registrar for his town, mayor of the place. Some time afterwards this same member of the board came and told me "I cannot appoint the man you have suggested because, unfortunately, he is a friend of yours, and not a friend of the Government, and I have to appoint friends of the Government—men who were in line with the Government at the last election." Does that look like the abolition of patronage?

Let me give another illustration. A demonstration farm was to be established in this same county, and there was a vacancy to be filled. Some names were submitted and after making inquiries I found that a report had been made by somebody in the department that one of the gentlemen recommended should not be given a chance to obtain the position, because at a certain time he was a friend of the hon. member for Charlevoix-Montmorency. I took the trouble of going to the department and correcting their understanding of the matter. I told them that this man was a supporter of mine in the last election but previously he had always been a good Tory, and that he should be given a chance for the job, if possible, because he was well fitted for it. I give these examples to show you how patronage has been "abolished" by some departments of the Government.

We were told by the Minister of Finance in his Budget speech last week to "produce and save." Well, Mr. Speaker, since the beginning of this session I have seen no legislation put forward by the Government that was in accord with that principle. Is the Canadian National Railway system going to save money, or the Welland ship canal, the Hudson Bay railway, the Departmental Purchasing Commission or the shipbuilding scheme and other ventures which the Government has proposed?

The Government should scrupulously refrain from entering into any field of transportation and communication or undertaking any industry or business whatever that is pre-eminently within the province of private enterprise. All these businesses can naturally be best conducted by private corporations and capitalists and should not exploit the Government. In connection with this point I should like to quote an article in to-day's Gazette. It is all very well for us to say that we shall have a shipbuilding programme that will place us on an equal footing with other countries in naval matters, and that Canada will in consequence

attain a greater material advancement. I have no fault to find with any well-advised scheme whereby the country may be advantaged, but I contend that we should not exceed our available means. Let us consider how this question is viewed in the United States and what action the Government of that country intends to take in the circumstances now existing there. At page 8 of to-day's Gazette there appears the following:

> Shipbuilding Policy Reversed.
>
> Government Advised to Stop Building and Operating.
>
> Washington, June 12.—Recommendations that the Government quit building and operating commercial ships at the earliest practicable time were presented to the Senate Commerce Commission to-day by the Shipping Board. Sales of all commercial ships was recommended. Vessels which could not be disposed of immediately would be leased.

Now, if the United States authorities deem it necessary to take such effective means to stop their shipbuilding policy at present, why are we, with a small population compared to that of the United States, and with smaller means, embarking on a pretentious shipping policy? I am afraid that some day we shall find ourselves bankrupt. The President of the United States, on his return recently from Europe, expressed the desirability that all public utilities that were taken over and placed under government control at the beginning of the war should now be returned to the private corporations that managed them previous to the war.

Coming especially to the Budget, I must say that it strikes me as being a piece of political strategy that betrays undeniably great ingenuity. As an economic policy it imposes such burdens upon successful business enterprises that so long as the provisions of the Budget in this respect remain operative it is to be feared that there will be little in the way of great undertakings in Canada, for the present at any rate. As a revenue producer, everything will depend upon the efficiency with which the income tax can be collected. As an example of the manner in which this measure is carried out, I may say, while I do not wish to be personal, that like many other citizens I have received the notice calling for a statement of my income. But the extraordinary thing is that only last week was I notified that I had to pay my income tax on the 2nd of July on the assessment for the year 1917. If the Government keeps its accounts in that manner, and if all income taxes are collected with similar expedition in the future, I doubt very much whether we shall raise enough money to meet our obligations. As a measure of justice between the different classes of the community the Budget appears to throw some share of the burden of the war upon successful business concerns, but not yet enough on wealthy promoters, profiteers, and millionaires, who have been able to accumulate vast wealth out of the exigencies of the war. I think that in this Government we have an excellent example of collective bargaining and the fifty-fifty proposition. What can we expect in the way of satisfactory legislation for the relief of the poorer classes when we look at the treasury benches? There we find that most of the members of the Government are connected with big enterprises and are semi-millionaires or at least wealthy gentlemen. We have the Prime Minister, a wealthy man with no responsibilities in the way of children. There is the Hon. Mr. Kemp, another millionaire who also has not been blessed with children. We find also the Hon. Mr. Ballantyne, a gentleman connected with many big enterprises including a paint and varnish business. Then, again, there is the Hon. Mr. Carvell—

Mr. SPEAKER: Order. I must ask the hon. member when he refers to any hon. gentleman in the House to say, "the hon. member for so and so," or "the hon. Minister of so and so."

Mr. CASGRAIN: I bow to your ruling, Sir. Well, then, there is the hon. Minister of Public Works (Mr. Carvell), with his potato and hay industry, and the hon. Minister of Finance (Sir Thomas White) with all his friends of the big trusts and corporations of the city of Toronto that have been bleeding the country since 1911. He, also, I am told, has no children. There, too, is the hon. the Secretary of State (Mr. Burrell) with his fruit business in Western Canada, I think; and I might also mention the hon. Minister of Customs (Mr. Sifton) who is a brother of the astute politician and millionaire of the West. Shall I mention another? There is the hon. Minister of Immigration and Colonization (Mr. Calder) with his big pull that can attract millions, not to mention his great experience and ingenuity. The hon. Minister of Trade and Commerce (Sir George Foster) is, I understand, another minister who is rich, who has no children. The hon. Minister of Railways (Mr. Reid) seems to have made a good deal since the beginning of the war—

and I might refer particularly to the legislation passed last year in connection with certain farm tractors; while the Minister of Justice (Mr. Doherty) is a pensioner of the state and also a director of many big trusts and corporations in Montreal. Then, last but not least, we have that other hon. gentleman who is on his way to millionaire fame—the astute Mr. Meighen from the West.

Mr. SPEAKER: Order.

Mr. CASGRAIN: I beg your pardon, Mr. Speaker, the hon. Minister of the Interior (Mr. Meighen). Now, Mr. Speaker, I would have liked to see in the Budget the ideas propounded by the hon. member for Brome (Mr. McMaster) given more prominence, and I think that they would certainly have tended to a betterment of social conditions in this country. Protection, as has been said in this House during this debate, no doubt tends to corrupt politics, and, Sir, you know very well that our politics are corrupt since 1917. Protection creates a set of privileged and anti-social classes, and it cannot be denied that we have them to-day. Protection raises the cost of living by levying a tribute which ultimately is borne by those who are unable to shift it—the salaried and wage earning classes, and farmers exporting their products. I will go further and say that protection fosters international jealousy and prepares a seed bed for war. And speaking of incorporated business concerns I want to say that most of the high cost of living is due to over capitalization and watered stock in such companies. Big trusts and corporations are making immense profits out of the sweat and blood of the labourers. As I say—I may be going too far, but I have no doubt what I am about to say is true—a certain part of the high cost of living is due to over capitalization, and there is watered stock in many concerns, and what ought to be done to allay the national unrest that prevails at present is to revise our corporation and commercial law so as to make it an offence adequately punishable for any company or board of directors controlled by a few to issue securities away above the value of the equity that really exists in properties owned by these companies and forcing the common people to pay interest and dividends on watered stock.

Turning to another point, Sir, with regard to the conduct of the Government last year, I expressed my opposition to the undue use of Orders in Council. This year I find that in a great deal of legislation that is proposed to be passed by this House, there is a certain intention or desire, under cover of help being extended to the different provinces, to centralize authority and to interfere with the autonomy of those provinces. That tendency can be found, for instance, in the Prohibition Act, the creation of the Board of Health, the Highways Act, the Housing Act, and the Technical Education Bill which was presented last week. It is very difficult, when money is offered to us, to refuse it, but at the same time I think it is necessary that we should be on our guard. Otherwise, the provinces will awaken some day and find that they are in the hands of a centralized administration, the federal power, to whom they will have to come to obtain whatever they need and without whose consent they can do no act.

Another weakness which I find in the Budget is that it does not contain any intimation whatever of an intention on the part of the Government to reduce its expenditure, notwithstanding the fact that we are face to face with a big debt. They are still maintaining many departments organized as war necessities whose usefulness no one at the present time can see. Let us take the press censorship. In England this was immediately done away with as soon as the armistice was signed. The office and staff are still being kept up in Canada, although the chief censor sent out a notice to the newspapers several weeks ago telling them that they were no longer under supervision, and he also reported to the minister that there was no longer any need for this department to exist. He was told, however, to hang on to his job until the Government got ready to move.

The Department of Public Information, to which I have already referred, is another useless appanage of the war that could be done away with immediately, seeing that it is spending money to no good purpose. The Newsprint Paper is another thing that might be done away with. Great Britain did away with it immediately the armistice was signed, but it is still going on in Canada. The salaries of the controller and of the members of the Paper Control Tribunal, consisting of High Court judges, are still being paid, while other expenses in connection with this service are being incurred. In these matters the Government has shown no disposition to study and practice that economy which it has enjoined upon the people. There are scores of other instances in which public money is being ill spent, if not wasted. The hon. the Finance Minister tells the people of this

country that they must work harder and hoard more. " Produce and save " is their motto—produce and save so that the Government will have more to grab. " Tax and spend" would be a more appropriate motto for the Government to-day.

Trading the war duty on bituminous coal to the railways for lower rates on farm appliances shipped from eastern to western Canada is an indefensible piece of class legislation for the sole benefit of a certain section of the country. Would the Government undertake to grant the railways a rebate in tariff duties as a quid pro quo for reduced freight rates on grain from the west for the benefit of the wheat consumer of the east? What is to prevent the Americans, whom the new deal is supposed to circumvent, from meeting the situation with a cut in their freight rates? They admittedly are better able to make one, on account of the shorter haul they enjoy from Chicago to the Canadian west. If they do, will the Government be asked to dicker still more with our railways for a lower rate?

What effect will the enforced lower freight rate have upon the financial condition of our railways, admittedly now in a very bad way, with the exception of one road—the Canadian Pacific. I think that what is going to happen is that you will see the railways coming before the Board of Railway Commissioners asking for an increase in the rates on certain other articles because they are not able to stand the arrangement as proposed in the present Budget. In the United States we find that the roads which are better provided than we are have difficulty to keep up with the requirements. Here is what we find in the speech of the hon. the Minister of Finance himself:

> It must be borne in mind that although, as the above schedule indicates, the rates for equivalent distances in the United States are higher than in Canada, notwithstanding a greater density and diversity of traffic, combined with a lower fuel cost, the United States operations, as indicated by the reports made by the United Railroad Administration, are now being carried on at an operating loss.

If the American railroads, with all their advantages, cannot make ends meet, what excuse is there for hampering our own railways, merely to please a single section of the country?

The minister takes credit for having increased the "ordinary revenue" of the country from $163,174,394 in 1914 to $310,000,000 in 1919 and you have to allow that he is an adept in taking money from the peoples' pockets. But he ignores the fact that "ordinary" expenditure as he calls them—"extraordinary" would be a better word—have kept pace with the increased revenues. They were $127,384,473 in 1914 and $240,000,000 in 1919. Had the Government kept down its expenditures, while increasing its revenues, the minister might have had something to boast about. But, that was not the case; the expenditures have been increasing right along and the revenue has been falling short.

The minister reports total receipts on income tax account for 1918-1919 as $10,000,000 and estimates next year's receipts at $20,000,000. Ten million dollars seems like a very low return if the tax had been fairly imposed and collection universally enforced.

What has the Government to say about the universality of the application of this tax? We do not hear a word from them about it. There is a feeling, Sir, in this country that many persons who should have been assessed have escaped their share of the tax either through their own contrivance or because of negligence upon the part of the collectors. The virtue of a personal income tax lies wholly in the universality of its application to all the people. This becomes even more urgent in view of the increases now being proposed. What is the Government going to do to ensure that the tax will be more equably imposed and more promptly collected in the future than in the past? I do not think that in the Budget there is any special reference to these features to which I have called attention.

Coming now to war loans, the Budget announced that this year possibly a new war loan will be issued. Will the bonds, as in the case of former issues, be free of income tax? That we do not know. But if they should, what bearing will it have on the country's $340,000,000 deficit? Are the rich escaping by means of past war loans their due share of the income tax? The minister emphasizes that of Canada's total national debt at present $1,584,000,000 securities for $1,510,000,000 are held in Canada. The bulk of these securities are tax-free war bonds. The Government imposes a tax of 4 per cent upon workingmen's income of $1,000 and proposes to impose not only the regular tax but a surtax varying from one to sixty-five per cent additional upon all incomes above $5,000 in amount. But a man whose sole income is derived from Government war bonds, upon which a liberal interest is paid, may escape taxation altogether be his income $1,000, $10,000,

or even a million. The man of average means, obliged to work for a living, cannot buy many war bonds. The effect of the tax exemption feature upon those he does hold is practically negligible and means nothing at all in comparison with those held by people of large means. Still he is assessed on his earnings of $1,000 and over. Is it any wonder that when he sees the man of wealth escaping the income tax through the possession of tax-exempt Government bonds, he becomes restive—that he falls an easy prey to the agitators who are stirring up trouble throughout the country.

"Every effort must be made to expand and develop our export trade in manufactured articles, as well as in the immediate products of our fields, forests and mines," declares the minister. How does this comport with the Government's attitude in refusing to release control of the paper-making industry although repeatedly appealed to by the manufacturers on the ground that their industry is one contributing to the national welfare, which should be encouraged to "expand and develop" its exports? Control was assumed by the Government as a war measure, under the War Measures Act, on the mistaken assumption that the rising price of paper threatened the extinction of the newspapers—an assumption absolutely absurd when it was made and since proven to be without the slightest foundation. Nevertheless, the Government not only took over control of the industry and imposed an arbitrary and unfair price upon the manufacturers for their product in Canada, but enforced their arbitrary measures by threats to stop the exports of the industry's products and in some cases went so far as to order the suspension of licences to export unless such arbitrary orders were complied with.

The Government's action in this connection has undoubtedly retarded the development of the industry to an appreciable extent and has greatly hampered it in securing a fair price for its products in the foreign market. If the Government asserts that it was justified in interfering with this industry in the interests of the consumer, as it has repeatedly asserted, will they tell us why they have not interferred with other industries, such as those producing food, clothing, fuel and other things, in behalf of the consumer, where the necessity has been a thousand times greater?

If it is the policy of the Government to assist industries engaged in export trade to "expand and develop" for the good of the country, why is it still exercising the very opposite influence upon this particular industry some six months after war has stopped? Is the Government aware that the basis of price-fixing for print paper in Canada is being made the basis of similar proceedings in regard to Canadian paper in the United States, where more than 80 per cent of Canadian-produced paper is marketed? Why was newsprint paper, of all the manufactured articles in Canada, and of which there was never any complaint of a shortage arising in this country, picked out for government control and every other manufacturing industry ignored?

Sir, there must be some reason for this discrimination. It has been in force since the Government elected in 1917 took up the administration of public affairs, and appears to have been done in order to secure the support of the press of Canada. I have here an article taken from the Montreal Daily Star of September 25, 1911, and which bears the heading "The New Broom." The article in question is too lengthy to read in its entirety, but I will quote a few sentences from it. It begins in this fashion:

> People will expect the "New Broom"—the new government to sweep very clean, indeed. It comes into office on the top of a mighty wave of patriotic fervour; and the hopes of the electorate are keyed up to an exceedingly high pitch.

That was the Government of 1911. It is referred to as the New Broom, which is expected to sweep very clean. The article goes on to say:

> In the past the open and shameless subsidizing of the press by government of both parties has been a public scandal.

This is an article, it must be borne in mind, from a paper friendly to the Government. The article goes on to say:

> That being true, how can we possibly expect independent and fair comment on the actions of the Government from journals which live by its bounty.

The article says further on:

> These (advertisements) the Montreal Star has been in the habit for some time of publishing as "news" without getting a cent for them; and we propose to continue this policy. . . . But for this "service," we will not accept a penny of public money.

Later on the article says:

> But here in Canada we have a government which does worse—which does not hesitate deliberately to poison and corrupt the very sources of information.

Then, further on:

> The manner in which the public press has been openly and systematically debauched year after year.

In concluding the article says:

> We hope that the "New Broom" will begin at the beginning in its efforts to "sweep clean" by giving us a "clean press."

Well, Sir, if the Government tried to do some sweeping with its new broom in 1911, I think it tried to do the sweeping for its own benefit, and in sweeping it has swept away some of the consciences and has restrained the people from expressing their own opinions. In 1911, when that editorial was printed, the Government spent on the newspapers of Canada less than $400,000 for all purposes. In 1918 the amount spent by the Government approximated nearly three-quarters of a million dollars, not including the financial benefit accorded the newspapers through Government control of the price of paper. Now, Sir, seeing the result obtained by the Government through the press in 1917, I think we may well say that the new broom is no good at all, that it has lost all its bristles or whiskers, and that we should do away with it and get a new broom.

Coming back to the slogan of the Finance Minister, Produce and Save, one might be inclined to laugh. Ninety per cent of the people will be inclined to regard this as a particularly sardonic piece of advice from the Government, when between the high cost of living and the increasing burden of taxation they are struggling to make both ends meet and have all they can do to supply their families with the necessaries of life. Will such advice, Mr. Speaker, cynical in sound and cynical in effect, be a helpful factor in allaying the industrial unrest now rampant in this country, and which is admittedly due to the conditions which the Government has failed to recognize, or, recognizing, has not had the courage to meet, and is only just now by feudal and belated commissions endeavouring to show that it has even a passing interest in.

Sir, I think I have said enough to show that the Government has not done what should have been done by a Government conducting the nation's affairs and solicitous for the welfare of the people. This Government has shown a certain lack of respect of the constitution and of the people, the effects of which we are reaping to-day. The Government has failed to give us government of the people, by the people, and for the people, and to administer national affairs on a just and equitable basis to all in order to afford the people at large the means of enjoying a comfortable and economical living.

Coming from the province of Quebec, Sir, I think I should be permitted to say a few words as to the present conditions existing there. I believe, in view of conditions prevalent to-day throughout the Dominion at large, that Quebec still stands the leading province. Despite all attacks against it, the people have shown themselves equal to all others, thoughtful thinkers, and to-day they stand in a position that the other provinces would like to be in. In the midst of all the present agitation in the West, and in fact in every other province, Quebec stands the leading province of them all regarding the labour problem. Although there were a few minor troubles and disturbances last year, never did the people of this province do what was done three weeks ago in Winnipeg—insult the flag, or attempt such lawless acts as were indulged in there—because, Sir, the people of Quebec are taught from their boyhood at school and in the churches to respect the law of the land, and the flag of our King and of our country.

Events are shaping themselves to-day. There is a dispute between the East and the West. The West is for low tariffs, the East for a certain revision and medium taxation. The province of Quebec in the past has been allied with both of these elements, with the people of Ontario at one time and with the Western people at another time. In 1911 it was the good fortune of the leader of the Liberal party to announce a policy which, if it had been adopted at the time and carried into force, would have given the people of the West what they are clamouring for to-day. The Liberal party with its chief in 1911 went down to defeat, trying to benefit the West. In 1917 we stood by the West once more, and we were again defeated. To-day we have the people of the province of Ontario and of the western provinces trying to get our favour and make friends with us. But on many other occasions we have been left alone by both of these elements, and I think that the province of Quebec now should follow the policy of the Government of wait and see. We should wait before making any alliance with either of these elements, remembering the motto of the province of Quebec—Je me souviens.

Mr. JOHN W. EDWARDS (Frontenac): Mr. Speaker, if I cannot agree with all that my hon. friend (Mr. Casgrain)) has said and commend him for the material which he has presented to this House, at least I can congratulate him on his powers of endurance and his persistence in attacking this

Administration. The hon. gentleman spoke for an hour and a half, and in the course of that time he found absolutely nothing whatever to commend in the Government or in the Budget which has been presented by the Finance Minister. In that respect my hon. friend has followed the road blazed by the hon. member for Brome (Mr. McMaster) and has failed to appreciate, as the hon. member for Brome failed to appreciate, that gross and persistent exaggeration does not help in the presentation of a case.

I do not intend to argue the point raised by my hon. friend from Charlevoix-Montmorency (Mr. Casgrain) as to the reasons why the enlistments from the province of Quebec were not in proportion to the population. He has presented excuses why the enlistments were not greater from that province. I repeat, I do not intend to follow him along that line; but I will give myself the pleasure of endorsing his tribute to those men who did go from Quebec and who fought on the battle front in Flanders and in France. My only regret is that there were not more from that province to fight alongside the men who showed themselves equal to the best that any country can produce.

My hon. friend has expressed some concern about the returned soldiers of this country and the treatment that they are receiving at the hands of the Government. I venture the suggestion that the returned soldiers will be far more content to let their future rest in the hands of a Government which stood by them when they faced the foe in France than to place it in the hands of men who refused to stand by them or to grant that assistance.

My hon. friend (Mr. Casgrain) accused the Finance Minister of playing politics and trying to fool the farmers in the Budget proposals which he has brought down. That assertion is excusable because of my hon. friend's youth and his lack of political experience. Had he been longer in politics, or had he given even the slightest attention to past political history, he would not say that hon. gentlemen on this side of the House were playing politics and trying to fool the farmers. Has my hon. friend forgotten that the assertion which he made was the stock-in-trade argument of the party which he supported during the fifteen years that they were in power and the eighteen years before they got into power?

The hon. gentleman has said that prices are high in this country. That is true. He quoted an article to show that prices are lower in Great Britain than in Canada. I say that the prices of the necessities of life are lower in Canada to-day than they are in Great Britain, except on certain things the price of which has been fixed by the Government of Great Britain, that Government bearing the loss. Moreover, prices generally in Canada have been lower than prices obtaining in the United States.

I pass over my hon. friend's remark with regard to the members of the Cabinet being wealthy men, and also his allusion to the regrettable fact—which, I am sure, no one regrets more than the ministers themselves—that some members of the Cabinet have no children. That is their very great loss. But with regard to his suggestion that the Finance Minister is connected with trusts and wealthy corporations, I submit that no man who ever occupied a position in any Government of Canada has kept his record cleaner in that regard, or has made greater personal sacrifice in doing so, than our present Minister of Finance. The hon. gentleman (Mr. Casgrain) himself not very long ago showed a very kindly interest, by his attitude, in this House, in certain organizations which might be characterized as trusts and combines. He still evidently has a very kindly and generous feeling towards the shipping interests, with which, I believe, some of his immediate friends are closely connected.

The Finance Minister told us that the debt of Canada on March 31 of this year was $1,950,000,000; that the interest charges amounted to $115,000,000, and pensions to between $30,000,000 and $40,000,000. I note, in passing that the total customs revenue collected in 1913, the year before the war, would just pay our interest charges to-day. I want to submit one or two figures in support of an argument which I shall present very briefly.

Our total trade in 1918-19 amounted to over $2,169,000,000, 66 per cent of which was done with United States and about 20 per cent with Great Britain. In 1913-14 our total trade amounted to a little more than $1,000,000,000, over 61 per cent of which was done with the United States and 25 per cent with Great Britain. I mention these figures to show that Canada is more dependent upon these two countries in the matter of trade than it is upon any others. These figures have this lesson for us: this is not the proper time for a general revision of our tariff. Great Britain and United States have not yet dealt with post-war conditions so far as their fiscal policy is concerned, and our Government should not

make a general revision of the tariff until Great Britain and United States have arranged their fiscal policies to meet the new conditions arising out of the war. Conditions in Canada to-day are in a state of flux; wages, prices, freight rates and the like must be taken into consideration if we are to deal intelligently with our fiscal policy. In my judgment, therefore, the Minister of Finance would have been justified in making no tariff changes at this time. He has chosen to take a different course; in regard to that I shall have some remarks to make a little later.

We are facing a very large expenditure, which we cannot get away from; interest charges must be paid, and our pension list must be attended to. These items will take up about $140,000,000 or $150,000,000, which were not required previous to the war. The question naturally arises, how is this money to be raised? That is something to which we must all give due consideration.

One thing that struck me in the speech of the member for Brome (Mr. McMaster) was the fact that his very first word was one of thanks to the Finance Minister for allowing him to delay the Budget for four days, and his second word was one of complaint because the Budget had been delayed. That, however, is not an isolated instance of inconsistency on the part of the member for Brome; he has furnished numerous examples on previous occasions.

During the course of his speech the hon. gentleman (Mr. McMaster) referred to the duty on linen, woollens, fur caps and mitts, boots and shoes, and so on, and apparently wished the idea to go out that he was and always had been opposed to the imposition of duties on these articles.

What was the hon. member referring to when he spoke of the rate of duty on linen and woollen clothing, boots and shoes, leather, harness, and so on? He was referring to the rate of duty fixed by the Laurier Administration in 1907. Although my hon. friend was not a member of the House at that time, he was a well-known supporter of the Liberal party, and he then considered it a very sound principle to impose a duty of 35 per cent on woollen and linen clothing and all that sort of thing. If he did not, and he shakes his head, then for a number of years his feelings have been dammed up by political expediency, and it is only now the dam has burst and my hon. friend is giving vent to his real sentiments on the tariff.

Mr. McMASTER: May I interject a word of explanation? I was never satisfied with the progress which my party made towards lower tariff, but at every election the Conservative party wished to increase the tariff.

Mr. EDWARDS: My hon. friend says he never was satisfied with his party, and, of course, I accept his statement. I can sympathize with him to a certain extent for having held his real feelings in leash all these years; he never gave expression to them, so far as I know, during all the time his party was in power. No, to him, Laurier was the right man for Prime Minister, and 35 per cent on woollens and boots and shoes was the proper policy. The hon. member may shake his head to indicate he did not approve of those duties, but my point is that he kept beautifully silent all those years, or if he raised his voice in protest he did not do it loudly enough to be heard throughout this country, and now when he makes profession, as he does, of free trade principles, after having endorsed for the greater part of his life a protectionist policy I for one am disposed to take his free trade profession with a liberal supply of salt.

The hon. member for Brome says that he accepts the reciprocity pact. What does he do in his amendment? He has proposed an amendment which contradicts itself. I claim that if you vote for the last clause of his amendment, you repudiate what is contained in clauses 2 and 3, and if you vote for clauses 2 and 3, you repudiate what is contained in the last clause, namely, the reciprocity pact. My hon. friend says in his amendment: I am not content with free food, sweep the duties off manufactured articles as well. Further on, his amendment asks hon. members to vote for the reciprocity pact. Now if you accept the reciprocity pact, does that mean you abolish all the duties on manufactured articles? Not at all.

If you accept the reciprocity pact you abolish the duties on food stuffs, but the only duties on industries you affect are the duties on agricultural implements, and these are not made free; they would still be taxed 15 per cent. So in one breath my hon. friend urges us to sweep away these iniquitous duties which are robbing the people of this country, and in his next breath urges us to accept the reciprocity pact, which leaves those duties on. That is another evidence of his beautiful consistency.

The hon. member for Brome in his speech said that protection was responsible for driving men from the country into the cities and towns. That remark had scarcely been taken down before he said that in

Great Britain free trade was responsible for the drifting of the rural population into the cities and towns. Another example of his beautiful consistency.

Last year my hon. friend from Brome in discussing the Budget was not so positive as he is this year. Then he said:

> I am sure the Acting Finance Minister (Mr. Maclean), who has not yet had time to dissipate the sound economic views which he held on this side of the Chamber, will agree that no national policy could possibly be followed in the absolutely artificial financial conditions which confront the country at this time.

That was his position a year ago. Are the conditions of this country to-day less artificial than they were a year ago? He speaks of the "sound economic views" which the Acting Finance Minister held. Is it a sound economic view for an hon. gentleman to cry for free food and yet raise the duties on food stuffs, because that is the policy which my hon. friend (Mr. Maclean) supported when he supported the Budget brought down in 1907 by the present member for Shelburne and Queen's (Mr. Fielding)? That Budget increased the duties on certain vegetables, and for what purpose if not to protect those engaged in gardening? It increased the duty on beans ten cents a bushel, potatoes, five cents a bushel, and pease five cents a bushel and there was no uproar at that time. That Budget was supported by the hon. member for Halifax (Mr. Maclean), who, according to my hon. friend from Brome, has not been on this side of the House long enough to dissipate his sound economic views. He therefore admits that the hon. member for Halifax in holding those views in 1907 held sound economic views, and he cannot deny that the hon. member for Halifax supported that Budget, and in the election of 1908 supported the party which imposed those duties. How does the hon. gentleman square himself in this matter of the tariff? He attempts to square himself by quoting from the President of the United States, who says:

> The direction in which a party or individual is moving is a matter of principle. The speed with which the movement takes place is a matter of expediency.

Oh yes, my hon. friend says, if you take 2½ per cent off the duty on agricultural implements, after considering the matter for eleven years, you are following beautifully along the line of principle, you are getting rid of the duty; but it is a matter of expediency if you do not take all the duty off. So my hon. friend has followed the course of expediency in politics in the past.

I have only this to say to my hon. friend, in the words of Montaigne, "No wind serves him who has no destined port."

My hon. friend, so far as tariff matters are concerned, has not had any destined port in politics, and I doubt very much if he has one yet. In his speech he said he would ask the Government to consider the advisability of buying, at prices which would encourage production, such great staple necessities of life, as flour, bacon, oatmeal, etc., and distributing them at reasonable prices. There would, he said, be a loss, but it would have to be borne by the State. Now, my hon. friend in that made a suggestion which had a purpose. Of course, he would not be guilty of playing politics, and that suggestion is not intended to catch the ear of those who are complaining of high prices at this time. Not at all! We will assume that he was perfectly sincere in the matter, but he should have gone a little further and suggested at what prices the Government should fix these foods. He could not do that very well, but still he found fault with the Government for not doing it. He admits his own inability in this respect, but censures the Government for not doing what he himself is unable to do.

My hon. friend (Mr. McMaster) has derived some comfort out of events that have transpired in the last few days. The light which was placed in the window in the early part of the session by the leader of the Opposition (Mr. McKenzie) and which spluttered and burned without apparently attracting any from this side has, I presume, long since gone out. But my hon. friend from Brome (Mr. McMaster) rejoices in the fact that the former Minister of Agriculture the hon. member for Marquette (Mr. Crerar) failed, in the time he occupied on this side of the House in the canary cage of government, to learn the song as perfectly as the canary. My hon. friend is authority for the statement that the hon. member for Marquette still belongs to the feathered family of bobolinks, of which, I suppose, he is the chief bobolink. He refers to the member for Marquette in rather doleful numbers, it seems to me, in this strain:

> Bird of the wilderness, blithesome and cumberless,
> Oh, to abide in the desert with thee.

Well, Mr. Speaker, so long as my hon. friend holds the somewhat promiscuous views which he does on tariff and other matters relative to the government of the country, I think he may rest as-

sured that he will still abide in the wilderness; and if the hon. member for Marquette elects to go with him into that wilderness and join the family of bobolinks, why, that is my hon. friend's and the country's loss. "O, to abide in the desert with thee!" Well, good-bye! Fly away, bobolinks, whether it be to Mount Carmel or some other place. Fly away, and Godspeed. I do not think you will find any regrets expressed on this side of the House.

Mr. Speaker, the hon. member for Marquette (Mr. Crerar) gave us a very carefully prepared speech the other day, and in the course of his remarks he made some reference to the province of Ontario, which remarks I and many others from that province rather resent as being inaccurate. He says:

> It is a fact that nobody can deny that agriculture has gone back in Ontario since the introduction of the National Policy in 1879.
>
> I repeat again that agriculture has been going backward in Ontario instead of forward, and the evidence of that lies in this, that the value of agriculture products produced in Ontario under normal conditions—I am not speaking of the higher values that appertain as a result of war conditions—are less to-day than they were thirty years ago. Furthermore—and the hon. member for Frontenac (Mr. Edwards) knows it—he can travel through Ontario as I have travelled through it, and he will find not hundreds but thousands of abandoned farms in the province.

Mr. Speaker, I want to say, as one who I think is fairly well acquainted with conditions in Ontario, that my hon. friend in making that statement has depended upon sources of information which are absolutely and utterly unreliable and incorrect, and I shall prove my statement. The figures which I am about to give are taken from the official records prepared by the Government of Ontario. In regard to the decrease in population, let us take the population of the townships, that is farms. I believe my hon. friend used the word "townships" in that connection, and I think he will agree that it refers to the rural populations and excludes cities, towns and villages. The farming population of Ontario in 1914 was 1,011,708; in 1915, 1,031,536; in 1916, 1,027,220; and in 1917, 1,003,664. The reduction in population is more than accounted for by the enlistments in the year 1917 from the province of Ontario. But let us consider for a moment what Ontario has done, and I would like my hon. friend from Marquette to take a note of these figures, which I repeat are official and absolutely reliable, and say whether or not they indicate that there has been any retrogression in Ontario so far as the rural population is concerned. In 1916 the assessed values of farms in Ontario was over $23,500,000 more than during the three years before. From 1909 to 1914 the increase in value of live stock on hand was over $66,000,000. The live stock sold and slaughtered had increased by over $28,500,000. The increase in land assessed in 1914 was 228,651 acres more than in 1910, and land cleared was 271,590 acres more than in the four years before. I want to go further. My hon. friend (Mr. Crerar) made a comparison between conditions in 1913, or before the war started, and conditions as they existed thirty years previously. Let us take the average for the ten years 1892 to 1901. The average production of wheat and various other articles for these ten years—which will take us back fairly near to the thirty years to which the hon. member referred—makes a striking comparison with production in 1914. I find that in 1914 there was an increase of $1,680,000 in the production of wheat, $6,603,000 of an increase in barley, $24,335,000 of an increase in oats, $969,000 in beans, over $1,000,000 of an increase in rye, and over $2,000,000 of an increase in buckwheat, while there was an increase of over $13,500,000 in corn and over $5,500,000 in potatoes—all in comparison with the average for the ten years from 1892 to 1901. Does that indicate that there has been any falling off in agricultural production in Ontario? The increase in 1914 over the average for the ten years 1892-1901 is $51,787,000. But let me carry it a little farther. There were increases in the year 1914 over the average of ten years as follows:—

Hay	$26,000,000
All field crops	93,000,000
Horses	20,000,000
Cattle	30,000,000
Sheep and swine	4,700,000

The following statement shows increases in values in the province of Ontario in 1914 as compared with the average for the preceding four years:

Farm lands	$90,500,000
Farm buildings	40,800,000
Implements	10,000,000
Live stock	56,000,000

Or a total increase in the four years of over $197,000,000. I want to carry this a little further. My hon. friend said that there were abandoned farms in Ontario. I am sure that my hon. friend is wrong, but I do not say, nor do I wish to be understood as saying, that my hon. friend made a wrong statement knowing it to be wrong because I do not think he would do that.

I want to give my hon. friend the facts in order to induce him to change his mind in regard to the province of Ontario and to that extent perhaps modify the views which he holds with regard to the Budget and to the affairs of the country generally. My hon. friend said that there were a lot of abandoned farms in Ontario. Between 1898 and 1908 the following results are shown:

No. of farms increased	6,000
Value of buildings increased	$115,285,000
Value of stock increased	82,270,000
Mortgage indebtedness less by	65,000,000

The official returns show that the mortgage indebtedness upon farms in Ontario in the ten years was decreased by over $65,000,000. Compare that, if you will, to the state of Michigan which, in population and general topography, is practically the same as Ontario. It is a farming and manufacturing state just as the province of Ontario is. In the state of Michigan in the ten years ended 1910—because my figures are taken from the official statement of the United States Census Bureau—the mortgage indebtedness on farms was increased by $77,000,000. In the states of New York, Pennsylvania, Ohio, Vermont, New Hampshire and Massachusetts, states which my hon. friend knows lie just across the line from Ontario, there were 27,300 less farms under cultivation in 1910 than there were in 1900. There was a decrease in improved acreage in those states of over 2,132,000 acres. Where do I get these figures? These figures are taken from the documents which I hold in my hand. I took the trouble to write to Washington to obtain the official documents got out by the Government and the figures which I am quoting are beyond dispute. When hon. gentlemen in this House are urging that the great panacea for all our ills in the Dominion of Canada is to give us access to the American markets, is to place us, in so far as the big cities and populations in the United States are concerned, in the same position as the farmers of New York, Pennsylvania and these other states, I say that the general condition of agriculture in the province of Ontario, as shown and proved by the official figures of the Ontario Government and the official figures produced and furnished by the Government at Washington, is much better than it is in the states across the line which have access, without any duty whatever, to these big cities, and that the condition of the farmers in those states is not to be compared with the prosperous condition of the farmers on this side of the line. I present figures in proof of what I say which cannot be disputed by any hon. gentleman in this House. Am I not presenting something which is fair and reasonable when I ask every man in this House, desirous of arriving at what is best for the country—and we all are—to take into consideration the facts which I have stated and when I show by the official returns that there are more abandoned farms on the other side of the line than there are in Ontario and more mortgages than there are in Ontario or in any other province? In so far as mortgage indebtedness is concerned, the farmers of Ontario are in a better condition than the farmers on the other side of the line notwithstanding the fact that they have access to the large cities and the great populations over there.

If I wished to give you any further proof of the prosperity of the people of Ontario, I might call attention to the fact that the Victory Loan of 1917, amounting to $518,388,850 was subscribed to in the following proportions:

Ontario	$204,185,400
Four western provinces	89,433,500
Quebec	94,287,250
Maritime Provinces	31,382,850

The Victory Loan of 1918, amounting to $690,000,000 was subscribed to in the following amounts:

Ontario	$336,055,350
Quebec	180,363,450
Four western provinces	125,716,300
Maritime provinces	53,035,150

Another indication of the prosperity of the country is given by the savings bank deposits. The following is a statement showing the amounts deposited in the savings banks since the year 1915:

March 31,	1915	$ 676,875,790
	1916	738,169,212
	1917	888,765,698
	1918	921,080,803
Feb. 28,	1919	1,018,184,512

Notwithstanding the very large contributions made by the people to the Victory Loan and for other war purposes. These are things, it seems to me, that place beyond any question the fact that, say what you will, in regard to the tariff and the policy of protection, bring forth every argument you can against it, as far as the agricultural population of Ontario and Quebec are concerned, they are in a more prosperous condition to-day than at any other period in our history.

I desire to call attention to another matter to which my hon. friend referred. My hon. friend spoke of the enormous profits made by the Dominion Textile Company

and the Monarch Knitting Company. There may have been others but he referred to these two. He referred to them for what purpose?—in order to show that under the system of protection in this country it was possible for the Monarch Knitting Company and the Dominion Textile Company to accumulate profits and to pay dividends which they could not possibly have done if we did away with tariffs and adopted free trade. It is with a view to combatting that argument that I want to place on Hansard a statement which appeared in the Montreal Gazette of yesterday. The article points out that the year 1918 was a phenomenal one in the textile industry the world over. It proceeds to quote from the Manchester Guardian of May 20th last, a partial list of certain industries in the old country, and mentions the dividends they are paying, and the profits they are making. These industries are under an absolute free trade policy and I find from the article referred to, that the results of their operations were as follows:

Gloowick Spinning Company, Oldham—Quarterly interim dividend of 1s and bonus of 1s per share, or equal to 20 per cent per annum.

Raven Spinning Co., Chadderton—Quarterly dividend of 1s 3d and bonus of 1s 3d per share, equal to 20 per cent per annum.

Wye Ring Spinning Co., Shaw—Dividend of 1s and bonus of 2s 6d per share, making 4s 6d for the half year, or at the rate of 90 per cent per annum.

Rutland Spinning Co., Shaw—The directors have decided to add 20s per share to the company's capital, making the shares £4 paid, equal to 33 1-3 per cent interim.

Empire Spinning Co., Heyside, Oldham—Dividend of 2s 6d and bonus of 10s per share, making £1 2s 6d for the half year, or equal to 90 per cent per annum.

Grimshaw Lane Spinning Co., Middleton Junction—Dividend of 22s 6d per share, making 45s for the half year, or equal to 72 per cent per annum.

Iris Ring Spinning Co., Hathershaw, Oldham—Dividend of 2s 6d per share, making 7s 6d for the half year, or equal to 75 per cent per annum. . . . This company has paid the same dividend rate and added to the value of its capital stock to a similar extent for the past three years. The dividend is now equal to nearly 300 per cent on the old basis.

These are a few of the industries in the old country which have been operating under a free trade policy, and what do the figures I have quoted indicate? They seem to me to indicate that if it can be argued that the profits of the Dominion Textile Company and of the Monarch Knitting Company in Canada are due to protection, it is equally logical for me to state that the profits made by these industries in England are due to free trade, in my judgment the one statement is just as fallacious as the other. We are living in times which are absolutely abnormal, and it seems to me that the profits in question—whether it be in Canada under protection or in the old country under free trade—have accrued to these companies not by reason of the tariff but because these highly capitalized and highly organized concerns were in a position to monopolize and control the trade under the peculiar and abnormal conditions which now obtain, and, consequently, they were enabled to make the abnormal profits which they did make.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. EDWARDS (Resuming): Mr. Speaker, certain hon. members of this House in discussing the Budget have expressed the view that the most effective way of reducing the high cost of living would be to remove all the duties on foodstuffs. I do not question the sincerity of the convictions of the hon. gentlemen who have so expressed themselves, but I do question the wisdom of their conclusions. I think the hon. member for Brome (Mr. McMaster) gave the true reason for the high cost of living when he said that it depended primarily upon the scarcity of foodstuffs. I am glad to agree with the hon. member for once. It is unreasonable to say that the price of butter in Canada, when it is 65 or 70 cents a pound, would come down to the normal of, say, 40 or 45 cents a pound if we removed the duty of 3 cents a pound. It is unreasonable to say that the price of cheese, now 40 cents a pound, would come down to its former price of 20 or 22 cents a pound if we removed the duty of 4 cents a pound. Why is it that the prices of foodstuffs are so high? Primarily because of the relation between supply and demand—not merely the supply and the demand in Canada, but the world-wide supply and the world-wide demand. Let us not forget that millions of men who were formerly producers are now buried in the battlefields of Europe and that tens of millions who had been engaged in production have been engaged in destruction during the last four years; they have not been producing. While there is in Canada a sufficient amount of food to give very person in the country three meals a day—at high prices, I grant you—millions of people in Europe consider themselves lucky if they get two meals a day; many of them are as

yet able to obtain no more than one meal a day. Last year Canada exported over 5,000,000 pounds of butter, over 168,000,000 pounds of cheese, over 5,000,000 dozen eggs, over 200,000,000 pounds of bacon, over 86,500,000 pounds of beef, over 8,000,000 pounds of ham, and over 8,000,000 pounds of pork. If you look at the customs returns you will find that at least 80 per cent of these commodities were exported to Great Britain and to France. They were sent out of Canada, not because the prices here were not high, but because the prices were very attractive and the needs very great in the countries which were making an insistent demand for them. There you have a legitimate reason for the high cost of living. I believe that in many cases the high cost of the necessaries of life is due to the unreasonable charges made by the middleman. I was told by the member for Macdonald (Mr. Henders) of a case in point. A gentleman engaged in the boot and shoe business, on the occasion of a visit to Ottawa, happened to see his own product in a store window. He went in and asked what the price was, and he was told $14 a pair. He asked if that was not somewhat high, but the usual excuse was given—the war, high wages, and so on. But the manufacturer of those boots said that he had placed them on the shelves of the retailer in Ottawa for $6. I was given another instance by the member for Lincoln (Mr. Chaplin)—I cite this merely as an illustration. Pick-axes sold at $3.25 a dozen, f.o.b. St. Catharines, retailed at $9 a dozen. There is strong reason for a commission or committee to inquire into these things.

But what is the position taken by the member for Marquette (Mr. Crerar)? As Minister of Agriculture, the hon. member was for the last year and a half in control, so to speak, of the food of this country. Take the case of flour. Wheat and flour are free; the millers have been allowed a profit of 25 cents a barrel on their flour. I will not say whether that is too much to allow them or not; that could be determined by the output. But this I do say: The Minister of Agriculture was in a position, more than any other man in Canada, to exercise control over matters of food. If his statement is correct that the high prices were due to profiteering and to hoarding, he, more than any other man in Canada, is responsible for not exercising control in that respect. Now, I do not charge the hon. gentleman with not having tried to exercise this control, for I believe he did try; I merely mention this to make good my assertion that the high prices were not due, as hon. gentlemen have alleged, to the tariff.

The member for Marquette referred to the profits made by the Dominion Textile Company and the Monarch Knitting Company. I am not going to attempt to justify those profits. The assertion is made—and I do not question its correctness—that this company and other companies in Canada made enormous profits, which came out of the pockets of the people. It seems to me that we have to accept that as true. But the hon. member, in directing the attention to the exorbitant profits made by the Dominion Textile Company, the Monarch Knitting Company, and other companies to which reference was made, took very good care not to refer to another company or the profits made by it. There is in Western Canada a company known as the Grain Growers' Grain Company. There is another company out in the western country known as the Saskatchewan Grain Growers' Grain Company. I believe that the president of the first-named company is or was the member for Marquette, and I am told that the president of the Saskatchewan Grain Growers' Grain Company is the member for Maple Creek (Mr. Maharg). The Grain Growers' Grain Company is a pretty big affair. It has, I am told, some 36,000 shareholders, farmers in the West. It owns and operates over 300 elevators. It has a large terminal elevator at Fort William of a capacity of 2,500,000 bushels. It owns its own timber limits, runs its own saw-mills, prints its own journal. Of course, that is not to the discredit of the company; it is rather to its credit. But what I would like to know, and what a great many people in this country would like to know, is, what profits have been made by the Grain Growers' Grain Company and by the Saskatchewan Grain Growers' Grain Company?

Mr. J. F. REID: I want to correct the hon. member. There is no such company as the Saskatchewan Grain Growers' Grain Company.

Mr. EDWARDS: The Saskatchewan Co-operative Company—is that the name of it? Well, I do not suppose it matters very much; it seem to me that that is quibbling. There is in Saskatchewan, at all events, a company composed of the farmers and grain growers of that province; whether it is called the Saskatchewan Grain Growers' Grain Company or the Saskatchewan Co-operative Company makes no difference. I say that there is such a company that it

carries on a very extensive business, and that its president is the present member for Maple Creek. Am I right in stating that? My hon. friend can be silent when he wishes. Perhaps my hon. friend who is so well-acquainted with the name of the company, and probably with its operations, would be good enough to tell this House what salary is paid to the president, the vice-president, and the principal officials of that company. Again my hon. friend is silent.

Mr. J. F. REID: The company which the hon. member has reference to prints its financial statement every year, and it is open to the public.

Mr. EDWARDS: If my hon. friend has in his pocket a copy of one of those financial statements I should be very much obliged if he would pass it to me, and then I will give the House the information he seems very loath to give. Perhaps my hon. friend or some other hon. member from the West can tell me what salary is paid to the president, the vice-president, and chief officials of the Grain Growers' Grain Company. I do not know what the salaries are, but I have heard rumours that they run all the way from $15,000 to $20,000. It has been asserted, and I believe the assertion is correct, that these companies are making enormous profits. Just as the Dominion Textile Company, the Monarch Knitting Company, and other companies are making enormous profits at the expense of the pockets of the people, the same is true of the Grain Growers' Grain Company, no matter who is at the head of it. If certain gentlemen connected with these textile companies are making exorbitant profits out of the people, the same is equally true of the grain companies to which I have referred. There are a number of hon. gentlemen from the West in this House who do not appear to be very well versed in the emoluments and salaries of those who are running these organizations out West. I venture to prophesy that the time is not far distant when the farmers of Saskatchewan, Manitoba and Alberta will have their eyes opened as to the exact operations of these companies, and will insist on a showdown so that they may know where their money has gone in the past and where it is to go in the future. I have been informed that the Grain Growers' Grain Company makes hundreds of thousands of dollars out of overage. This has been charged against other companies time and again in this House. They credit the farmers with so many bushels, sell out so many bushels, and the excess or overage goes into the coffers of the company. That is the charge that is made against this grain company, which was and I believe still is, under the control of the ex-Minister of Agriculture, the hon. member for Marquette (Mr. Crerar). These big monopolies in the West handle all kinds of machinery except binders. Of course, they do not handle binders because they would have to send a man out to set them up, and they do not want that trouble. But these companies handle all other kinds of machinery, such as mowers and rakes, and also fence posts, and coal and live stock, and do an enormous and very widespread business. These companies ought to issue a statement showing to the thirty thousand farmers who hold the stock just exactly what salaries are being paid to the chief officials.

I wish to place on Hansard some figures that may be of interest to members from the West, and possibly to members from the East. I have in my hand some information which I have obtained, and which any other member could have obtained from the department. It shows the amount of customs and excise revenue paid by provinces for the fiscal year ending March 31, 1918:

Customs and Excise Revenue of Canada by Provinces.
Fiscal year ended March 31, 1918.

Provinces.	Customs Revenue	Excise Revenue	Total
	$	$	$
Ontario	79,969,478	4,793,223	84,762,701
Quebec	42,980,393	18,935,432	61,915,325
Nova Scotia	4,378,193	92,415	4,470,608
New Brunswick	4,294,106	73,588	4,367,694
Manitoba	11,674,422	2,001,498	13,675,920
British Columbia	10,226,638	902,984	11,129,622
Prince Edward Island	129,560	25,945	155,505
Alberta	4,011,683	125,544	4,137,227
Saskatchewan	3,805,981	51,706	3,857,687
Yukon	118,012	8,946	126,958
Total	161,588,466	27,011,281	188,599,747

If you take the census figures of 1911 and divide them into the amount of customs and excise collected, you will see that there was collected in customs and excise $33 per head of population in Ontario; Quebec, $30; Manitoba, $30; Maritime Provinces, $9; British Columbia, $28; Alberta, $11; Saskatchewan, $8.

Mr. McKENZIE: Does the hon. member think that is a fair way of ascertaining how much each individual paid in customs and excise taxes? Does not my hon. friend know that millions of dollars' worth of goods are landed at Montreal and that the duties are collected there, and the goods afterwards sold to the Maritime Provinces?

Mr. EDWARDS: That is quite correct. I was on the point of mentioning that when the hon. gentleman asked his question. It is true that the figures cannot be taken as representing accurately the amount that was paid per head in each province, but I maintain, and I think my hon. friend will agree, that we can fairly conclude that the western provinces of Alberta and Saskatchewan are not paying more per head of population than the other provinces. I think we may fairly come to that conclusion, that a lot of customs and excise duties are collected in Winnipeg on goods that are sold throughout Saskatchewan and Alberta. I believe, even then, that the Prairie Provinces are not paying customs and excise duties in excess of what other provinces in Canada are paying; in my judgment, they are not paying as much as is being paid by Ontario and Quebec, for instance.

Now I want to refer more particularly to the tariff, but before doing so permit me to give a little explanation of certain figures I put on Hansard before six o'clock in regard to deposits in the banks. We are indebted to the hon. member for North Grey (Mr. Middlebro), who put a question on the Order Paper some time ago, for the figures I have already put on Hansard and certain other figures I have here. When speaking of savings deposits in the banks I was referring not to Ontario alone, but to savings deposits in all Canada. I believe that most of these deposits were deposits of farmers. I believe that, because business men make their deposits on current account and withdraw money from time to time for business purposes, while the farmers put what they have in savings account. That, however, is something on which I cannot speak with absolute certainty.

Now, Sir, just a word or two in regard to the tariff proposals, in connection with which I desire to refer to past history.

[Mr. Edwards.]

There are certain gentlemen in this House who, judging from their remarks, stand in need of information in regard to past history on tariff matters. When the Finance Minister in 1912 cut the duty in two on cement in order to bring to time the cement combine in Canada and in order to give relief particularly to the men of the West who were clamouring for cement, the late Right Hon. Sir Wilfrid Laurier made these remarks, which will be found in Hansard, 1912, page 30:

> We derive our revenue from a customs tariff. There are many people who believe that a customs tariff is not the best method of raising a revenue. For my part I say frankly, I do not believe that it is possible now, or will be for many years, to raise our revenue in any other way. But whether we approve of that system or not, whether we are free traders or protectionists, we are agreed that once a duty has been imposed that duty should not be lightly interfered with. In the first place, a duty should not be levied except after ample consideration as to the amount of revenue that it may produce, and the effect it may have; because the effect of any customs tariff, even if it be for revenue only, is to create a different atmosphere and therefore likely to produce very serious consequences. For that reason I say that no changes in the tariff should be lightly made.

I quote that for a reason which will be more apparent as I proceed. The late Sir Wilfrid Laurier in these remarks laid down a principle, speaking for himself and in behalf of the Liberal party of this country. Many hon. members in this House who sat in Parliament at that time and gave their support to Sir Wilfrid Laurier, endorsed that principle, namely, that you could not do away with customs tariff and that a duty once imposed should not be lightly tampered with. I want to quote a few more statements in connection with this tariff question in its relation to past history. In 1907 there was a general revision of the tariff known as the "Fielding Tariff." On that occasion the present member for Shelburne and Queen's (Mr. Fielding) who was then Minister of Finance, made this statement, which I earnestly commend to hon. gentlemen on the other side of the House as well as to some on this side. The statement will be found in Hansard of that year, page 5621. The hon. gentleman said:

> By a careful calculation we are advised that the drawbacks we allow are somewhat less than the disadvantage under which the manufacturer is placed by the reduction of the tariff. . . . . Even suppose for a moment that he got everything free and had a duty of 17½ per cent on the implement, would that be an extravagant duty as things go in this country?

That was in 1907.

I believe this proposal of the hon. member for Souris, if adopted, would do an injustice to an established industry.

To make his point clear he specifies a particular industry.

My belief is that if this motion were passed—and I am glad to know that it is not going to be supported even by all the hon. gentlemen on the other side—we would strike a severe blow at one of the great industries of the country. I believe the International Harvester Company would find it to its interest to close up its business in Hamilton, at least so much of it as is devoted to mowers and binders, and have them made at the American branch and bring them from the United States. The factory in Hamilton is an American concern. With a moderate duty we have induced American capital to come into Canada and to establish that great industry, and after we have brought it in and established it in Canada I believe that if we were to pass this resolution the company operating that industry would find it profitable to close the Hamilton factory and bring in goods which they made in the United States.

That statement was made on the motion of the hon. member for Souris, now Senator Schaffner, which was as follows:

That the committee reconsider item 445, and that it be amended by striking out the figures 17½ per cent in the general tariff and inserting in lieu thereof the figures 10 per cent.

There was a definite proposition to reduce the duty on agricultural implements to 10 per cent. It was proposed by one of the western members, and we have a definite statement from the then Minister of Finance that if that motion carried it would strike a blow at that industry in Hamilton and put it out of business, and he opposed it for the reason he gave. The Hon. William Paterson, also, speaking on the same occasion, said—(Hansard 5882):

I do not disguise the fact that we propose to give these people—

That is the manufacturers—

—nearly the amount of reduction in duty, that has been made. For it must be remembered that 17½ per cent is no more than a revenue tariff.

Let me quote one or two more hon. gentlemen in this connection. The then member for Moose Jaw, Mr. Knowles, now, I believe, a member of the Saskatchewan Government, on that occasion put himself on record in these words:

I shall give the Government hearty support, for I believe that the policy of the Government is in the interests of the country.

The then member for Assiniboia, now Hon. Senator Turriff, used these words:

The tariff commission got information all over the country and I do not think the farmers to the West, at all events, asked for a great reduction such as is proposed by this resolution on agricultural implements. They asked that the duties be left alone. I shall give the Government hearty support on this question.

Now, some of these gentlemen to-day are advocating free trade in agricultural implements. I believe Hon. Mr. Knowles was recently down here advocating the entire removal of the duty. Several members in this House at present were also members in 1907. One hon. gentleman (Mr. McKenzie) who was a member at that time is now leader of the Opposition, and he endorsed the policy of the Minister of Finance of that day in keeping the duty on agricultural implements at 17½ per cent. The present Minister of Public Works (Mr. Carvell) is another who endorsed that policy. Every Liberal member of the House at that time, whether he came from the East or from the West, agreed that 17½ per cent on agricultural implements was a proper duty, and western members stood up and said that the western farmers did not ask for a reduction at that time. I would ask you particularly to note, Mr. Speaker, the words of the Hon. Mr. Paterson:

I do not disguise the fact that we propose to give these people nearly the amount of reduction in duty, that has been made.

Yes, Mr. Speaker, and how was it done?—and done with the acclaim of hon. gentlemen who were supporting the government at that time. The previous duty on agricultural implements had been 20 per cent. That was the Tory duty,—which of course was "robbing the farmers" and "grinding them under the heel of the oppressor," to use the words of those who opposed it. The valuation of a binder under the Tory administration was fixed at $80, and the ad valorem duty of 20 per cent represented $16 additional. It is true that the Liberal party reduced the rate of duty from 20 to 17½ per cent, but they immediately raised the valuation on the binders for duty purposes to $100, collecting $17.50 duty as against $16 previously. That is the way in which this matter was dealt with at that time.

Yet we have hon. gentlemen saying in this House that this tariff proposal made by the Finance Minister is merely playing politics and is designed to fool the farmers. Hon. gentlemen, I think, now appreciate what I meant when I said that if they had been longer in politics, or had made a more careful study of the political history of Canada, they would not have ventured the assertions which have been passed across

the floor of this House during the course of this debate. But I want to give a bigger and a greater authority than any I have quoted in reference to the principle of protection. I take the late Right Hon. Sir Wilfrid Laurier who spoke on the reciprocity pact in 1911. I am quoting from Hansard or from a reprint of Hansard, which was adorned with his portrait and sent as campaign literature throughout this country. I want to quote what he said in regard to taking the duties off the products of our industries:

> I pass to a more important objection, really the only objection of any consequence that I know of.

That is, objection to the reciprocity pact.

> That objection is that this agreement will imperil our industries. How will it imperil our industries? This agreement is concerned chiefly with natural products. There are no manufactured products dealt with in it, except agricultural implements.

That is absolutely true. Take the reciprocity pact of 1911, look through it from cover to cover and you will find that it does not refer to a single manufacturing industry in this country with the exception of the agricultural implement industry. The right hon. gentleman, speaking farther in regard to tariff matters and how they should be arranged in this country, said:

> It is not a great effort of imagination to suppose that the Americans were far more concerned about obtaining reciprocity in manufactured products than in natural products; but our negotiators would not consent to any reciprocity in manufactured products, but insisted on limiting the agreement simply to such manufactured products as agricultural implements.

He says further:

> A certain section wanted free implements altogether, but we did not think it prudent or advisable to go that far.
>
> And why? The reason is that the men on the treasury benches, who are responsible, recognize in tariff matters the wide difference between manufactured and natural products. It is easy enough to put up a customs duty or enact a protective duty, but it is always a difficult task to decrease or remove such a duty. The reason is well known. It is obvious that if you raise the customs duty or impose a protective duty you create at once a fictitious economical atmosphere; and if the industries established under that tariff and under that temperature and condition, have to face suddenly a removal of the duty, you might annihilate in the course of one night millions of capital and reduce to non-employment thousands of operatives. That is why we have acted as we have done. We have gone very cautiously, with great care into this agreement.

This is an expression of opinion on a great principle by the former leader of the Liberal party in this country and a principle, I repeat, which has been endorsed by every Liberal having a seat in this House at that time, and endorsed by the Liberal party without exception. They took the ground that that was the proper policy to follow in this country. When hon. gentlemen opposite like the hon. member for Brome (Mr. McMaster) and certain other hon. gentlemen profess very strongly and very loudly their free trade principles, I ask them, and I ask others, to consider their loud expressions of opinion on these matters in the light of the course that they took in 1907 and 1911. What was done in 1907? I have in my hand a list of articles referring to farm commodities, or things produced on the farm, such as horses, cattle, meats, bacon, cheese, butter, eggs, and so on and what do I find in that list? I compare the Liberal tariff of 1907 with the Conservative tariff of 1894 and I find no difference in regard to meat, bacon, and poultry. Eggs were reduced from 5 cents to 3 cents a dozen although the duty in the United States was 5 cents. The duties remain unchanged on butter, potatoes, tomatoes, cabbages and so on. These various articles remain practically the same under one tariff as they did under the other as will be seen by the following statement:

	Conservative Tariff 1894.	Liberal tariff 1907 British.	Liberal tariff 1907 Intermediate.	Liberal tariff 1907 General.
Horses—$150 or less per head Horses—over $150 per head Cattle—less than 1 year old Cattle—value not over $14 each Cattle—value over $14 each Swine Sheep—1 year old & over Sheep—less than 1 year old Other live animals, N.O.P.	20% a.v.	15% a.v.	22½ a.v.	25% a.v.
	1½c	1c	1½c	1½
	20% a.v.	15% a.v.	22½ a.v.	25% a.v.
Horses—over 1 year old valued at $50 or less each		$10	$12.50	$12.50
Horses—over $50 in value		15% a.v.	22½%	25%

	Conservative Tariff 1894.	Liberal tariff 1907 British.	Intermediate.	General.
Meats (fresh) beef, veal, pork, mutton	3c	2c	2½c	3c
Meats (of all kinds) prepared or preserved	2c	1½c	1⅜c	2c
Bacon & hams	2c	1½c	1⅜c	2c
Poultry—live	20%	12½%	17½%	20%
Poultry—dressed	20%	12½%	17½%	20%
Lard	2c	1½c	1⅜c	2c
Tallow	20%	15%	17½%	20%
Eggs	5c	2c	2½c	3c
Butter	4c	3c	4c	4c
Cheese	3c	2c	3c	3c
Potatoes	15c bush.	12½c	17½c	20c
Tomatoes	20c & 10%	20%	27½%	30%
Cabbages	25%	15%	27½%	30%
Onions	25%	15%	27½%	30%
Apples—green or ripe	40c bbl.	25c	35c	40c
Apples—dried or prepared	25% a.v.	17½%	22%	25%
Beans	15c bush.	15c	22½c	25c
Pease, dried, split	10c bush.	10c	12½c	15c
Barley	30%	10c	12½c	15c
Oats	10c bush	7c	9c	10c
Oatmeal	20% a.v.	40c (100 lbs)	50c (100 lbs)	60c (100 lbs)
Wheat	15c bush.	8c	10c	12c
Wheat flour	75c bbl.	40c	50c	60c bbl.
Rye	10c bush.	7c	9c	10c
Hay	$2. ton	$1.65 ton	$1.75 ton	$2 ton
Straw	$2. ton	$1.65 ton	$1.75 ton	$2 ton
Buckwheat	10c bush.	10c	12½c	15c
Corn	7½c bush.	free	free	free
Cornmeal	40c bbl.	20c bbl	22½c bbl.	25c bbl.
Rice—uncleaned	3/10c lb	free	free	free
Rice—cleaned	1¼c lb.	50c (100 lbs)	65c (100 lbs)	75c (100 lbs)
Biscuits—all kinds	25% a.v.	17½%	25%	27% (sweet)
		15%	22½%	25% (not sweet)

Let me say a word further in regard to agricultural implements. I am indebted for this information to my hon. friend from North Grey (Mr. Middlebro); who placed the question on the Order Paper some time ago in regard to imports of agricultural implements, such as reapers, mowers, binders, threshing machines, separators, ploughs, harrows, horserakes, seed drills, farm tractors, fanning mills, wagons, buggies, cutters, sleighs, cream separators, windmills, and internal combination engines other than tractors. This is quite a list of things that the farmer needs. There was collected a duty on these articles in 1914 of $2,227,000, of which $1,386,000 was collected from the four Western Provinces. In 1918, on the same articles there was collected in ordinary duty $4,617,000, of which $2,713,000 was collected from the four Western Provinces. In war tax, $1,500,000 was collected, of which $949,000 was collected from the four Western Provinces. What has this Government done this year or what does it propose to do? It proposes to remit entirely that war tax of $1,500,000. The proposal means, if the same number of these articles is introduced into the West this year as last year, a remission for the four Western Provinces of very nearly $1,000,000 which, if you take the amount of money collected on these imports going into the four Western Provinces in 1914, means about sixty-six cents per head of the population. That is, assuming that all the duty in the case of the imported articles is paid by the person who buys that article, an assumption which I do not admit for one moment. There are two classes of duty. First, there is the duty imposed upon an article that is not grown or produced in this country—as, for instance, the duty on tea. I maintain that the entire duty on that article is paid by the consumer of the article. But in the second case, that of the duty on an article which is produced in this country, I maintain that the whole of the duty is not paid by the person who uses that article. However, assuming that all the duty is paid by the purchaser, the duty collected from the four Western Provinces, as stated, would amount to sixty-six cents per head of the

population in 1914. On the higher prices of articles in 1918, leaving off the war tax, it would amount to $1.30 per head of the population. Mr. Speaker, are we to suppose at a time like this, when this country is disturbed from one end to the other, when there is such a state of unrest as we have never known in the Dominion of Canada from Confederation down to the present time, that men, no matter how strongly they hold their principles or views in favour of free trade, are to further disturb the country by perhaps putting out of power the present Government and forcing an election on the people for the matter of a few dollars of duty per head of the population?

I am not saying that the duties should not be reduced. I speak for a farming constituency—perhaps the most thoroughly farming constituency in the Dominion, a constituency which has not within its bounds one single incorporated village or town;—that is about as agricultural a constituency as you can get—and I say this, in regard to agricultural implements for instance: I believe that a company such as the Massey-Harris Company is able to compete with any similar industry in the United States, or any other place in the world, and while I think they should have a certain amount of protection, if you wish to call it that, which will at least equalize the freight rates and enable them to reach their principal market, the market of the West, as cheaply as their competitors on the other side of the line, beyond that for protective purposes, in my judgment, they do not stand in need of any protection at all. I view the question of what the tariff shall be in connection with manufactured articles of that kind, as not being one of protection. As regards firms of that kind I would eliminate that entirely, because I do not believe they need it. It is a question of revenue. It is a question of whether it is advisable to impose a certain duty as regards the manufactures of firms of that kind for the purpose of raising revenue, and that alone.

I think, Sir, that this House could very well endorse the resolution which was moved in 1907 by Mr., now Hon. Senator, Schaffner for a reduction in the duty on agricultural implements, to ten per cent. Every member on the Conservative side of the House at that time voted for that resolution. They put themselves on record as in favour of that resolution, and they are in a position, it seems to me, to play the game logically by supporting a reduction to the extent I have mentioned.

There are certain gentlemen in this House who have pronounced themselves in favour of free trade. I have already intimated that I am doubtful of their sincerity in that regard, with one notable exception. There is a gentleman in this House who, since he came here, has consistently advocated free trade, I refer to the hon. member for Red Deer (Mr. Clark). I do not agree with that hon. gentleman, his views and mine are not alike, but I believe he respects me in the views which I hold recognizing that I am sincere in them.

Mr. MICHAEL CLARK: You are coming along, all right.

Mr. EDWARDS: But, Sir, I say this to any hon. gentleman who professes to be in favour of free trade; suppose you are a western member and you are to go back to your people, which party ought you to support? Are you not in a better position going back to the West, if the West is for free trade in agricultural implements, if you guide your course by the facts? We had a party known as the Liberal party, which up to 1896 declared that they would cut off the head of protection and trample on its body —they were actually going to wade in gore in order to do away entirely with protection. So far as agricultural implements are concerned, after being eleven years in power, they reduced the duty ostensibly by two and a half per cent and actually raised the amount of duty which the farmer would have to pay in the West. That is the party which is coming again to you to-day under the free trade banner. Compare their record with the record of the other party that never professed free trade principles. That party, if you like, have been a protectionist party, but nevertheless, in 1894, they reduced the duty on agricultural implements from thirty-five to twenty per cent. They followed that up when they again came into power by reducing the duty on agricultural implements from seventeeen and a half per cent—and the reciprocity pact only proposed to make the duty fifteen per cent—they reduced the duty from seventeen and a half per cent to twelve and a half per cent where it stands to-day. Now I ask any man who, for instance, favours a reduction in the duty on agricultural implements, which party can you rely upon—the one that cut off two and a half per cent after eighteen or twenty years of promises, loud and many, or the party that reduced the duty twice that much in three years after coming into power? That is the situation. And further:

take what the Finance Minister is offering to-day in his tariff proposals. Am I not right in saying that the present Government have made more concessions to the farmers in respect of things which the farmers need, in respect of articles upon which the farmers have been claiming the duties should be reduced; have they not made more concessions in the few years they have been in office than were made by the Liberal Government on the same articles during the prolonged period in which they administered public affairs? The record is there for whoever wishes to examine it. I repeat this is not in my judgment a proper time to make a thorough revision of the tariff. I said in this House two years ago that I did not believe there was a man living in Canada at that time who could lay down a tariff or a fiscal policy for this country that would apply, and apply justly, when the war was over. I said at that time that I thought that when the war was over we would have to adjust our fiscal policy to meet the changed conditions obtaining, not only in Canada, but in the United States, in Britain, and in the other countries of the world with which we do business. I repeat that statement now. The Finance Minister has declared that the time for revision of the tariff is overdue, and the only thing that holds him back at present is the state of unrest which every person admits exists in this country. I think, Mr. Speaker, that the hon. member for Marquette (Mr. Crerar) lost one of the greatest opportunities that was ever presented to a member of Parliament or to a cabinet minister when he resigned from the Government. The Finance Minister had promised that a commission composed of members of the Government, responsible to the people of this country, would carry on an investigation. Who would naturally have sat on that commission with the Finance Minister? Is there any doubt in anybody's mind that one of the persons to compose it—the person above all most likely to be chosen, because he was Minister of Agriculture and because of his association with the farming interests of Canada—would have been the member for Marquette, now the ex-Minister of Agriculture? Had he stayed with the job at that time, instead of handing in his resignation, he was in a position to do things and to influence matters in favour of the West, as I do not think he can do in his position as a private member.

Mr. Speaker, in the general elections of 1917 the people disregarded party lines, and why did they do so? Because they felt that Canada could only do what it should do in this great war by a union of the two political parties. I venture to say, Sir, that there has never been a time, since the war was declared, when conditions were as serious in Canada as they are in the present year. If it was in the interest of Canada, and in the interest of the part which it was to take in the great war, that the two parties should lay aside party differences and unite, I maintain that at the present time there is even greater reason why the people of this country should forget party for a while longer at least and pull together in order that we may reach normal times once more. This, Sir, is not an opportune time for making a vital issue of this question, and it is a mistake to try to make an issue of it. The West is not starving; the East is not starving; there is nothing going to smash because of the tariff; there is nothing requiring immediate and pressing attention along these lines. Stick, if you wish, to the principle of free trade, or go in the direction of free trade. And, again, I say to those who hold that view: You must concede that this Government have taken steps in that direction which are deserving of your approval. As for myself—well, perhaps it is needless to say that I shall vote against the amendment of the hon. member for Brome because: it does not get you anywhere; it is contradictory; it asks you in one clause to approve of and endorse the Reciprocity pact, but if you do, that Reciprocity pact says: "Keep your hands off all these industries except agricultural implements." How can you vote for that? If you vote to endorse the Reciprocity pact, then the Reciprocity pact says: "We will leave the duty on boots and shoes and on woollen and linen clothing." For that is what the Reciprocity pact did. But in another clause of the amendment you are asked to wipe out all duties. One statement conflicts with the other. Fancy the hon. gentleman, and a lawyer at that—and lawyers always profess to be logical above all things—advocating in one breath the sweeping aside of all duties on boots and shoes and on woollen and linen clothing, on all that a person wears, whether socks, boots or anything else, and in the next breath saying: "The thing you ought to do is to endorse the Reciprocity pact," which left the duties on every one of those things that he enumerated in his previous argument.

Mr. Speaker, I have already occupied more time than I thought I would when I rose to address the House. I thank hon.

members for the very kind attention they have given to me.

Mr. EMMANUEL d'ANJOU (Rimouski) (Translation): Mr. Speaker, the budget which has been laid before this House and the country by the hon. Minister of Finance, implies indeed, the heaviest burden that has ever been put on the shoulders of the Canadian people.

I do not purpose discussing all its points. First, I want to try to show the reasons why the country is at present facing bankruptcy. I think myself that the grevious financial situation of to-day has been caused mainly by our foolish and wanton contribution to the war which has just ended.

In 1914, when war was declared, the country and the Government went mad. At a public meeting, the hon. Minister of the Interior (Mr. Meighen) declared that if it were necessary in order to save the Empire Canada would become bankrupt. Well, the declaration of the hon. Minister of the Interior has come true. Canada to-day faces bankruptcy.

I must say that I have never been very enthusiastic about our participation in the wars of the Empire, or in the one that has just ended. On the other hand, owing to the extreme importance of the European conflict I would have favoured a fair and rational participation in that war, within the bounds of our population and financial capabilities.

If I have the honour to represent in this House, to-day the electors of the constituency of Rimouski, I owe it chiefly to my acknowledged anti-conscriptionist principles. I have been sent here to oppose conscription and everything connected with it.

At this session and at the last, every time that I have spoken in this House, I have declared that my policy had not changed since my election as the member for Rimouski. I have been returned as an anti-conscriptionist, and an anti-conscriptionist I have remained.

Our participation in the war is the main cause of our bankruptcy, but it is not the only one. We must not forget the extravagance and squandering of all kinds by the Government of the day. Let me mention the destructive railway policy and the many commissions appointed by the Government to transact the business of the country in their stead. All that represents enormous sums of money which added to the war expenditure have helped to increase our present budget.

This budget, as has been stated by the ex-Minister of Agriculture (Mr. Crerar) is a protectionist budget, in favour of the manufacturer as against the consumer.

It is quite natural, Mr. Speaker, that this budget should contain nothing good for the people, the consumer, the poor man, since, as my hon. friend the member for Charlevoix (Mr. Casgrain) stated this afternoon, the Government is made up of millionaires, of friends of the trusts, who, consequently, are blind to the misery of the people.

They live in luxury; they could afford buying butter even were the price to reach five dollars a pound, but they forget that there are in all parts of the country families, women and children, who suffer for want of money to provide the primary necessaries of life. The people are taxed and millionaires go scot free. The old saw "the back is made for the burden," still holds good. But the fact should not be overlooked that during the war just ended it was mainly the poor man in this country who made good with his blood and his resources.

Where do we find those who crossed overseas to fight for liberty and civilization? Mainly in the home of the poorer class, among the workmen, the mechanics, the farmers, the humbler classes. They are the ones who did not hesitate to enlist, not in compliance with an act of conscription, but voluntarily, and who went overseas to defend their ideals of liberty and democracy.

But the Government who carried the last elections by means of extravagant promises to the soldiers, by giving them to understand that on their return home fortune would drop into their mouths, has to-day nothing to offer to those noble defenders of the country and the empire, as he terms them; neither is there anything for their families.

This year the income tax has once more been raised; but the millionaires who purchase war bonds escape taxation, because those bonds are exempted, while the poor man, the father of a family of ten or twelve children, is called upon to pay at the increased rate. Sir, the Government evidently do not forget those who supported them and made them what they are to-day, and they are working in their interest so as to secure their influence for the next elections and thereby remain in power.

Is it then a matter for surprise that there should be so much unrest throughout the country? We are living on a volcano; we are on the threshold of a revolution. There are strikes going on everywhere. No wonder, since the people suffer and the destitute

are clamouring for bread. It is because the people are hungry that they are up in arms against this government of oppressors and high livers; it is because the fathers of families see their wives and children suffering, debarred of the primary necessaries of life, in the shape of clothing or food, while they realize that we are ruled over by a government of autocrats, of millionaires who scour the country in their limousines at the country's expense, occupy sumptuous mansions and live high. Meanwhile, the people are enduring all kinds of hardships. The cost of living is no doubt the main cause of the unrest which is now prevalent in Canada. Yet the government is doing nothing to bring down the cost of living.

While butter was selling here at 70 cents a pound, it appears that it was selling at 50 cents in England. And why so? Because there were to be found in cold storage warehouses millions upon millions of pounds of butter stored there by profiteers, by the very men who are plundering the consumer of this country, men like Flavelle and other favourites of the Government, who after fattening on public misery, on the sweat and blood of the people, after speculating on the food of our soldiers were rewarded by being knighted. Thanks to God, during this session there were enough independent members to be found in this House to cast their votes for the abolition of such titles. There is no room in this country for such a caste of aristocrats. We are living in a democratic country, and we mean to keep it so. No such social discrimination should exist here. We should all be on a footing of equality and the ballot which the poor man drops into the ballot box is worth as much as that of the millionaire who often sells his vote.

Among other causes of the prevailing unrest, I might mention the misuse that the Government have made of their powers. In 1914 and subsequently, the Government called to the colours all our young men, appealing to them to go overseas and fight for liberty and civilization jeopardized through the invasion of Belgium and Rumania and all the smaller nationalities. And meanwhile, here in Canada the liberties and freedom won by our forefathers and preserved in 1837 and 1838 by the men who fought for them, those liberties, I say were snatched away from us; responsible government was at the last gasp, we had a government by order in council and parliament was no longer consulted except on most important measures. This Government even carried their audacity to the point of passing Orders in Council, while parliament was sitting in a regular session and all the representatives of the people were in their seats. What did they do, Mr. Speaker, two or three years ago, when I was not yet a member of this Parliament? They appointed what is commonly known as the gag, to prevent the representatives of the people voicing their opposition to the policy of the Government; they gagged the Opposition which is representing here the interests of the people, because they wanted to pass abominable laws such as conscription and other similar legislation.

The War-time Elections Act is certainly one of the worst iniquities ever imposed upon a country. The Government were convinced that if they went before the people with the ordinary Election Act, and if the vote were taken according to the old provincial lists and with those made out by the municipalities, notwithstanding their appeals to prejudice and their millions, they would be defeated, if the people were given the opportunity of going to the polls to register their votes. They realized it so well that they did not hesitate to disfranchise thousands and thousands of Canadian citizens. In fact, Mr. Speaker, we must not forget that these people were Canadian citizens; they had been induced to come to Canada and had been given certificates of naturalization. In assuming our obligations they were also assuming our rights, among which is the right to vote. The Government, though pretending to have the support of the people on their policy of conscription, were so sure of the unpopularity of this nefarious and iniquitous legislation that they passed a measure by means of which they could select the voters, that is the people whose support they were sure to get.

In the speech from the Throne, which was delivered at the opening of the Session, the Government announced that we would soon have—perhaps during this Session—a new Election Act. Undoubtedly it will be modeled on the War-time Elections Act and the Government will exhaust all means to pass a law by which they may retain the power—the power of robbing the election. But I trust that the Liberal Unionist members, particularly those who sat in this House in 1917 and fought against the War-time Elections Act, will have the courage of their convictions when the new legislation is submitted, that they will remember they were once Liberals and that all liberties in Canada as well as in other countries in the world, were granted by the Liberal party, including the ballot which was instituted

by the Liberal Party in order to give every citizen the right to cast his vote freely and to enable the poor as well as the millionaire to go and vote secretly without being intimidated and without being forced to abdicate his principles. I trust that these members, if their Liberalism is not quite dead, will remember the principles for which they have so consistently and so courageously fought during ten years under the leadership of our late lamented chief, Sir Wilfrid Laurier, and that in the face of the iniquity of the Government, they will cast their vote to defeat the new legislation.

We have also before Parliament at the present time a Bill intended to disfranchise the defaulters. I think that on the eve of the signing of the peace treaty and the termination of this war, the Government should realize the uselessness of persecution, but ought to grant now, since they have not done it yet, a general amnesty to all defaulters. In France we saw Premier Clemenceau pardon his assailant, and we heard Lloyd George say that we should be lenient towards the Germans. I think that if the Government realized their responsibilities in view of the unrest which prevails now in this country, they would not pass a measure of that kind. Again, I say that we live on a volcano, we are threatened with a revolution; and that would not cause any surprise after the Government has abused their power as they have. Therefore, I hope that the Bill relating to the defaulters will remain on the Order Paper and will not be pushed beyond its present stage.

I would like also, Mr. Speaker, to say a word about the sending of our troops to Siberia. This subject has been referred to very eloquently by hon. members who preceded me, but, I think that the sending of these troops to Siberia is the worst attempt ever made against the autonomy of this Dominion. Was any one consulted as to the sending of these troops over there? Was Parliament consulted? Were the people consulted? No. Nobody was consulted. The twenty members of the Government assembled around the table of the council conferred with each other and decided that our soldiers were to go and fight in the snowy mountains of Russia. And what purpose did it answer? What had we to do in that expedition? The country had already furnished its quota of 500,000 men for the European War. The war being over, it seems to me that the Government had not the right, especially without consulting the people or its representatives, to send our troops over to go and fight in Russia.

[Mr. D'Anjou.]

There is a class of people considerably talked about just now in this country. They are the profiteers. Indeed, these people are also one of the causes of the unrest prevalent in Canada to-day. They have made during the war exorbitant profits; they have ground down the people and caused every family to undergo hardships and even after the war is over they are still endeavouring to pocket enormous profits. I think the Government should not have increased the income tax imposed upon the heads of families, but rather have taxed all those profiteers who have piled up vast fortunes during the war and since the armistice, out of the sweating of the Canadian people.

As I stated in my opening remarks, the Government care little about protecting the people; they prefer to help along their friends, those who in election times can fill up the electoral till.

I mentioned a few moments ago that I had been returned for Rimouski county as an anti-conscriptionist. I consider that I had the right to combat that nefarious Act and that the province of Quebec, whatever may be said about it, was justifiable in being opposed to its imposition.

Besides, Mr. Speaker, were we the only ones to oppose that coercive Act?

Australia, one of England's most important colonies, next to Canada, whose population is composed of Englishmen in the ratio of four to five, voted down conscription at a general election.

We have seen Ireland and every other British colony, except Canada, object to having a law of conscription imposed upon them.

In this House, since the opening of this session, several members sitting on your right, antagonistic as they are to the province of Quebec and to everything French Canadian, have attempted to show that we had not done our duty.

Let us take as granted, Mr. Speaker, that the French Canadians of the province of Quebec did not enlist in a body to go and fight for Europe; I must declare, for my part, that they were not wrong in so doing, because we of the province of Quebec did not have the same incentives as our fellow-citizens of Ontario and of the other provinces. And, besides, who are the soldiers who enlisted in Ontario? Men who came over from England, because the "wages" are better here, and that is the reason why it is attempted to pretend that Ontario has done more than the province of Quebec, considering the size of population. I re-

peat it, to go and fight either for France or for England, that did not appeal to us to a great extent. Those who did go voluntarily, believing they were going over to defend liberty, have done right; for my part, I consider that we should not think so much about France or England, but rather of Canada; that our only country is Canada. We are the descendants of this country's first inhabitants; the province of Quebec is our birth place; we are Canadians first and last.

Our country is Canada; we love it, and if ever our country's frontiers were attacked I trust we should not be the last to go and defend them; there would be no need of coercion.

Is it not a fact that before conscription had been enforced in Canada there were already from the province of Ontario, near Detroit, young men who crossed the border, for fear of that law?

We, of the province of Quebec, did not act likewise. We opposed conscription, because we believed we had the right to do so, and for our country's interest. I consider we do not deserve the reproach cast upon us. As far as I am concerned, I do not regret the stand I have taken upon this question, a stand that I still maintain.

As for our soldiers who went overseas to fight for liberty, what will they ask the Government when they come back? They will be entitled to tell the Government: What have you done with Canadian liberties, what have you done with responsible government in this country, what have you done with the Canadian constitution?

It is the Government that have asked them to go and fight overseas. Those soldiers left, trusting that the Government, as guardians of our rights and liberties, would respect them, and I am satisfied that they will exact a severe account from this Government which has so badly managed the country's business and which has shattered the Canadian constitution.

In the course of the present session, several members on the Government side who, as I was saying a moment ago, are always finding fault with the province of Quebec, our clergy and the French Canadians, have raised a debate with a view to launching an attack against us. We have heard in this House not a few speeches about the Guelph affair. If so much was made of it, it is because the Jesuits of Canada were concerned. I am sure the hon. member who started that debate would not have done so, had not an Orange lodge been interested therein.

Mr. Speaker, the Jesuits need no defence. They are one of the most respectable orders to be found, not only in Canada but in every country where they are established, and I consider hon. gentlemen have no grounds whatever to warrant their attacks.

It has been sought to infer that the Jesuits had tried to prevent young men in their institution from enlisting; that they had secreted them and, consequently, that they had not done their duty.

Well, I must state here that the Jesuits, as the members of other religious orders, of this country and especially of France, during the last war, have done their duty, thousands and thousands of these men, of French missionaries, have shed their blood for the defence of France, of England and of all the countries that were attacked by Germany.

Why attempt to cast discredit upon these religious orders, why try to load them with abuse? Simply to give a certain satisfaction to the lodges of the country and to make political capital in view of the coming elections.

The name of venerable Cardinal Bégin has also been brought into the discussion upon the National schools, an attack has been attempted against him, some have made attempts at mud slinging. Well, Mr. Speaker, that mud has bespattered those who handled it, and those who did launch such mean and cowardly attacks against that respectable churchman are certainly not fit to untie his shoe-strings.

Since the very inception of the session, almost every member who has spoken has declared that, the war now being over, Canada should stand united, that all Canadians, irrespective of creed and nationality, should work together, hand in hand, for the progress of the country. There is a way to bring about such a consummation. It is a very simple one. It is up to our fellow-citizens of the other provinces to put an end to their attacks against the province of Quebec, against the Canadian clergy and against all that is French in this country. Let the rights of the French Canadians be recognized in Manitoba as well as in Ontario; cease persecuting them, give them the schools guaranteed them by the Canadian constitution. Let all take a leaf out of our book, and remember that, in the province of Quebec, we do respect the rights of the Protestant minority, as the hon. member for Huntingdon (Mr. Robb) so eloquently stated a few days ago.

We want our rights to be respected. We do not go down on our knees to beg for justice. It is not a question of justice, it is one of actual rights. We do have rights that are guaranteed to us by the Canadian constitution and we want our fellow-citizens in the Confederation to respect them, if they wish Confederation to last. As stated by the ex-president of the Senate, Hon. Senator Landry, the question is whether Confederation was an infamous trap or an Act passed for the benefit of all Canadians.

We want justice. We want our rights recognized in all the provinces; wherever French Canadians and Catholics are to be found. We want them to be respected, just as we do respect the Protestant minority, the Irish and other Canadians in the province of Quebec.

Once we have reached that goal, once we shall have put an end to those racial and religious dissensions which have lasted too long, once it is understood by all that before being French Canadians, English Canadians, Irish or Scotch Canadians, we are simply Canadians, inhabiting the same country, bound to work out our destiny together, to work for the prosperity and progress of the same fatherland, then, Mr. Speaker, shall Canada soar aloft, Canada shall set forward to her noble destinies, Canada shall fill the part decreed for her by divine providence.

As for us of the province of Quebec, we are doing our utmost to respect the rights of our fellow-citizens, our spirit of toleration is unbounded. There are in our province, Protestant schools as plentiful as they want them. We do not care to know whether our neighbour is a Protestant or a Catholic, whether he is of the same creed or origin as ours, we mind our own business, but we want to be respected in the other provinces, we want to be returned like for like.

We will not be considered as outcasts in this country. We have the same rights as the people of the other provinces, and we want those rights to be respected throughout the whole Dominion.

The war is over, thank God, whatever may be said to the contrary by hon. members on the other side of the House who would have liked to see it last twenty years, if it had been possible. The war is over and the time has come when we must take steps to place our country in the best possible financial condition. It is difficult to do so with the budget as presented by the hon. Minister of Finance. The future does not look very rosy and we anticipate some hard times.

Why should a man say that he must remain in the Union Government not only for the period of the war, but also during demobilization and that we should not deal with the business of the country until all our soldiers have returned. I consider that during four years of war the business of the country has been so neglected that it is about time we should look after it.

The hon. member for Marquette, ex-minister of Agriculture (Mr. Crerar) certainly deserves to be congratulated by all right thinking Canadians upon his act of patriotism. He considered that his task was over and that it was time for him to assert the principles in which he had faith and to leave the Government. Thus the hon. member for Marquette proved that, though a politician, he was first and always a Canadian, that he loved his country above all and that he could not possibly give way on a question of principle.

On the other side, you see the hon. minister of Colonization and the hon. minister of Customs who come and say that the war is not over. The hon. minister of Customs says: "The war is not over, it might break out again and there are still fifteen or eighteen wars going on" and therefore he contends that his task is not finished yet. So it is because the war is not over yet that the hon. minister of Customs, who is certainly not a free trader, puts his principles into his pocket, to please the members of the Union Government, and to strengthen the administration which the people want to do away with as soon as possible. The hon. minister of Colonization follows the same example, he who was one of the most outstanding Liberals of Saskatchewan, and the first lieutenant of Sir Wilfrid Laurier. Here he comes to-day and states that by reason of patriotism, he must abdicate his political views and his principles as regards the tariff. Allow me to add Mr. Speaker, with a great Canadian: "Patriotism is often the last refuge for scoundrels." To say that the war is not over and that we must leave aside the most vital interests of this country is but a pretense. We must undertake reconstruction in this country and establish a tariff which will help the poor man and by which the cost of necessities may be reduced in letting the necessities enter free into Canada. That is what the minister should understand. I mean a minister who is thoughtful of the interests of the country and who realizes that he is first of all a Canadian and that Canada needs all his qualities and energies.

I have only one more remark to make, and that is about the hon. member for Frontenac (Mr. Edwards). In the course of his speech

the hon. member endeavoured to prove that the Liberal party had never interfered with the tariff, and that it was just as protectionist in character as it was under the Conservative party. Then why did Sir Wilfrid Laurier, in 1911, with his reciprocity agreement, put the very existence of his government at stake? Why did the hon. member for Frontenac, and all hon. members who sit on the other side of this House, and who state that the Liberal party has never done anything toward reducing the tariff, why, may I ask, did hon. gentlemen not support the policy of reciprocity? Why did they fight against it? Why did they try to frighten the people of Ontario with the annexation bugbear? Why did they raise the cry "No truck, no trade with the Yankees?" The same men to-day, in order to deceive the people of this country, and to gain the sympathy of the voters, are endeavouring to show that the Liberal party has done nothing in the way of tariff reform.

In conclusion, I wish to express the hope that Canada with its inexhaustible resources may be able to come out of the rut into which it has fallen.

In my judgment, the class of people which the Government should encourage in preference to all others in this country, and which will enable us to carry the burden resting on our shoulders to-day, is the agricultural community.

So the Government should manage to give to that class every possible advantage they can give, in order that it may produce on a still greater scale, because, as you are aware Mr. Speaker, the earth is the great foster-mother, and when the farmers are prosperous, so is the rest of the community.

Therefore, I ask the Government to give all the encouragement possible to the farming class and by so doing they will work in the best interest of Canada and they will ensure to this country a splendid future, notwithstanding the enormous budget which is brought down to-day.

Mr. W. A. BUCHANAN (Lethbridge): Mr. Speaker, if I were not as anxious as the other members of the House that this debate be brought to a conclusion as quickly as possible, I think that on account of the hour of the evening and the extreme heat in the Chamber, I would move the adjournment of the debate. But rather than do that I am going to make now the few remarks I have in mind in connection with the Budget.

First, I should like to refer to the assertion that has been made on several occasions during the debate, that this is an inopportune time to deal with the tariff, owing to the unsettled conditions in the country and also to the fact that this Parliament was elected primarily on a war policy. But if I interpret correctly the view of the member for Brantford (Mr. W. F. Cockshutt), the war will never end, peace will never be declared, an armistice would never have been signed, so far as any change in the attitude of the protected industries of this country towards the tariff is concerned. As to the unsettled conditions, they are due to the reconstruction period. While it is true that the Government and those who were elected to support it were sent to Parliament largely to support a policy that was thought to be necessary having regard to the war, nevertheless the war is virtually over, and we are now in the reconstruction period. I wish, therefore, to refer to the tariff as a factor in the reconstruction period.

If this Parliament intends to continue during the reconstruction period, then we ought to be courageous enough to deal with reconstruction; and if the tariff has anything to do with reconstruction, then we should apply the tariff to that reconstruction. I submit that the tariff, in two or three respects at any rate, is extremely important in the reconstruction period. We have heard a good deal in this House during the present session about the high cost of living. I assume that the high cost of living relates not only to the war, but also to the reconstruction period, and that we should attempt to deal with it; and if we can deal with it through the tariff, we should adopt that means of doing so.

Now, what has the Minister of Finance (Sir Thomas White), proposed in his Budget? The changes that he proposes are confined almost wholly to the removal of the war tax on foodstuffs, clothing and implements. I take it for granted that this war tax was removed from these particular items because the minister thought he would be able to provide some relief to the people. In my judgment, however, the removal of 7½ per cent from foodstuffs, clothing and implements is not sufficient; my criticism of the Budget is that it should have gone further in order to deal with present conditions. We could have dealt with them more effectively, I am quite sure, either by wiping out the duties on the real necessaries of life, or by making a far more marked reduction in the tariff than has been made.

It is frequently argued that the tariff has no relation whatever to the cost of living.

But the day following the announcement of the provisions of the Budget, wholesalers throughout the country, retailers in Ottawa, were interviewed, and in a number of instances they said that as a result of the provisions of the Budget there would be a reduction in the prices of certain articles. That, in my estimation, is proof of the value of the reduction of duties on the necessaries of life, with a view to reducing the high cost of living. I do not argue that the cost of living would be brought down to that of pre-war days, but it would be brought down, I am satisfied, if we dealt bravely and courageously with the tariff at this time.

Some hon. members who referred to the high cost of living and remarked that there was unrest in the country were, in a sense, rebuked last evening by the President of the Council (Mr. Rowell), because he felt that we might be developing revolutionary sentiments throughout this country. I cannot see it in that light. I feel that the cost of living is making the people uneasy and dissatisfied and may be having something to do with the revolutionary feeling, if there be such. Well, then, if we can deal with this unrest by getting at the cost of living, it is quite to the point that we should talk about it and suggest that something be done along this line.

A great many statements have been made about the effect of protection upon the cost of different articles. It has been argued that protection does not really affect the price of goods sold in Canada; it has also been argued that the manufacturer in Canada takes advantage of the tariff and increases the price of his goods unnecessarily, because of the protection which he receives.

I confess that I have no instance in mind within my own personal knowledge, but it so happens that this evening in the Toronto Globe, which I still read, I found the following reference to the tariff and its bearing on the cost of clothing. This is not an editorial but a news despatch from the city of Montreal, and although it is a little more extended than the clippings I usually put on Hansard I am going to read it:

The Dominion Textile Company as a manufacturer of yarns received its raw material, that is, raw cotton, free of duty except for war tax, and there was a protective duty on yarns from the United States of 25 per cent, plus 7 1-2 per cent war tax, a total of 32 1-2 per cent protection. It is understood in cotton circles here that the surtax of 7 1-2 per cent on yarns has been dropped by the Government, although it was not clear in the Budget speech. But these yarns were the raw material of companies manufacturing shirts, underwear, and other products, and consequently they were obliged to pay a duty of 32 1-2 per cent or pay tribute to the Dominion Textile Company which practically controls the yarn market of the Dominion.

When the Roumanian contract was made the yarn known as size No. 10 carded white American was quoted by the Dominion Textile Company at 71 cents a pound. There is a clause in the customs law which grants a rebate almost equal to the duty on raw material used in goods for export, in order to encourage foreign trade. Manufacturers of shirts and other garments for which this yarn is raw material, decided to take advantage of this clause for their Roumanian contracts, and sent inquiries to the spinners of it in the United States. The Dominion Textile Company thereupon dropped their price below 50 cents, and almost as suddenly raised it to 54 cents a pound, where it now is. This price of 54 cents is sufficiently low to keep the American product out of Canada, and the assumption is that it is also sufficiently high to give the company a fair margin of profit. The surplus of 17 cents a pound was squeezed out of the manufacturers who used the yarn, and consequently out of the consumers of their goods. As there are probably 5,000,000 to 6,000,000 pounds of this yarn used yearly in Canada, the difference of 17 cents a pound would result in an unjustifiable profit at the rate of a million dollars a year.

That is a statement made in a despatch from Montreal to-night. I am not arguing that all the statements in that despatch are absolute facts, but if the case is as stated in that despatch it is absolute proof that the tariff as it exists at present on goods used in connection with clothing in this country is sufficiently high for these people to take advantage of it when they find that there is a possibility of losing business to the United States under a provision said to be in the Customs law, and consequently they reduced their price to get that business. That, in my judgment, is an argument that we can very seriously reduce the duties on some articles used in connection with the necessaries of life. That is all I am going to say on the cost of living question and the tariff, because I do not intend to make any extended speech at this hour of the evening.

In the speech of the Minister of Finance emphasis was placed upon the great necessity of production in this country in order to create new wealth, so that we could meet the obligations that had been incurred in the war. I do not attempt to place before this House to-night an argument that is in any sense sectional. Whatever I have to argue will, as I see it, be along the line of value to the whole of Canada. I maintain that production is of the greatest importance to this country at this time, and not only the production of farm products, but the development of all our natural re-

sources. We should bend our energies in that direction at the present time, and if we are to do that, if we are to encourage production and encourage settlement upon the land, then it is our duty to make the implements of production as cheap as possible to the people who will develop our natural resources, and I think that this Government if it had done nothing else in the Budget, if it had not removed the 7½ per cent tax from other articles, but had directed its attention to a policy of development of our natural resources and of production by making duty-free all implements of production in this country, it would have done much to satisfy the people of Canada at this moment.

We have great wealth all over this Dominion. All that is needed is capital and men to engage in the production of that wealth. It is our duty as a Government and as a Parliament to encourage that production, and in what better way can we encourage it than by placing the implements of production at as low a price as possible. We are often told that the farmer has been making lots of money during the war. I represent a constituency that is largely populated by farmers, and I know the farmers very, very well. In my part of the country the farmers may make good money this year, or may have made good money last year, but then they may have a drought, and they need the proceeds of the previous good year to carry them through the drought year. By the time they get through the drought year, they are not so very much money ahead. I venture to say that a great many of us who talk about the wealth of the farmer would not go on the farm and attempt to do all the work that the farmer does and be satisfied with the proceeds of the operation of a farm. What we want to do, and we want to look at it from the national standpoint, is to adopt a policy that will encourage people not only to go on the land, but encourage them to stay there. We want to make life on the farm as comfortable and as prosperous as possible; that should be our business, and we could have helped the farmers by removing the duties on the implements of production. I am satisfied that there would be no serious objection from the larger manufacturers of agricultural implements in this country if the duty was entirely removed, and I have reason for making that statement. I believe that the duty is being maintained largely to help the little fellows, to keep them going. We have had a duty on agricultural implements in this country as long as I can remember. I think I am safe in saying these implements have been protected by the tariff since 1878 down to the present time. Now if these little fellows who have been in existence in Canada for a great many years cannot stand on their own feet after twenty or thirty years of protection, why should we continue to protect them and burden the farmers of this country with a higher price for implements, especially when the larger manufacturers, I am satisfied, are in a position to face the market in this country without any protection whatever upon implements? As a matter of fact, we know that they can sell their implements all over the world against competition from the United States and any other countries where agricultural implements are manufactured.

As to taxation, I approve of the increase in the income tax, and since I am in a somewhat critical mood to-night, I will say this, that this increased income tax rate should have been imposed, not this year, but when the income tax was first imposed. Why do I say that? It was during the war that a great deal of wealth was being made in this country, and if we wanted to reach that wealth we should have reached it by a heavy income tax.

A great deal of that wealth has undoubtedly been invested in untaxed war bonds and the increased rate of taxation will not affect it. If the taxation had been increased during the past couple of years before the large sums of money were invested in bonds a greater revenue would have been obtained. Having increased the taxation, however, I am satisfied with the action of the Finance Minister (Sir Thomas White) though I must confess that he has not gone to the extent that the people of the country are prepared to stand. They should be prepared to stand it if they meant what they said during the war, that they were willing to make sacrifices of their individual wealth commensurate, in some small degree, with the sacrifices of the men who were prepared to go overseas and lay down their lives. Now, I do not think that the taxation we have on incomes at the present time measures up in any way with the sacrifices of those men, and if we had made it a little heavier we could no doubt have been able to convince the people that even after war sacrifice is imperative. Suggestions have been made—and I entirely agree with them—by the hon. member for Marquette (Mr. Crerar) and the hon. member for Red Deer (Mr. Clark) that there

are new methods of taxation which we could very readily adopt in this country. I have found some speakers criticising the proposals put forward, but we all recollect that the proposal of an income tax at the beginning was not very kindly welcomed by the Finance Minister. He did not think it was feasible or practicable in this country, as it would be too expensive to operate. He adopted the income tax, however, and now we find he is increasing it, and I expect to see the time come when some finance minister in Canada will adopt the inheritance tax and taxation of land values, because we have had many converts to the idea of a reduction in tariff, income tax, and other methods of taxation. While I am discussing the question of income taxation I would like, as kindly as possible, to suggest to the Finance Minister that the Act if properly administered should produce far greater returns than have been yielded up to the present time. The figures I am about to quote may enable some member who is not in sympathy with tariff proposals to argue that the western farmer is wealthy now and not that there should not be a removal of the tariff, because he is in a good financial position. But I do not look at the matter in that light. The figures I am going to quote look very much as though they were made to fit an argument of that kind, but I am satisfied that the result which you will see is due to lack of efficiency in the operation of the Income Tax Act. A question has been asked in the House concerning the number of farmers who have been assessed and who have paid income tax, and we find that in Ontario – from which province I came and in parts of which I knew there were a great many prosperous farmers—only 396 farmers were assessed for incomes, of whom 342 paid; and in the province of Alberta 2,826 were assessed and 1,325 paid. Now, I am satisfied that there is something absolutely wrong in this disclosure, and I am not expressing my personal opinion when I say that I believe that there are some counties in Ontario where that number of assessable farmers could be found. I have the opinion given through the press of a gentleman who says that in his own county—Simcoe, I think,— nearly that number of farmers could have been discovered who should pay income taxes. I call this fact to the attention of the Minister of Finance for his information. I do not object to the farmers of the West who have incomes subject to taxation being called upon to pay taxes, but if the income tax is to be satisfactorily operated—and it is our desire that it should —we must insure that persons in one part of the country will not have any justification in complaining that those elsewhere are not bearing their share of the burden of taxation because of improper administration. I believe that if the Act is properly administered we will obtain more revenue. Those who believe in the Income Tax feel that a proper administration of the Act would yield larger returns. Now, I said I wanted to refer to this matter in a spirit of kindness, because I will admit that the administration of this Act is a new matter, and probably experience will show the discrepancy in its operation and remedies will be provided. But I do think that up to the present the Act has not brought the returns that proper organization and administration could have provided.

If I may go back to the West for a moment and depart from my statement at the opening of my remarks that I was going to endeavour to speak from a national standpoint, I want to give a warning and it is because I desire to see a united Canada that I wish to give that warning. We are told that the farmers of Western Canada are unreasonable and that there they are extremists. Well, I think that if any one visited the West he would probably hear the opinion expressed there that the manufacturers of the East are unreasonable and extremists. It may be that there are extremists in both sections of the country. As a citizen of the West I feel that the farmer there has a strong claim to be relieved of many of the burdens he has to bear at this time. I do not think he has a right to be relieved of these burdens and not bear the common burdens of the country; but at the same time I do not think that he should be called upon to bear burdens which, in my judgment, are the means by which other people throughout the country can grow rich. I do not think that there should be a form of taxation that will give some people protection and enable them to become wealthy at the expense of the man who toils every day upon the farms in the Canadian West. Now, my warning is this: There will come a time, after the next redistribution, when there will be in this House forty-five or fifty men from the Prairie Provinces supporting one idea—a reduction in the tariff, and as complete a reduction as possible. Forty-five or fifty men from the western provinces determined to carry out a policy of that kind will be a fac-

tor in this Parliament, and the mistake that the manufacturers of Eastern Canada have made is that they have taken a determined stand not to yield to the farmers of the West and have put those farmers in the frame of mind that when they get a chance they will deal with the manufacturers. Now in my judgment, it would be conductive to unity if the manufacturers were willing to yield something at any rate to the demand of the agriculturists of the West, and I am satisfied that if they had been reasonable and had had a round table conference that meant something a few years ago, we would have had satisfactory reductions in the tariff and many of the grievances of the West would have been removed. If this had been done I do not think there would have been any very marked difference between the East and the West on the fiscal policy. Another matter to which I wish to call attention, particularly of the hon. member for Brome (Mr. McMaster), is the fact that we have had party platforms enunciated in this country for as long a time, at least, as I could read the newspapers. During all that time I have always found that these party platforms were very rarely carried out to the letter. I would advise not only the party which my hon. friend from Brome speaks for, but any other party, that this is no time to frame a policy which it is not the intention to carry out, because the people of the country are in real earnest, and whatever party lays down a platform, the people will expect them to carry it out. Otherwise they will put that party out of power at the first opportunity. The people are determined that party platforms and pledges by party leaders will not be disregarded with impunity.

Now, as to the amendment which has been proposed by the hon. member for Brome. I am, in some respects, in entire accord with it; in others, I am like the hon. member for Red Deer (Mr. Clark), I would like to have it fully interpreted. There is one clause in that resolution which appears to me very much like temporizing. It reads:

> To take off or substantially reduce, as speedily as may be expedient and just to all interested, the duties upon all other necessaries of life.

When will it be expedient? It may be a thousand years from now before it would be expedient to do that.

An hon. MEMBER: Two thousand years.

Mr. BUCHANAN: Expediency is merely an excuse sometimes. It will be expedient prior to an election and I would imagine it would be very expedient that we should do it as soon after the election as possible. Then, if returned to power, the expediency would not be so great. Then they talk about it being just to other interests. When you are dealing with the tariff what other interests are you going to be just to? I would imagine that the only interest that the framer of this amendment was thinking about was the protected interest. That is the only interest that benefits from the tariff. Consequently, if you are going to be just to "all other interests," you are going to be just to the protected interests. And this is in connection with the necessaries of life. As far as the necessaries of life are concerned, speaking as the representative of a constituency in Western Canada, we want these duties removed now, not when it is "expedient" and not when it is "just to all other interests." Under the folds of that clause of the amendment, I am quite satisfied the most ardent protectionist and the most wild-eyed Bolshevik could get together and be perfectly content that what they wanted was going to be cared for by the adoption of a resolution of that kind.

I have nothing further to say. I have tried to put forward certain views which I hold on the Budget briefly. I am not going to pose as a hero in differing from the proposals of the Government. I am not a hero by any means, but what I intend to maintain is that I am consistent in standing at this moment for what I have stood for since the beginning of my service in the House of Commons. I am not attempting to demand from the Government something that I consider unreasonable or something that should not be adopted at a time like this when conditions are unsettled, but I do maintain, and I believe that I am taking a logical position in doing so, that in the reconstruction period the tariff is an important factor and that it should be applied to the relief of the unsettled conditions that exist in this country. If it had been applied more equitably by the removal of the duties on food, clothing and agricultural implements the country would have been satisfied. Moreover, the country would have been benefited if we had adopted the bold, courageous policy of removing the duty on agricultural implements in order to encourage production and develop wealth.

Reference was made by the hon. member for Red Deer (Mr. Clark) yesterday to the question of independence. I have been charged with being independent on two or

three occasions during the short time I have been in public life. It is not because I have been anxious to differ from the party that I have been elected to support, but I want to try and follow, if I can, an absolutely consistent course during the time that I am in public life. That is the reason, and the only reason, why at this moment I criticise the proposals that have been brought down by the Finance Minister.

Mr. EDMOND PROULX (Prescott): Mr. Speaker, I may say that I was very much disappointed in the Budget that was brought down by the hon. the Finance Minister (Sir Thomas White). I expected that the war tariff that was imposed in 1915 would have been entirely wiped out and that the British preference would have been extended to at least fifty per cent. Although the Government need revenue, I submit that revenue could have been provided otherwise than is proposed by the Budget; that there should have been a reduction in customs taxation, and that the needed revenue should have been got by an increase in the income tax and by the imposition of an inheritance tax.

I agree with the hon. member for Red Deer (Mr. Clark) in this respect. It is true that the provinces already have an inheritance tax, but it is not very heavy. People who amass half a million, or a million, dollars do not always accumulate that money as a result of brain work, but they take advantage of the resources of the country and the skill of the workmen whom they employ. It is only right that the community should get a portion of these large estates. These estates sometimes go to persons who squander them; they are not an advantage but rather a detriment. Many millions of dollars could have been collected by an inheritance tax.

I would also approve of a tax on unimproved land. We have millions of acres of unimproved land. Large areas of land are held by corporations who keep them for speculation, and if these millions of acres of land were taxed they probably would be sold, improved and put under cultivation. Some of this land would be sold to the returned soldiers. The Government has a large programme on hand with the object of putting returned soldiers on the land. The Government will have to pay big prices for some of this land. If a tax was put on unimproved lands it would conduce to the putting of these lands on the market and it would help the returned soldiers to get them on reasonable terms.

The hon. the Finance Minister made a comparison of the situation with that of Great Britain, and said that our situation was much better than theirs. I cannot see it in that light. It is true that the national debt of Great Britain is much greater than ours, but you must look at the national debt in proportion to population. The interest on the national debt in Great Britain will absorb only 15 per cent of the revenue, while the interest on our national debt will absorb 41 per cent of our revenue. We have to borrow 60 per cent of our expenditure. The Minister of Finance proposes to collect 40 per cent by tariff proposals. Our debt per capita has gone up to $240, and he proposes to borrow this money by loan.

There have been a great many loans since the war began, some of which were necessary; but now that the war is over I think we should endeavour to pay off more of the principal of our national debt and not resort to so much borrowing. These loans are very costly. The last Victory Loan bore interest at five and a half per cent, but when all the expenditures connected with the floating of that loan are considered I think it will be found we are paying over six per cent. Advertising and commissions have cost the country an enormous amount. I was surprised the other day when reading a return which has been brought down to see the big brokerage commissions which have been paid out to brokers, especially in the provinces of Ontario and Quebec. One firm in Toronto received as much as $51,060; a second, $48,993; a third, $47,339; and others respectively $12,288, $10,093, $12,980, $15,000, and so on. Altogether there was paid to brokers in Toronto the sum of $380,440 as commissions for raising the Victory Loan. The payments to brokers in Montreal amounted to $134,149.63, excluding the sums which were paid to brokers elsewhere. The next Victory Loan will probably be floated in the same manner and the country will not only have to pay the interest, but large amounts for advertising and commissions. The Minister of Finance stated that the redeeming feature in connection with the Victory Loan was that the money came from the Canadian people, and not from outside. That is true, but the money has to be repaid, and it is needed for industrial purposes. If this money was not absorbed by the Government bonds it would be available for the needs of agriculture and for the promotion of industrial development in Canada. Another feature which is not so reassuring and which was pointed out by the hon. member from Red Deer (Mr. Michael Clark)

yesterday is that these bonds are exempt from taxation, which results in an injustice to the poorer classes. Some poor people subscribed for bonds, but the most of the bonds were purchased by wealthy persons. Many have got into the hands of rich persons since they were floated. And on this part of their wealth these persons are free from taxation.

I have said that I would welcome a greater reduction in customs taxation. I approve of the amendment before the House because it goes far to reduce customs taxation and to entirely remove the duties on food and other necessaries of life. I would like to see that reduction go still further, to the extent suggested by the member for Red Deer yesterday, and removed entirely on agricultural implements, and all machinery that is used for the production of food, clothing, and other necessaries. I do not see the necessity for a tax on food. The Prime Minister (Sir Robert Borden) said the other day during the discussion upon the prevailing industrial unrest in Canada that if the taxation on food were removed he did not believe food would be any cheaper in Canada than it is at present. I differ from the Prime Minister in that view, and I would like to see the Government make a trial by removing those duties. If it will result in reducing the cost what is the necessity for maintaining these duties?

Now, if we are to wipe out any part of the national debt, the Government will have to economize, a thing which it certainly has not done during the war. There has been much waste in some expenditures; but now the war is over I would like to see the Government practise economy. This advice was given to the Government the other day by one of its chief newspaper organs, the Montreal Gazette. That newspaper said that the British Government had recognized the necessity of economizing and that this Government should also appreciate that necessity. I think there are many ways in which there could be economy. I would not like to see the Government economize merely for the benefit of certain classes; we should not have economy which will be to the detriment of certain classes and to the advantage of others. Beyond all question we have spent money in the past which was entirely unnecessary. The expenditure on registration cards, for instance, amounted to over $100,000; while the registration system carried out last year cost the country $651,000. I never could see the necessity for either plan, or that any advantage resulted from it. We have also had a large expenditure in connection with the Canada Food Board. While the operations of that board have resulted in some benefit to the country, I do not think the benefit has been at all commensurate with the expenditure incurred.

Another matter in which the Government could economize would be in the use of private cars by ministers. I think there are altogether too many of these private cars. Not long ago there were as many as three of them attached to the one train in a trip from Toronto to Ottawa; in fact, some of the ordinary passenger cars had to be detached; they could not be carried because there were too many ministers' private cars in the train. Now it is, perhaps, legitimate for a minister when he makes a prolonged trip to travel in a private car so that he may promptly transact public business, but surely in a short journey such as that from Ottawa to Montreal, or even to Halifax, there is no great necessity for his using a private car. The Pullman cars that are provided on trains are very comfortable, and good hotels exist in the majority of our towns and cities; therefore, where is the necessity for ministers to travel in private cars? In my opinion, it would be better if the members of the Government travelled in ordinary cars and rubbed shoulders a little more with the common people. They would then be better able to keep in touch with public opinion, and could acquaint themselves with the needs of the masses. Indeed, they might then even perhaps learn some means of removing the industrial unrest which exists to-day. I am quite sure, for my part, that the sight of ministers travelling in private cars, and of wealthy people speeding around the country in limousines, must arouse a feeling of envy in the minds of those who have not the means of enjoying the same luxuries, and certainly must be conducive to that industrial unrest which is so prevalent to-day in Canada.

My hon. friend from Brome (Mr. McMaster) advised the Government to economize in certain respects, and, among other things, to refrain from spending any money on good roads. I beg to differ from him in this regard, for I believe that this is one of the most productive expenditures that we could undertake. Good roads are conducive to the improvement of agriculture and to the keeping of the people on the land. Bad roads are a great drawback to the farmers; they want good roads to get to the markets in the towns and villages. Therefore, I would advise the Government

to go on with their proposition and appropriate money for good roads. Each province has a system of road making in co-operation with the municipalities. The province of Ontario has already built many miles of good roads, and has a big road-building programme in hand to-day. The province of Quebec has also built many miles of good roads and is continuing the work. The Maritime Provinces also have built good roads. The western provinces do not, perhaps, feel the need of good roads to the same extent as the eastern provinces; but the western provinces must remember that we have spent and are to-day spending much money for the building of railways in the West.

I will conclude, Mr. Speaker, by saying that I am pleased to support the amendment proposed by my hon. friend from Brome. As I said before, I would like it to go a little further. But next year, when the expenditure will not be so heavy, this Parliament, perhaps, will be able to make further reductions in customs taxation, and I hope in a few years we will be able to adopt the programme of the Canadian Council of Agriculture, which I believe to be the ideal programme for this country. I think the customs taxation should be reduced gradually, and that in a few years' time we should have free trade in all the necessaries of life—in fact, I would like to see free trade in everything, for I think it is the ideal policy; and if it is not possible now, I hope that it will be possible in the very near future.

Mr. MICHAEL CLARK: Will my hon. friend permit me a question? He is a very old friend of mine. I want to ask him if he thinks it is quite in accordance with his usual fairness of mind to represent the railways as purely western concerns? Are they not for the benefit of the whole country?

Mr. PROULX: I do not think that they are the concern of the West only. But you must remember that in the West the distances are longer and the population sparser than in the eastern provinces. Out there, perhaps, they need railways more than highways. But still they can take advantage of this appropriation for roadways as the money is to be distributed to all the provinces. When we had a debate some time ago on appropriations for good roads I noticed that some members from the western provinces were very hostile to the project. I hope they will change their minds and will approve the action of the Government in appropriating money for the improvement of highways. I have never begrudged the spending of money for the building of railways in the West, and I would not begrudge the spending of money for the building of highways there.

Mr. J. F. JOHNSTON (Last Mountain): Mr. Speaker, many references have been made to the great unrest prevalent in Canada to-day. In my opinion the one great cause of this unrest is the war that we have just concluded. As a result of that war we have to-day the high cost of the necessities of life. This could not be otherwise when we take into consideration that many millions of men have been withdrawn from productive lines of work and put into destructive occupations, and at the same time have been consumers.

In Canada to-day, to my mind, it resolves itself into a question of there not being enough to go around. A few weeks ago I remember reading a report by the Minister of Labour representing the amount of certain lines of foodstuffs in store in our cold storage plants; the amounts were very limited indeed. Any one can easily see, I am sure, that if you have only one pound of butter, and three people want it, the price is bound to go up.

There have been charges of profiteering, and I believe that some of these have been well founded. The hon. member for Frontenac (Mr. Edwards) stated a case where a retailer had been asking—he did not say whether this man had been getting it or not, as I remember—some $14 for a pair of shoes that cost him $6. I am forced to think, Mr. Speaker, that such a case must be very rare. However, we have these conditions, and I think there is only one way to create a change and to lower the cost of living in this country, and that is to produce more of the necessaries of life. But I do not believe that it is going to be accomplished in a day or in a year—in fact, I cannot see how the cost of living is going to come down for a considerable time. As a producer it seems to me that certain changes must be made in our fiscal policy if we are to get more producers.

We have this unrest, we have the high cost of living, and as a consequence we have trouble and strife in the land. Conditions like these give to malcontents and agitators an opportunity to get in their work; and judging from recent reports from Winnipeg, they are making a good showing along that line.

As a representative from the province of Saskatchewan, permit me, Mr. Speaker, to touch upon some of the things that are agitating the minds of the people of that province. The situation in respect to our 1919 wheat crop is one of the gravest concern to the people of Saskatchewan. As is well known, the price of wheat has been fixed during the last two years. During the year 1918 an increased acreage of 976,000 acres was brought under cultivation in Saskatchewan. The cost of all this work has greatly increased; in my estimation it could not have been accomplished for less than $10,000,000. This increased acreage was brought under cultivation at the request of this Government. It was the duty of the farmers to produce, of course; but they undertook the work, and they are now anxious to know what is going to happen to the product of that increased acreage. In the United States they have what is known as the Wheat Guaranty Act. Under that Act Congress has set the price on the wheat produced in the United States this year, and a Board has been formed the duty of which is to see that the guarantee made to the purchaser is carried out and that the United States Government is protected against loss under the guarantee. Section 6 of that Act reads:

> That whenever the president shall find it essential in carrying out the guarantees aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, and shall make proclamation thereof, it shall be unlawful to import into the United States from any country named in such proclamation, or to export from or ship from or take out of the United States to any country named in such proclamation, wheat, semolina, or wheat flour, except at such time or times, and under such regulations or orders, and subject to such limitations and exceptions as the president shall prescribe, until otherwise ordered by the president or by congress.

We see that power has been vested in the President of the United States to exclude our wheat or wheat products from that country. That is the point that I want to bring to the attention of the Government. It is well known that 60 per cent of the Canadian western wheat crop finds its way to the seaboard through American channels. We want to know what is going to happen this fall if we have an average crop, and these channels are closed to us. It is the opinion of many that we will have the greatest grain blockade in the history of the country.

The financial position of the United States is much better than ours. Mr. Barrens, president of the grain board to which I have referred, speaking to the House Agricultural Committee, said recently:

> Shall the United States, with its surplus wheat, enter a world-wide competition for its sale, and thereby break down its own price; or shall it assume the position that what wheat it has for sale shall be at our price,—pronounced fair to our purchasers,—particularly as, under present world conditions of transport and finance, it is quite probable that as much wheat can be sold in the aggregate on one plan as the other?

This statement is more significant for what it does not say than for what it does say, I think. It is not an unfair interpretation of it to say that Mr. Barrens really means that the United States, with its great financial resources and its ability to transport and to give credit to purchasers, will be in a position to dictate the price. A recent crop report from the United States estimates their exportable surplus of wheat as some 500,000,000 bushels. If these things should happen, what position would Canada and Canadian wheat producers be in? It is within the power of the President of the United States to shut out our wheat. In the United States they are well organized for taking over the crop from the farmers at a guaranteed price, and that means that, as business people, they are going to market that grain if at all possible. The one ray of hope I see is that this grain board will not market their wheat at a loss, if it is possible to avoid doing so. It would be a good thing if the Government would make some pronouncement in this matter; it would allay unrest in my province.

Another matter of interest to Saskatchewan is the question of vesting in the province the control of its natural resources. We believe that, as promised many years ago, the natural resources of Saskatchewan should be turned over to the province. I mention that in passing, so that the Government may know that we are still thinking about it.

I wish to refer also to the School Lands Trust Fund. This fund comes from the sale of school lands, two sections in each township throughout the western provinces having been set aside for this purpose, the proceeds to be used for school purposes. The figures that I am about to quote were taken from the Budget speech of the Provincial Treasurer on January 29 of this year. At that time $6,185,000 had been paid into this fund, which is administered by the Federal Department of the Interior. On this amount the Federal Government pays the province interest at the rate of 3 per cent. Some two and a half years ago representations were made by the provincial authori-

ties to the Government of the day to the effect that as the Dominion Government were borrowing money on which they were paying interest much in excess of 3 per cent, the province of Saskatchewan was entitled to some increase in the rate of interest paid. The present Minister of Finance, I understand, at that time promised to invest these funds in Dominion Government stocks and bonds, which the Act gives him authority to do. My information is that out of the $6,185,000, $3,891,000 has been invested, and on that amount the province is now receiving interest at the rate of 5 per cent, but the balance, $2,294,000, this Government continues to use and on that it is paying the province only 3 per cent interest. In view of the fact that these lands were set side for the purpose of creating a fund and assisting the province in financing their educational matters, and that this Government allows purchasers of these school lands to run away in arrears in their payments, it seems to me only a fair proposition that the province should receive a higher rate of interest. I understand that some $26,000,000 worth of these lands have been sold, and that $6,185,000 has been paid in, so it must be obvious that if the Government had looked after the payments from the purchasers more money would have come in and the provinces would have received a greater amount in interest.

If this Government chooses to allow purchasers of school lands to let their payments run in arrears, I think they should undertake to pay the province of Saskatchewan interest equal to the rate that province has to pay for its borrowings to carry on its educational work. This year the province proposes to spend $1,243,800 in educational work, and the provincial treasurer estimates that the province will receive $588,000 from this Government, which leaves a balance of $655,000 to be made up by the province out of provincial revenue. This is a matter that is agitating the people of our province, and something should be done by this Government to remedy the situation.

Another thing that we in the western provinces believe would be of great value to us is the early completion of the Hudson Bay railway. The hon. gentleman who has just taken his seat (Mr. Proulx) claims that western Canada is getting too much attention and too much money along the line of railway construction. I would point out to him and the House that Western Canada is a new country of great areas and must have railway transportation. We believe that with the early completion of the Hudson Bay railway the transportation of our grain to the European market would be very much cheaper.

Another very important matter that has been engaging the minds of our people, and has done so for a great many years, is the customs tariff. It is not my intention to deal with this question at any length, because it has been discussed from almost every angle already. I should like to say, however, that it is a very live issue in the western provinces, and while I can not agree with all that has been said as to the dire results that will follow if something is not done, because the people of the western provinces are just as loyal as the people of any other province in the Dominion, yet the issue is there, and I believe that this Parliament and this Government and the manufacturers would be well advised to give very serious consideration to this matter at an early date.

I should like to say a word in connection with the characteristics of our people in the western provinces. There seem to be many good people in the eastern provinces who have come to believe that a westerner, more especially if he terms himself a grain grower, is a product of that wild and woolly country who is always wanting something and persists in wanting that something all the time. In this connection I should like to draw the attention of the House to the enlistments from the province of Saskatchewan for overseas service in the great war. I think our record in that respect can be pointed to with pride by every resident of the province. The hon. member for Frontenac (Mr. Edwards) some few weeks ago pointed out that the western provinces had not done nearly as well as the old province of Ontario in subscribing to the Victory Loan. That is a fact, but I will be frank with my hon. friend and tell him the only reason for it is that we did not have the money. While on this point, let me say that in my opinion a man did not need to be overflowing with patriotism to loan money to his country at 5½ per cent, more particularly when the income from the bonds was not taxable. When it comes to contributions, not loans, the province of Saskatchewan gave $3 per capita to every dollar given by the next highest province in the Dominion of Canada, and I hope the hon. member for Frontenac will read that statement when he has time.

In respect to the non-taxation of the Victory Bonds, I feel very strongly upon that matter. I believe it is noth-

ing short of a national mistake, and to be frank with the House I did not enjoy trying to place those bonds last year. It was a different thing with the first few loans this Government raised. Then it was a new thing, and nobody knew how the people of this country would take to it; but as regards the 1918 loan, surely the Minister of Finance had had every proof of the patriotism of our people, and this loan should certainly have been made taxable. The statement was made yesterday by an hon. member that very few of these bonds were changing hands. I disagree with that statement. In my province—and I believe what is true of that province is true of almost every other western province—just as soon as many of the people got the bonds in their hands they were selling them. Step by step these bonds will come into the coffers of the men who are not needing money in their business and are going to sit tight with their money out of use, and let some other person pay the war tax. That is the opinion of a great many people in the province of Saskatchewan.

Another characteristic of the people of Saskatchewan is that they never do things by halves. I would point out the result of the election in 1911 in that province. Saskatchewan returned ninety per cent of its representatives to this House in support of a certain measure in opposition to the party that was then led by the same hon. gentleman who was leader of the party at the last general election. And what was the change in 1917? We returned one hundred per cent under the leader we had opposed at the previous election. I think this will show that when the people of Saskatchewan undertake to do anything they carry it through.

There are a number of other things to which I would like to call the attention of the House, but as the hour is late I shall briefly touch upon only one or two. As I have said, in Saskatchewan we do not do things by halves, and we realize that in this Dominion for the last forty years both political parties have been adhering rather closely to one policy. When we think of the wonderful natural resources of this country—and no one will dispute the fact that we have wonderful resources—and the great energy and ability of the Canadian people to carry through any undertaking successfully, it seems to me, on the face of it, that something has been radically wrong with the policy we have pursued. In view of our resources and the progressive characteristics of our people, and with a population of only eight millions, the question actually is: What is the trouble? As a Canadian, and I hope with the best interests of our Dominion at heart, I am quite willing and prepared to embark on new lines and try out a new policy that gives promise of an improvement in conditions. I believe that the trouble that exists to-day can be directly traced to the protective tariff that obtains at the present time. We have built up beautiful towns and cities and have been able to surround the people there with every modern convenience, but I contend that all this was done at the expense of the real producer of wealth. For that reason, under existing conditions, with the present high cost of living and the unrest that prevails, and with the cry that is made on every hand in the country, of " Back to the land," it seems to me that if we are to make any progress in the right direction there must be a marked change. What is the condition in my province to-day respecting the people on the land? We have fewer actual farmers in Saskatchewan to-day than there have been homesteads entered for. Some will say that many of these homesteads were taken by people who never intended to occupy them. Well, in reply to this assertion, I will ask: Was it ever known that people ran away from a good thing? I never knew any one who would do so, and I will tell you, Sir, regardless of what may be said by gentlemen in eastern Canada who seem to be better informed about farming conditions in the West than the people who are actually engaged in that calling there, that the people as a whole are not prosperous. I believe that the hon. member for Marquette (Mr. Crerar) made the statement the other day in this House that in a certain county in this province there were abandoned farms. I do not know anything about that, but one thing I do know, the same conditions prevail in Ontario as in Saskatchewan, and there are fewer rural residents in Ontario to-day by many thousands than there were ten years ago. We must get at the cause of this condition of things, for, as I have remarked, no one will reject anything that is to his advantage. In my opinion, the first step towards a solution of our difficulties would be to make Canada a cheap country to live in. If we can accomplish that, you will get the people on the land and increase your production, thereby reducing the cost of living. This may take some time, but it must be done. The hon. member for Frontenac referred to a resolution which was

introduced and defeated twelve years ago in this House. The resolution aimed at the reduction of the tariff on agricultural implements, and probably the Government of that day or the supporters of that Government were of a similar opinion to that entertained by certain hon. gentlemen in this House in regard to a resolution of the same kind introduced at this session, that there was not much sincerity behind it, hence the vote.

Mr. Speaker, before I conclude I desire to place before the House a few figures to substantiate my arguments in respect to what is keeping people off the land and what, in my opinion, would be an inducement for some to go on it. To-day we are spending millions of dollars in helping the returned men to settle on the land. The list I am about to read is compiled from that standpoint, and goes to show just what the returned man has to buy in establishing his home, and the import duties that he has to pay on the different commodities he requires. These figures were compiled before the Budget was introduced and will therefore be reduced to that extent. First of all he must have a house, and the Government helps him by charging him 32½ per cent on his lumber, 42½ per cent on window glass, 32½ per cent on sashes and doors; and when his wife goes to furnish her bedroom she is taxed 37½ per cent on dresser; 37½ per cent on chairs, 27½ per cent on looking glass, 37½ per cent on bed, 42½ per cent on counterpanes, 42½ per cent on blankets, 42½ per cent on pillow cases, 42½ per cent on sheets, 42½ per cent on comb and brush, 37½ per cent on mattress, 40 per cent on lamps, 40 per cent on hairpins, 42½ per cent on jewelry or any article of personal adornment, etc. This goes to show in part what the returned man to-day, working on the capital borrowed from this Government on which he has to pay interest, is charged in making his start on the land.

I have another list here which shows the valuation of articles at point of entry, the duties thereon, etc.:

	Cost at Factory.	Value for Customs.	Duty.	Duty pd.	Freight.	Cost f.o.b. Winnipeg.	Profit on duty.	Added to selling price.
			%					
Washer, wringer and basket stand	$ 50.00	$ 52.50	35	$18.38	$2.90	$ 71.28	$4.60	$ 22.98
1½ h.p. gasoline engine	39.75	41.75	35	14.62	2.68	57.05	3.66	18.28
20 shoe D.D. drill	115.00	117.74	27½	32.30	8.02	115.40	8.10	40.48
16 x 16 Disc Harrow	49.50	50.68	27½	13.94	3.75	67.19	3.49	17.43
5 section Boss Harrow	18.00	18.42	27½	5.06	1.60	24.66	1.27	6.33
14″ sulky plough	49.75	50.93	27½	14.00	3.91	67.66	3.50	17.50
14″ gang plough	76.00	77.80	27½	21.40	4.91	102.31	5.35	26.75
Hayrake	39.60	41.58	27½	11.43	3.87	54.90	2.86	14.29
Mower	56.21	59.02	12½	7.38	5.86	69.45	1.85	8.23
Pump	10.40	10.40	37½	3.90	69	14.99	98	4.88
Top Buggy	76.85	80.69	42½	34.30	5.25	116.40	8.58	42.88
Total added to selling price								$180.05

Mr. BUTTS: What is the date of that tariff?

Mr. JOHNSTON: I explained that these figures were taken from the tariff before the reductions were made.

Mr. BUTTS: Before this Government came into power?

Mr. JOHNSTON: No, before the Budget came down.

Mr. BUTTS: How many years ago?

Mr. JOHNSTON: Last year. There are eleven articles and the total added to the selling price of these eleven articles amounts to $180.05. Any one can see that this is by no means a full list of articles that a homesteader starting in the smallest way has to buy. If there was no import duty this farmer's wife could purchase:

[Mr. Johnston.]

A washer, wringer and basket stand at	$52.50
Freight	2.90
1-½ h.p. gasoline engine	39.75
Freight	2.68
Top buggy	76.85
Freight	5.25
Total	$181.33

A top buggy may seem a luxury to some people in the eastern provinces, but the prairie wife should have a top buggy. Our distances are great and I have known many a woman living fifteeen, twenty or twenty-five miles from town having to ride over rough prairie trails in a lumber wagon because her husband could not afford to buy a buggy in which to take her to town.

Mr. MORPHY: The hon. gentleman says—just to take one article—that the duty on the hay-rake is $8.23?

Mr. JOHNSTON: No, the duty on a hay-rake is $11.43.

Mr. MORPHY: Assuming that, will the hon. gentleman tell me the life of a hay-rake?

Mr. JOHNSTON: It all depends on the man who is operating it. Some fellows can take it out and break it up in a day.

Mr. BUTTS: A careful man will use it for ten years.

Mr. MORPHY: What is the average life?

Mr. JOHNSTON: The average life of a hay-rake would be five or six years; with good housing and care a longer period.

Mr. BUTTS: A dollar a year.

Mr. JOHNSTON: That may be, but remember what all these dollars mean to a man who has very few of them when he is starting up. In conclusion, I would say that I am not satisfied with the Budget as presented by the Minister of Finance. First, because I find nothing in it to materially reduce the cost of living and thereby allay this terrible unrest. It leaves a heavy tax upon many of the necessities of life which the poor man is obliged to pay. It falls far short of the reduction in the tariff asked for in the platform which has been much talked about and which was gotten out by the Canadian Council of Agriculture. The tariff reductions in that platform, Mr. Speaker, are what I believe the great majority of the people in those western Prairie Provinces desire and, as their representative in this Parliament in respect to these matters, that is my platform. Out there in Saskatchewan the supporters of this platform are organizing and will be a power in this Parliament. I believe that it would be in the interest not only of western Canada but of all other parts of Canada if these reductions were made.

Again, I do not believe that the Minister of Finance has gone far enough in respect to the tax upon incomes. Looking at the list casually, the amount may seem large, but after all who is going to pay this war debt if it is not the people with the large incomes? Surely, we want to get out from under it at some time and not forever continue to pay this tremendous amount of interest. The only way I see to curtail the interest and cut down the principal is to start now. I am sorry that I find it necessary to offer this criticism of the Budget and I will leave it at that for the present time.

Mr. NORMAN LANG (Humboldt): Mr. Speaker, I shall not attempt to deal with many of the very important questions confronting Canada to-day, but I want to inform the House, and the people whom I have the honour to represent, that I am still a strong supporter of Union Government, and intend to continue to support the Government, especially during this very critical period in the history of Canada. In my opinion we are facing more serious problems at the present time than we were during the war, and this is no time for any one to worry about his own political future. The actual fighting ceased on November 11th, but the peace terms have not yet been signed. They will be signed, there is no doubt about that, but the Government have so many enormous problems to deal with that I think they are entitled to more support from the public than they are getting at present. I do not consider this Government perfect, but I do give them credit for being honest and sincere.

I was hoping that the Finance Minister would place a great many of the actual necessities of life on the free list in order to reduce the cost of living. However, I am grateful for the good start he has made, and I trust that he will not forget to keep his promise in regard to the complete revision of the tariff next year.

Now, Mr. Speaker, I am not a free trader at present. The scene has completely changed since 1914, and I would like to give the Finance Minister a few of my ideas on the proper methods of raising the enormous sums of money needed annually in Canada. Right here I would like to say that I don't want to see any factory put out of business. I want all classes in Canada to get a "square deal," but I don't think it is a "square deal" to the consumer to require him to pay 100 per cent duty on his implements, etc., when only about 25 per cent finds its way into the treasury. I will try and explain what I mean by that. Take farm implements. About 25 per cent of our implements are made in the States, and pay the duty. Twenty-five per cent are made in Canada by American firms and dodge the duty. The other 50 per cent are made in Canada and pay no duty. But the price of implements is set by the price of the implements that have paid the duty. That is the point that bothers the farmers of the West more than anything else. I know a great many farmers who deliberately buy these manufacturing implements, because they feel that at least a proportion of that money is going into the treasury.

I understand excise taxes are very unpopular, but I find the British Govern-

ment collected £118,000,000 in that way, and in my opinion it will have to be introduced in Canada. I would like to see the necessities of life as free as possible so that the working people in Canada would be able to provide for their families properly. Then there should be an excise tax placed on all luxuries manufactured in this country. I would not recommend an excise tax as high as the customs duty on the same article. As I said before I would want to see our people get a "square deal"; but surely if the duty on a foreign manufactured article is 30 per cent, our people should be able to pay 15 or 20 per cent, and still be well protected. Take automobiles for instance. A small car is a necessity with a great many people, but a "Big Six" is a luxury. To take down the fence we have been hearing so much about would affect our revenue; but to place an excise tax of about 20 per cent on home manufactured cars would increase our revenue a very great deal. In my opinion I could make as much money in the West selling home manufactured goods on a 10 per cent commission, provided I could prove that the excess profits were going into the treasury, as at present on a 20 per cent commission. There are also a few articles that I would like to mention that I think should be supplied at a very low rate. Those are the goods required by the farmers' wives in order that they may be able to do their work without killing themselves, such as a small electric light plant, that would also furnish power to drive a washing machine, cream separator, churn, electric iron, etc. It is the next thing to impossible for them to get help at present, and I think that is one reason why so many people leave the farm. Something will have to be done to attract more people back to the land. We have millions of acres of rich land in Canada that should be cultivated. There is also far too big a proportion of our people living in towns and cities. During the last two week-ends I have travelled a good deal through the province of Ontario trying to make use of my railway pass while I had it—in other words, making hay while the sun shone—and I did not see very many people working in the fields. I did not expect to see them there during the noon hour, but during the forenoon and the afternoon there should be a greater number of workers in the fields. It is quite impossible for the few that are there now to be able to supply the amount of food required for the population in our towns and cities.

There is another very important matter affecting my constituency which I desire to mention, and that is the Franchise Act. The war is over, and the Government now have the necessary machinery to deal with any one who does not behave himself, so I hope they will enforce those new regulations, and also restore the franchise to other well-disposed persons. A great many of those who were disfranchised worked very hard to elect me, and the only pledge I gave during the campaign was that I would vote for the repeal of the War-time Elections Act. I therefore take this opportunity of requesting the Government to repeal the Act at the earliest possible moment. In my opinion a great many persons were given the franchise too easily; in future I think the rules in that regard should be more rigid. But I do want to see all the hardworking industrious people, with whose conduct no fault could be found during the war, again placed on the Voters' List.

I also wish to state that an error was made in Hansard last year, in that I was given credit for voting against Sir Wilfrid Laurier's amendment to repeal the War-time Elections Act. As a matter of fact I was absent from the House at the time and knew nothing about it until after the vote had been taken. Had I been present in the House I would have voted against the Government on that occasion.

I do not think many of the aliens in the cities who may be responsible for part of the trouble at present, were ever on the Voters' List, but the farmers were, and the House has no idea how keenly they feel it, and how they would appreciate the restoration of their vote. We cannot expect much from the old people, but if the younger generation are properly educated in our language and given a " square deal " they will make splendid citizens.

Some of the people in the West will no doubt be dissatisfied with the Budget, but I am sure they will appreciate the effort the Government is making to construct branch lines of railway. I wish to thank the Government on behalf of the people whom I have the honour to represent for the good work they are doing in my district, and I trust that nothing will occur to prevent the completion of the lines under construction at present. As I have said a great deal is being done in that regard. I think people should spend more time discussing some of the many things they have to be thankful for.

Now, Mr. Speaker, I do not want to occupy the time of the House any longer than I can help discussing the questions which

have been dealt with. Before I sit down I would like to say that in my opinion it would be very hard to improve on the present land settlement scheme. I also think that the scale of pensions is going to be very satisfactory. And if every one would get to work instead of squabbling over trifles we would be very much better off.

On the motion of Mr. Cowan the debate was adjourned.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READINGS.

Bill No. 127 (from the Senate), respecting The Grand River Railway Company.—Mr. Euler.

Bill No. 128 (from the Senate), respecting The Ottawa, Northern and Western Railway Company.—Mr. Devlin.

Bill No. 92 (from the Senate), respecting The Fire Insurance Company of Canada, and to authorize the use of a French equivalent of its name.—Mr. Nesbitt.

Bill No. 73, respecting The Empire Insurance Company of Canada.—Mr. Hocken.

On motion of Hon. Mr. Burrell, the House adjourned at 11.40 p.m.

Monday, June 16, 1919.

The House met at Three o'clock.

MILITIA ACT AMENDMENT.

PROPOSED PERMANENT FORCE OF 10,000 MEN.

Major-General MEWBURN (Minister of Militia) moved for leave to introduce Bill No. 137, to amend the Militia Act.

Mr. D. D. McKENZIE: Explain.

Major-General MEWBURN: One of the amendments is in connection with section 24, of the Militia Act, which provides that there shall continue to be a permanent force which shall consist of such permanently embodied corps, not exceeding 5,000 men, enrolled for continuous service, as are from time to time authorized by the Governor in Council. It is proposed to substitute " 10,000 " for " 5,000," so as to provide that the permanent force shall consist of such permanently embodied corps not exceeding 10,000, as are from time to time authorized by the Governor in Council.

Another amendment is in connection with section 53 and 54. Section 53, subsection 2, provides that the Governor in Council may from time to time fix the sum to be paid to privates in the permanent corps, having regard to length of service, good conduct and efficiency. It is proposed that the following words be struck out:

but the ordinary pay shall not exceed the amounts following, that is to say;

For privates, per diem, 75 cents.

For buglers under 18 years of age, per diem, 40 cents.

Section 54 of the Militia Act reads:

When on active service, during the period of annual drill and training, and when otherwise on duty, the pay and allowances of officers and men of the Active Militia, other than the Permanent Force, shall be,

(a) for officers, warrant officers and non-commissioned officers, such rates as may be prescribed;

(b) for privates, at the rate of 50 cents per diem. which rate may be increased, as prescribed, up to a maximum of one dollar per diem:

(c) an allowance of a dollar per diem, or such other rate as is prescribed, to each officer and man for every horse actually and necessarily used by him.

It is proposed, by striking out subsections (a), (b) and (c) and substituting the words " at such rates as may be prescribed by the Governor in Council " to leave to the Governor in Council the fixing of the pay for active militia that may be called out for active service.

Sir SAM HUGHES: The minister will be prepared, on the second reading, I assume, to go into details as to the reasons for this legislation?

Major-General MEWBURN: Absolutely.

Motion agreed to, and Bill read the first time.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

KINMEL CAMP RIOT.

Mr. POWER:

1. How many Canadian soldiers were tried by court martial as a result of the riot which took place at Kinmel Camp, England?

2. What were the sentences in each case?

Major-General MEWBURN:

1 and 2. This information is not available in Canada, but a cable has been sent overseas for the same.

QUEBEC TERMINAL FACILITIES.

Mr. POWER:

1. Has the Government made any arrangements with the Canadian Pacific Railway with reference to the use of the terminal facilities in Quebec?

2. If so, what are these arrangements?

3. What amounts were paid by the Government to the C.P.R. for years ending March 31, 1918, and March 31, 1919?

Sir THOMAS WHITE:

1. Yes.

2. See copy of agreement attached hereto. (Placed on Clerk's table).

3. Year ending March ending March 31, 1918, $28,657.47; year ending March 31, 1919, $136,787.07.

APPOINTMENTS TO PURCHASING COMMISSION.

*Mr. BROUILLARD:

1. Has the Government promised Mr. Taylor, of the E. B. Eddy Company, one of the commissionerships on the new Purchasing Commission for Canada?

2. If so, by whom was the said Mr. Taylor recommended?

Sir ROBERT BORDEN (Prime Minister): There has been no promise of the position in question to any person.

*Mr. BROUILLARD:

1. Were any of the present ministers of the Government offered the chairmanship of the new Purchasing Commission?

2. If so, to whom was it offered?

Sir ROBERT BORDEN (Prime Minister): There has been no offer of the proposed appointment to any person.

TRENT CANAL — REMUNERATION TO RETURNED SOLDIERS.

Mr. BURNHAM:

Is it a fact that returned soldiers who have been given their old positions on the Trent Canal at Peterborough are nevertheless paid less than others in similar positions alongside them?

Hon. J. D. REID: No.

COURTS MARTIAL—OVERSEAS SOLDIERS.

Mr. POWER:

1. How many Canadian soldiers are serving terms of imprisonment as a consequence of court martial either in England or in France?

2. Were any of the Canadian soldiers condemned to imprisonment with hard labour?

3. Where is their sentence being carried out?

4. Is it the intention of the Government to return these men to Canada to complete their sentences?

Major-General MEWBURN:

1 and 2. This information is not available in Canada, but a cable has been sent overseas for the same.

3. Military detention barracks and civil prisons, where accommodation has been arranged for, in England and in France.

4. This question is receiving consideration in connection with demobilization of the Canadian forces. Report will be made later to the Government by responsible military authorities.

Mr. POWER:

How many Canadian soldiers are in prisons or jails in England awaiting trial by court martial?

Major-General MEWBURN: This information is not available in Canada, but a cable has been sent overseas for the same.

S.S. "CANADIAN WARRIOR"

Mr. SINCLAIR (Antigonish and Guysborough):

1. When was the steamer "Canadian Warrior" purchased by the Government?

2. What price was paid for her?

3. What was the date of purchase and from whom was she purchased?

4. Has she made any voyages to or from Ports of the United States? If so, how many?

5. How many voyages has she made since the date of purchase, estimating each round trip as a voyage?

6. After charging running expenses, interest on capital investment, insurance and all outlay whatsoever, what is her net earnings from date of purchase to the close of the last voyage in which an adjustment of accounts has been made, and what was the date of such adjustment?

Hon. Mr. BALLANTYNE:

1. The contract for the construction of the steamer "Canadian Warrior," under the Canadian Government shipbuilding programme, was signed on May 18, 1918.

2. Delivered, $818,975.

3. (a) Answered in No. 1.

(b) Messrs. The Collingwood Shipbuilding Company, Limited, Collingwood, Ont.

4. No.

5. Vessel is now in West Indies on first voyage.

6. As vessel has not completed voyage no statement is yet available.

SOURIS FISH DRIER.

Mr. McISAAC:

1. Have the warehouses and sheds connected with the fish drier at Souris, P.E.I. been re-let? If so, to whom?

2. Have tenders been called for in this connection? If not, why?

Hon. Mr. BALLANTYNE:

1. The fish drier buildings at Souris were burned, with the exception of a fish house and shed which have been re-let to J. J. Hughes & Co., Ltd.

2. No, this company secured a lease of the land on which these buildings stand. The two buildings have been rented until November 30, 1919, and arrangements are being made for the sale of these buildings and of the remains of the burnt buildings.

COAL SHIPS ON SYDNEY. ST. LAWRENCE ROUTE.

Mr. WIGMORE:

1. What representations, if any, have been made to the British Government by the Canadian Government respecting the return to the Sydney-St. Lawrence route of the coal ships Rosecastle, Lord Strathcona, Daghild, Wabana and Kamouraska?

2. What success, if any, has attended these representations?

3. Is the Government aware that the Montreal market is now deprived, and has been for the period of the war, of Nova Scotia coal, due to the requisitioning of these ships by the British Government and the inability of the chartering coal company to replace them at rates which allow carriage of coal with profit from Sydney to Montreal?

4. Has the Government in its possession any information which, directly or indirectly, leads to the conclusion that the return of these ships was the result of the British Shipping Control's desire to favour British ship-owning interests at the expense of, or with detriment to the coal company by whom they were chartered?

5. Has the Government any information as to the present whereabouts of these ships?

6. Have any promises been made to the Government by the British Government respecting the date of return of the said ships?

Hon. Mr. BALLANTYNE:

1. The High Commissioner for Canada in London was requested by cable to urge upon the Ministry of Shipping in the strongest possible manner the necessity for the release from requisition of the steamers Rosecastle, Lord Strathcona, Daghild, Wabana and Kamouraska. Additional representations were made through the Secretary of State for the Colonies asking for the return of the SS. Kamouraska.

2. It is understood that none of these vessels have yet been returned.

3. The Government are aware that during the present season difficulties are being experienced in the delivery of Nova Scotia coal in Montreal owing to lack of tonnage facilities.

4. No. All of the vessels alluded to are registered in the United Kingdom and, consequently are subject to direction and control by His Majesty's Government.

5. The "Kamouraska" is undergoing repairs at a United Kingdom port. There is no information respecting the present whereabouts of the other vessels.

6. No.

WHEAT CROP OF 1919.

On the Orders of the Day:

Mr. E. T. W. MYERS (Kindersley): May I ask the Prime Minister whether the Government have taken or propose taking any steps towards the disposal of the wheat crop of 1919? If so, have any financial credits been arranged, and what arrangements are being made for transportation facilities?

Sir ROBERT BORDEN (Prime Minister): The hon. gentleman was good enough to give me notice of his intention to ask this question, but I did not receive it until just before the House met, and naturally there has been no opportunity to make arrangements for summarizing such information as may properly be given. If, therefore, the question is put on the Order Paper, it will be answered in due course.

FREIGHT RATES ON RAW SUGAR.

On the Orders of the Day:

Mr. J. H. SINCLAIR (Antigonish and Guysborough): I wish to put a question to the Minister of Railways. It has been represented to me that the Shipping Board of New York have fixed the rate on raw sugar from the north side of Cuba to New York at 38½ cents a hundred pounds and to Halifax and Saint John at 58 cents a hundred pounds. This is a discrimination of 20 cents a hundred pounds against Halifax and Saint John. Prior to the war, in normal times, the rates from Cuba to Halifax and to New York were practically the same. It has also been represented to me that the Railway Department are using Government steamers under contract to carry raw sugar from the north side of Cuba and other points in the West Indies to the port of Montreal at 38½ cents a hundred pounds, the New York rate, thus giving the Montreal refiners their raw sugar at 20 cents a hundred pounds less than it can be obtained by the refiners of Halifax and Saint John, who also suffered a handicap in respect to railway rates. This involves two questions. First, is the Government taking any steps to remove the discrimination against Halifax and Saint John made by the Shipping Board of New York? Second, is it the intention to use Government steamers for the benefit of the sugar refiners of Montreal and against the interests of their competitors in Saint John and Halifax?

Hon. J. D. REID (Minister of Railways): This is hardly a question that could be answered without some discussion. However, the hon. gentleman was kind enough to inform me that he intended to put this question to-day, and I tried to get information on the subject. Up to the time of the meeting of the House I was not able to get the information, but I shall have it at a later date.

PEACE CONFERENCE.

UKRAINIANS, RUTHENIANS AND GALICIANS.

On the Orders of the Day:

Sir SAM HUGHES (Victoria): May I ask the Prime Minister whether any steps have been taken by the Canadian representatives at the Peace Conference to guard against the placing of the Ukrainians, Ruthenians and Galicians, of whom about 450,000 or 500,000 are loyal citizens of Canada, under the domination of Poland in the new order of things in central Eastern Europe?

Sir ROBERT BORDEN (Prime Minister): All such questions were discussed at the Peace Conference and reports were made by various committees which studied the conditions with regard not only to the Ukrainians, but many other nationalities. I hope when the terms come to be discussed in this House, it will be found that the interests of all have been safeguarded as thoroughly as possible.

Sir SAM HUGHES: The terms are not published yet?

Sir ROBERT BORDEN: No, the actual terms of the Treaty of Peace have not yet been made public.

WITLEY CAMP RIOT.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): I notice by the press of this morning that a very nasty riot has occurred at Witley Camp, England, amongst the Canadian troops. Has the Minister of Militia any information regarding that?

Major-General MEWBURN (Minister of Militia): I have had no official information about the matter at all. All I know is what I saw in the press this morning, and I immediately took steps that information be obtained. Demobilization is going on very speedily, but unfortunately last week we were again held up by another strike in England which delayed three or four ships. During May we brought back some 55,700 men and we hoped to bring back the same number this month. Our first anticipations were that the whole of our troops would be demobilized in Canada early in August, and I think we shall do better than that.

BRIQUETTING LIGNITE COAL.

On the Orders of the Day:

Mr. J. F. REID (Mackenzie): In view of the fact that $400,000 was voted by this House last year to demonstrate the feasibility of briquetting the lignite coal of the coal fields of Saskatchewan, I should like to ask if anything has been done in that direction.

Hon. Mr. BURRELL (Secretary of State): A good deal of investigation was carried on, but this would not be the proper time to discuss the matter. I shall be glad to give all the information when my Estimates are brought down.

INDUSTRIAL UNREST IN CANADA.

STRIKES IN WINNIPEG AND OTHER CITIES.

On the Orders of the Day:

Mr. D. D. McKENZIE (Cape Breton North): In view of the conflicting reports in the public press about conditions at Winnipeg and other cities in the West, I should like to know if the Prime Minister is able to give us any definite information as to how matters stand at present with reference to the strikes at Winnipeg and other places?

Sir ROBERT BORDEN (Prime Minister): At the moment I can only say that this morning we received a telegram from Senator Robertson, which sets forth in a summary the steps that have been taken since his arrival in Winnipeg. The telegram indicates that matters are progressing in a fairly satisfactory manner.

TRAWLER T-30.

On the Orders of the Day:

Mr. WILLIAM DUFF (Lunenburg): I should like to ask the Minister of Naval Affairs if any steps have been taken to commute the sentences passed on six or seven young men serving on the Trawler T-30, who were sentenced to eighteen months' imprisonment and who have been serving their term at Halifax.

Mr. SPEAKER: That is not a question which should be asked on the Orders of the Day. It does not affect a matter of public policy. It is only a local matter and should be submitted in the ordinary course.

SOLDIERS' CIVIL RE-ESTABLISHMENT.

RESIGNATION OF DIRECTOR OF MEDICAL SERVICES.

On the Orders of the Day:

Hon. CHARLES MURPHY: About a week ago I asked the Prime Minister a question concerning the letter of resignation of Col. McKelvey Bell as Director of Medical Services for the Department of Sol-

diers' Civil Re-Establishment, in which letter he suggested that an inquiry be made. I wish to renew my question in view of a letter published in the Toronto Star on Friday, June 13, outlining the resignation of Captain J. Grant Cunningham, Deputy Director of Medical Services for the Department of Soldiers' Civil Re-Establishment, who in his letter gave the same reasons for his resignation as those contained in the letter of resignation of Col. McKelvey Bell. In the same paper there is an interview with Col. Frederick W. Marlow, president of the Ontario Medical Association, in which interview this paragraph occurs:

> One cannot but think that a careful inquiry into the financial aspect of the maintenance of multiple governmental medical services would reveal a great economic waste—

Mr. SPEAKER: Order. The hon. gentleman is not in order in discussing on the Orders of the Day a matter which involves controversy and possibly calls in question the conduct of the Government.

Mr. MURPHY: May I renew my question based on my question of last week and fortified by this additional material, and ask my right hon. friend if an inquiry will be granted?

Sir ROBERT BORDEN: I have already informed the hon. gentleman that I would ask the minister in charge of that department for a statement. I received that statement two or three days ago, but some further information has since been added. The document is now being copied and it will be laid on the table of the House.

THE PEACE TREATY.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): When does the right hon. gentleman expect the Peace Treaty to be signed, and when it is signed, does he intend to make a statement to the House and the country concerning his presence as representative of Canada at the Peace Conference at Paris?

Sir ROBERT BORDEN: I would shrink from making any prophecy as to the precise date at which the Peace Treaty will be signed. To-morrow the press will possibly give some information as to recent proceedings of which I have received confidential advice.

It is certainly my intention to speak in this House at the appropriate time with regard to the terms of the Peace Treaty and also with regard to the part which the representatives of Canada took in the Peace Conference.

Mr. D. D. McKENZIE (Cape Breton North): On that point, perhaps the Prime Minister will make it clear if he intends to make a statement before the end of this session or at another session of Parliament.

Sir ROBERT BORDEN: That depends on whether the Peace Treaty is or is not signed before prorogation. If it is so signed, and there is proper time and opportunity, the statement certainly will be made and opportunity given for debate at the present session. If, on the other hand, the proceedings are so delayed that it will be impossible or inadvisable to continue this session in order that that debate may now take place, we should then have to consider some date sufficiently early at which Parliament would be summoned for the purpose of giving consideration to the subject.

RAILWAY ACT CONSOLIDATION.

Consideration of a message from the Senate, further amending by a consequential amendment an amendment made by the House of Commons and disagreeing to certain amendments made by the House of Commons to Bill No. 19, from the Senate, to consolidate and amend The Railway Act.

Sir ROBERT BORDEN: The amendments which have been sent to this House from the Senate relate to a very important Bill, and we all realize how desirable it is that a conclusion should be reached which would permit that Bill to become law at the present session. As to the consequential amendment proposed by the Senate I do not see any objection. It is merely a provision that the annual sum of $200,000 which is provided by Parliament for the purpose of ensuring the public safety should be expended subject to the provisions of the Act as amended. The other amendments are more serious, and therefore, I move:

> That the consequential amendment made by the Senate to clause 262 of Bill No. 19 letter A of the Senate, an Act to amend and consolidate the Railway Act, be agreed to; and that a message be sent to the Senate respectfully requesting a free conference with their Honours to consider the said Bill and any amendment which at such conference it may be considered desirable to make thereto.

Mr. WILLIAM GARLAND McQUARRIE (New Westminster): Before that motion is put, may I be permitted to ask the Prime Minister if interested parties will be given an opportunity to attend this conference and be heard before the committee? I am particularly interested in section 325, which

was put through this House, I submit without proper consideration. Personally, I should like to have an opportunity of expressing the views of my constituents as to that amendment. I did not have that opportunity on the third reading, although it had been agreed that I should be enabled to speak on the subject then.

Sir ROBERT BORDEN (Prime Minister): There was some misunderstanding as to the date at which the third reading of this Bill should be moved. I expected that my hon. friend (Mr. McQuarrie) would have put forward his views on the third reading, but he was under the impression that the Bill was not to be taken up until another day. Of course, I regret the misunderstanding. Indeed, had I known that the hon. member was under a misapprehension, I should have had him notified as to the third reading. A free conference between this House and the Senate is brought about by the appointment of managers by this House and by the Senate, and it is not according to precedent as I understand, that the joint conference between the two Houses should listen to arguments by delegations or by members other than the managers themselves. I have had several telegrams from different parts of the country desiring that very considerable time should be devoted to the hearing of arguments by various interests concerned in this Bill. I have replied in the sense in which I am now replying to my hon. friend. I do not think it would be possible to carry out a conference in the way in which the constitutional practice dictates if time were occupied in listening to arguments which should properly be made before the Railway Committee, or in the House of Commons or in the Senate. If my hon. friend desires to make any representations to the conference and if he will be good enough to submit them to me I shall endeavour to see that they are received by the conference. But I do not think I can promise him anything more than that.

Motion agreed to.

THE BUDGET.

The House resumed the adjourned debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means, and the amendment of Mr. McMaster thereto (resumed from Friday, June 13.)

Mr. WALTER DAVY COWAN (Regina): Mr. Speaker, it is my intention to vote against this amendment and, when the time comes, to vote for the motion. I do not believe that any useful purpose can be served by equivocation. In circumstances such as those with which we are faced at the present time, it behooves us all to be as precise as we can in our views on the questions involved in this debate; for, at all events, our constituents will require from us such an attitude. I do not propose to enter into any academic discussion of the relative merits of free trade and protection, because I think it would be unnecessary and would result in no particular benefit. It would rather help matters in considering the situation that exists to-day, if I were to endeavour to ascertain if possible just where we stand on the great questions that confront us, and also to discuss the reasons which should impel and shape any action we may take in the premises. For my part, I confess frankly that I have no apologies to offer and no excuses to make for any step I may take. I believe that the course I am about to follow is right as being in the interests of the people whom I represent, and in accord with the understanding that exists between us. Convinced of the rightness of my views, I have come to the conclusion which will dictate my course.

Now, a very substantial reduction has been made in the tariff. That, I think, is generally conceded in this House, and the question I ask is: How has it come about that the Government undertook to make a reduction at all? Under the system of government which we have, the responsibility rests with the people to decide, by the course they take at general elections and through the votes of their representatives in Parliament, what the fiscal policy of the country shall be; and if I remember correctly, the last mandate of the people of Canada was given in the year 1911, when the question of reciprocity with the United States was fought out and determined. At that time the people declared against reciprocity, and the Conservative Government came into power on the outcome of that issue. That was the last instruction from the people on the tariff question, because I care not what any one may say to the contrary, tariff matters did not constitute the principal topic at the last election two years ago Conscription was then the leading issue, and, therefore, I repeat that the people of Canada in their last mandate to their representatives in Parliament emphatically declared against the reciprocity treaty, which embodied reductions in the tariff. At the same time, I wish

to say that the constituency which I represent just as emphatically declared in favour of the reciprocity agreement, and I know that particularly because I was the victim on that occasion and was roundly trounced to the extent of over a thousand votes. The reciprocity treaty has now been recognized by the Government in their tariff proposals, and in fact they have gone further, if we take cognizance of the Orders in Council which were passed covering tractors and other farm implements. Speaking for my constituency, therefore, I will say that the Government has now enabled me to satisfy in this respect the desire of the people whom I represent. I asked a moment ago how it came about that the Government had made reductions in the tariff. To answer this question it is necessary that I should mention a few facts. The other day I happened to be on the train and picked up a newspaper which contained a paragraph that struck me as being very significant indeed. It appeared in the Montreal Star of June 6, the day after the Budget speech was delivered, if I remember correctly. The article reads:

> Through all the preliminary discussion, however, the particular subject of speculation has been over the Western members. But for them probably no changes would have been made at all. Throughout the session they have been holding caucuses and urging on the Government to do something "substantial."

I think that is absolutely correct. I believe that the changes which have been made in the tariff have been made entirely because of the agitation which has been carried on by the West. We have had, for the first time, I fancy, in the history of Parliament, a western caucus and in that we have been united. Old time Liberals united with old time Conservatives on the one point that they should try to get substantial reductions in the tariff, because the tariff, as it exists to-day, and as it existed for a number of years, has borne with undue weight on the people of the western provinces. I have enjoyed very much the western caucuses and I have felt that the credit due to the western members in attendance at those caucuses comes to all alike. I do not think that any one of them can be singled out as deserving of any greater credit than any other unless possibly it be the hon. member for Macdonald (Mr. Henders) who, persistently, but in his own judicious way, has appealed to the judgment and sense of fair play of every one with whom he came in contact with regard to this question. We have founded our claims upon justice. If there is an injustice being done to any section of the community, I believe that, if we appeal to the people of Canada to remove that injustice, they will do so.

I am one of those who believe that independence within the party is really the most effective kind of independence. For a number of years in Western Canada it has been my privilege to take a more or less active part in politics and on many occasions I have had the pleasure of meeting in debate the premier of Saskatchewan, the Hon. Walter Scott, a recognized leader in the Liberal party, and his view always was that the most effective sort of independence was independence within the party itself. I am convinced that independence on the part of western members has secured a larger measure of tariff reduction than has ever before been found possible since Parliament assembled. Such being the case, and believing, as I do, as a Conservative, who has always supported Protection, that the tariff is bearing with undue weight on Western Canada, that we should further continue our efforts and not being entirely satisfied with the reductions which have been made, I consider it my duty to remain here and to continue that independence within the party which has characterized my course in the past, the exercise of which on the part of Western members has largely produced the success that we have had already, and which will bring the additional successes that I am sure are to come.

I do not know that I am altogether satisfied with the strategy that has been employed by some of the leaders of those who are demanding a reduction of the tariff in Western Canada. To me, it would seem a proper question to ask: Is this a war year? We cannot get away from that argument. The hon. member for Maisonneuve (Mr. Lemieux), the first lieutenant of the leader of the Opposition, concurred in the view that this is still a war year and that we must deal with the questions with which we are confronted on that basis. I think we should have confined ourselves largely to war problems, to have held off till these problems are met, to have dealt with our returned soldiers first and to have asked the farmers to lay aside their demands for changes until we had solved the problems of the returned soldiers, and to turn in and help us to solve those problems. I feel satisfied that the farmers would have done that if they had been asked, because I know, at all events in the constituency

which I have the honour to represent, the farmers have given of their sons as plentifully as any other part of the community. Therefore, they are directly interested in effecting that final settlement for our returned boys which is so necessary. Had that programme been followed, I am satisfied that a large element amongst the returned men would have rallied to the support of the farmers, something we cannot expect now as fully as if we had given them the right of way to which they are entitled.

Substantial reductions have been made in the tariff. What do they amount to? The hon. the Finance Minister (Sir Thomas White) stated that they amounted to $17,000,000. Is that all that is coming to the credit of the Western members? If it be true that the Western members, by their continuous agitation, have succeeded in effecting that reduction, is that all that is to be included in it? I am not a free trader. I have never yet been able to accept in its entirety the reasoning in support of free trade. I have never heard a man yet discussing free trade who would admit that the actual tariff indicated the actual tax levied on the community; that if there is a tariff tax of $17,000,000 that goes into the treasury there is an equal amount that is paid into the pockets of the manufacturers. Since I came down this session I have heard in caucus, in committee rooms and in conversation the statement made especially by those who believe in free trade, that under the tariff double the amount is paid to the manufacturer that actually goes into the treasury of the country. If that tax is levied as the result of the tariff is it not equally true that that amount which does not go into the treasury is also reduced by reason of the reductions which have been made? I am not going to press the argument, but I would like somebody to tell me, if that be true, what becomes of this additional amount when the tariff is reduced?

There is another thing that is lost sight of by those who are inclined to think, or those who are trying to tell us—especially the press—that the reductions are not as great as they should have been. I would like to have seen more and I expect to stay here until we see more—make no mistake about that—but if it is true that the Western members have succeeded in effecting this reduction—this saving—of $17,000,000 in taxation, then it is equally true that when we forced that reduction we compelled the Finance Minister to provide in some other way the equivalent of the taxes that will no longer be paid into the treasury. The Finance Minister undertook to balance up the accounts by putting an additional tax upon the wealthier part of the community. That is what the people of this country have long been wanting. By the course that we have pursued we have not only brought about a saving of $17,000,000 in actual taxes, but we have compelled the Finance Minister to add $17,000,000 to the taxes of those who are well able to pay them. Looking at it in that way, we are entitled to credit for an amelioration of the burdens of the people of the West to the extent of $34,000,000 through the course which we have pursued since we came down here. Is that worth taking credit for? I think it is. The fact that we have succeeded thus far as well as we have indicates to my mind the advisability of continuing in the line that we have been pursuing until we succeed in entirely eliminating the unjust burdens which bear so heavily on the people of Western Canada.

But we have an amendment. To me it is rather strange that it should have been moved by the hon. member for Brome (Mr. McMaster). I am sorry that the hon member is not in his seat to-day, but that is not my fault. I do not think this amendment looks like the hon. member for Brome at all. I know, Mr. Speaker, that I am not supposed to refer to a former debate which has taken place during the present session, but I can recall another resolution which the hon. gentleman moved not so very long ago. It is a very different resolution from that which is now before us—at least it seemed to me that it was. That resolution was very frank, very candid, and very specific; it stated exactly what the hon. gentleman wanted and what he proposed to do. As for the present amendment, I cannot see that there is anything candid or frank about it, or that there is anything specific or definite in its terms. I do not know where it leads to, and I am satisfied that the mover of the amendment himself does not know either.

The last clause of the amendment states:

> Also, the reciprocal offer of trade with the United States should be accepted.

As I understand it, the reciprocal arrangement has practically been accepted by the Budget which has been brought down. With the substantial reductions that were previously made, we are now securing more for our section of the country than could have been secured under the reciprocity agreement referred to; and so far as that part of

the amendment is concerned, we do not need to waste very much time upon it.

In another clause of the amendment it is proposed:

> To take off or substantially reduce as may be expedient and just to all interested.

You will notice, Mr. Speaker, it is proposed to be expedient first, and to be just afterwards; justice must follow expediency. Evidently that is the idea of the hon. member for Brome (Mr. McMaster). For my part, I would put it the other way around. At any rate, the hon. gentleman proposes:

> To take off, or substantially reduce, as speedily as may be expedient and just to all interested, the duties upon all other necessaries of life.

Now who is included in that? Well, that takes in everybody in the Dominion. Sir Joseph Flavelle could find plenty of room to come in under the terms of that proposition. He and all his herd of—what shall I term them—bacon hogs, could get in under the terms of that proposition without any trouble at all. More than that, Sir, you could take all the implement manufacturers of Canada and bring them within the terms of that clause of the amendment—you could find plenty of room there for all of them. I also believe you could bring the real simon-pure unadulterated free-trader in this House, the member for Red Deer (Mr. Michael Clark) under that clause of the amendment. He could find a place under it, because it includes everybody, it does not seem to lead anywhere. As I understand the matter the grain growers in our part of the country have always objected to just such amendments as this because they say "the big interests" as they term them of the East do not come into the open, they never discuss anything in the open; they go slyly to the leaders of the Government and they whisper in their ear what they want, and as a result of that they get just about what they are asking for. I am not saying this is done, but there is a very general impression in our part of the country that that is the procedure followed. The amendment uses the phraseology "when it is expedient." May I ask when it will be expedient to take the course proposed? As the member for Lethbridge (Mr. Buchanan) said the other night, "expedient" may mean any time. It may be ten years or a hundred years from now—there is no saying when it might be. If it is left to hon. gentlemen opposite to say they could make any arrangement they saw fit with any party they cared to enter into an arrangement with. We have in this House, Sir, a situation something like this: We have a party which professes, on occasions at least, to be a free-trade party and the leader of that party in this House said not very long ago that he is a protectionist. What, therefore, may we expect? We on this side feel, if we take this amendment as it has been framed, that we will get just what we got in years gone by—promises and nothing but promises; and when it comes down to tariff reductions we will not get any reductions at all. For my part I prefer very much to deal with a body of men such as the present Government—a government which has listened to the voice of the West and has gone as far as they could go for the time being in the matter of the reductions for which we have been asking, following that up with a promise that in a very short time they will have an inquiry made and in due course will make a complete revision of the tariff which will undoubtedly result in the removing of those burdens of which we complain in the West. I want to say that when I find a government dealing honestly with us, as the present Government have done—listening to us, as they have listened, during the whole session, taking the reasons which they have given and applying them to the conditions that exist to-day, and giving us the result which they have given, I must say that they have furnished me with ground upon which I can vote for them in the expectation of getting further action in the same direction. It looks to me at least that they are trying to be sincere and honest with us in our effort to solve these problems which we undoubtedly have before us. Moreover, it seems to me that the Government's method of "balancing up" as between the rich and the poor is the greatest financing that was ever carried out in Canada. They have removed $17,000,000 of taxation from the poorer classes of this country. They have increased the income tax and continued the excess profits tax for another year. As nearly as I can figure it out there will accrue to the Treasury from these, between $40,000,000 and $50,000,000. That, I maintain, is the most substantial "balancing up" as between the rich and the poor in Canada that has ever been carried out by any government in Canada.

Under those circumstances, believing as I do that the farmers and the workingmen of our country should have a chance to live, I think it would be criminal on my part to take the reins of office from the present Government and hand them over to a body of men who will submit such an amendment that I cannot understand and which

apparently is not understood by the mover and the rest of the gentlemen supporting it. Mr. Speaker, it looks to me very much like what happens around my house every fall. When the fly season gets very bad my good wife places a small quantity of sugar and some vinegar into a saucer with a little bit of strychnine. When the concoction is thoroughly mixed and resorted to, the strychnine is most effective in its results. But in this case I do not wish to take any chance of anything of that kind.

What can I do in a situation such as this? As I have already said, there are still problems in Western Canada that are unsolved, there are further reductions in the tariff to be made which I intend to shortly specify. Suppose I was not satisfied with the Government's action and made up my mind to change over, what would happen? Could I go over to the Opposition as it is constituted to-day? Would it be possible for me to enter their company, after their actions of this session, and then go back to my part of the country and express satisfaction with what I had done? The actions of hon. gentlemen opposite this session have shown that they are not in any way sympathetic towards the demands of the people of Western Canada. As you know, Mr. Speaker—at least you ought to know because I think you have been following events pretty closely— the people of the West have been, and still are, thoroughly in favour of the nationalization of our railroads—they are practically unanimous on that point. Were the Opposition in favour of that policy when it was submitted to the House? There is no question at all but that they voted against the public ownership of railroads. Again, when it came to building branch lines in Western Canada, what attitude did they take? You know, as well as I do, Mr. Speaker, they kept us here night after night while they talked in opposition to the plans of the Government, trying to thwart us in our effort to get branch lines constructed out there. Can I associate myself politically with those gentlemen and then go back to that part of the country and explain why I did it? It is utterly impossible. I would like somebody who could explain this amendment, because it is unexplainable to me, to go out with me into the southern part of the province of Saskatchewan, where they have no railroads, where they have no branch lines, and ask them to swallow the amendment and do without the branch railways which they need and for which they have been waiting for twenty or thirty years. I know which of the two things the people out there would prefer. I know what the people out there, when it comes to the point, are going to take. They are practical people; they want results. They do not want any such nonsensical resolution, such as this, containing nothing.

But, Sir, if I did not want to go over to the Opposition benches where could I go? I understand they have established some cross benches in this House. Would it be possible for me to find a place on those benches beside my smiling friend, the free trade member for Red Deer? I think we would adorn those benches—although so far as adornment is concerned I am going to give you a little personal incident. I have a daughter and she comes here pretty regularly. I asked her the other night if she thought I should go and sit on the cross benches. She said she did not know. I said that I would like to have a photograph of myself showing what I would look like. She said, "I have a camera all right, but I have looked all over Ottawa and cannot find an owl on a hen roost." Over there I would look wise, but what could I accomplish? What would be the result? There is a little body of men out in our part of the country that would do anything to defeat Union Government, because they want the old patronage system back as quickly as possible. If I went over to the cross benches they would cheer, and I would be a little god in their eyes. I would be a power at home, but absolutely impotent at Ottawa.

In my view these cross benches have no place in our parliamentary system. You can have fifteen third parties if you want to, but at the present juncture you can accomplish nothing from those cross benches. What is the use if you can accomplish nothing, if you are merely impotent? When I come to that stage I want to be taken out of the House. If I cannot accomplish something, let me go home and stay there. I prefer to stay where I am. We Western members have shown that we have succeeded in accomplishing something for the people of Western Canada.

But would it be possible for me for another reason to go over to the cross benches? The hon. member for Marquette (Mr. Crerar) has taken his position there. Personally I think he is one of the finest members I ever met. But while I admire him, I do not approve of his deserting his post at a time when duty called him pretty strongly. I do not intend to desert my post; I purpose to stay until my duty

is performed. But my hon. friend has gone over to the cross benches, and undoubtedly if others follow him a third party might be formed of which he would be the leader. Can I, in view of the situation that is now facing Saskatchewan, consistently follow him? Would it be possible?

Let me draw the attention of the House to this fact, that we have in the province of Saskatchewan what is known as a farmers' Parliament. It is about ten times larger, numerically speaking, than this Parliament. Usually between two and three thousand of their delegates meet every year to discuss questions relating to the farm. Last winter they came to my own city and they could not find any place big enough for their meetings. The one thing they were absolutely unanimous in regard to was that the Government of Canada should fix the price of wheat, and I entered into an agreement with them that if I came down here I would support that policy, because I believed it to be a good policy. Has it been carried out? Most decidedly not. On Friday night the hon. member for Last Mountain (Mr. Johnston) placed the blame for that upon the Finance Minister. I may be wrong, but I cannot for the life of me see how the Finance Minister could be blamed. If under our system of responsible Government responsibility for matters pertaining to any particular department does not rest upon the minister of that department, then I do not understand responsible government at all. It seems to me that the responsibility for dealing with all matters concerning agriculture rests upon the Minister of Agriculture, and it was up to the Minister of Agriculture to deal with that question. Had the Finance Minister undertaken to interfere, I fancy that the Minister of Agriculture would have had good cause to immediately hand in his resignation.

But what happened? We came down to this House and went into the Agricultural Committee, which is so splendidly presided over by the hon. member for Macdonald (Mr. Henders). In that committee one day, very much to my surprise, the Minister of Agriculture announced that it was his personal opinion that the price of wheat should not be fixed. I asked him whether or not the Government had so decided, and he replied that it was his own personal opinion. I advised him to be very careful because his statement would be spread broadcast throughout Canada the next day. The next day it was known all over Canada that the Government had decided to refuse to fix the price of wheat, and that that course was taken by reason of the attitude of the Minister of Agriculture. The farmers' parliament unanimously passed a resolution calling upon the Minister of Agriculture and the Government to fix the price of wheat. Notwithstanding that we find the Minister of Agricuture sticks his knife into the proposal and refuses to be governed by the Farmers' Parliament of Saskatchewan.

4 p.m.

As the representative of a Saskatchewan constituency can I unite myself with my hon. friend after he has thrown down the Farmers' Parliament of Saskatchewan? Can I go back to my constituents and say, that notwithstanding that this new leader of ours has stuck his knife right up to the hilt into your proposal, I am going to ally myself with him? I cannot do it. And I want to point out to the members from Saskatchewan that that is a vital point when they come to deal with the farmers of that particular province. As I have already said, I do not intend to desert my post of duty after having succeeded as we western members have. Having found it utterly impossible to go anywhere else, I have come to the conclusion that the only thing to do is to stay where I am,—to stay not only with the Government as it is to-day, but to stay with the western caucus. We may have to eliminate a couple of members—I hope not, I hope they will all come in—but through that western caucus we can accomplish a great deal, as we have already demonstrated, and my advice to hon. members from Saskatchewan is that they stick together like a bunch of western burs, and so succeed in getting in the future even more than we have got in the past.

They can have all the cheers and all the glory and honour they want, but for my part I would very much prefer to go back to my constituents shortly after this next inquiry is made with another 7½ per cent reduction in the tariff, for I think the people out there will be much more satisfied with that; they want results. It seems to me that the inquiry promised by the Government is the proper course to pursue. If we undertook to revise the tariff at the present time, the revision could not help but carry with it a war-time flavour, which would undoubtedly mean that the revision would result in a higher tariff than if made under normal conditions.

If we made a general revision to-day, what would be the result. We would not have another one for probably seven or eight years, and the farmers and working men would have to carry the burden of the

higher tariff for those seven or eight years. Whereas by accepting the arrangement made now to proceed with an inquiry, we would have a much more satisfactory tariff than we could possibly have at the present time. We might lose a year, but as against that we would gain seven or eight years, and achieve much greater results.

I wish to say to the Minister of Finance that I for one propose to hold him closely to the undertaking which he has made immediately to institute an inquiry into conditions affecting the tariff and that a general revision of the tariff will be undertaken. I know that he means what he says. I have had a good deal to do with the Minister of Finance since I first became acquainted with him about a year ago, and I must say that I have been very much impressed by his sincerity; he has not made a single promise which he has not carried out. I have no reason, therefore, to doubt that he will carry out the inquiry which he has promised. I wish, however, to give him one or two reasons why the inquiry should be made and to cite one or two instances of the manner in which people of Western Canada have suffered.

Some of our troubles out there are due to the tariff. It is, unfortunately, a habit of some people, to blame everything upon the tariff. That is a bad policy to pursue, because those who do so are not making a proper diagnosis of the case and are certainly not giving proper treatment; and the result is that the ill is not cured at all. Some of the things, I say, that we are suffering from out there are not due to the tariff. Our geographical position is very much against us in Saskatchewan, no matter from where we get our goods. If we bring them from British Columbia, we have a high freight rate, situated as we are in the centre of the country; if we bring them from the East, the same applies. When we bring our goods from the North we are also met with the impossible, and when we go to the South we are met with the tariff. Our people, being surrounded with the impossible, as it were, naturally follow the usual course; they take the line of least resistance, try to secure a removal of the tariff.

Let us take the item of dried fruits. I know that dried fruits are used all over Canada, but I am giving this only as one example; I could cite a dozen—yes, twenty—such cases if time would permit. Dried fruits are much more important to Saskatchewan than they are to any other part of the country. In British Columbia they have fresh fruits, and they do not have to depend upon the importation of dried fruits; and the same may be said of Ontario and of the Maritime Provinces. But we have to import this commodity, mostly from California. I wish to quote here an extract from a letter from a firm of wholesale grocers in Western Canada, one of the largest firms out there, which will indicate to you what the conditions are in that regard. If we consume more dried fruits than are consumed in other provinces, and if there is a high duty upon them, it stands to reason that we in Saskatchewan are paying a larger proportion of the duty than is paid by the other provinces of Canada. That is exactly what the situation is. The letter to which I have referred deals with a number of things; I will quote only that part of it which refers to the question of peaches. It reads:—

> We used to buy peaches regularly at 5 and 6 cents per pound, and the price now is 15 and 16 cents per pound.

These people are not big interests at all; they are arguing for a reduction of the tariff in the interests of the common people.

> You can see, when you add the heavy duties to this what it does to the price.

The duty upon the dried fruits is on an ad valorem basis. The original selling price in the country from which they are imported has increased since 1914 by 300 per cent. You cannot by any means blame the Canadian tariff for that. A free trader like the member for Red Deer (Mr. Michael Clark) might say that the tariff of United States was responsible for that. That may be; I am not going to argue that point. But the fact is that the price of that particular article increased in United States by 300 per cent, before it reached the Canadian boundary line at all; therefore, up to that point the tariff is not concerned. This is not a question of the protection of manufacturers within Canada; it is a question of the price of foodstuffs, and it involves a burden which bears heavily upon us in the West. But what is the result of the increase of 300 per cent in the market value of these goods in the country from which they are imported? Section 40 of the Customs Act reads:—

> Whenever any duty ad valorem is imposed on any goods imported into Canada, the value for duty shall be the fair market value thereof, when sold for home consumption, in the principal markets of the country whence and at the time when the same were exported directly to Canada.

This duty is an ad valorem one, and if this statutory provision is carried out—and

I fancy it is, because the customs authorities do not let many people escape—then the duty upon that class of goods has been increased by 300 per cent, which means that we are to-day collecting on that particular article a far higher rate of duty and a much higher tax than was intended when the tariff was levied. It may be that in another year or two the price will come back to 5 or 6 cents a pound, in which case the duty also would fall; but in the meantime, we are faced with this severe tax upon one of our important articles of food. You can see, therefore, why, under such circumstances, there is a great deal of discontent in that country.

I could give many instances of this kind, but I shall not refer to them at length. I wish, however, to direct the attention of the Finance Minister to one or two cases in order to show that it is not only the workingmen and the farmers who suffer from the conditions which I have described, and to emphasize my contention that the inquiry proposed by the minister should be carried out as speedily as conditions will permit and a revision of the tariff made with a view to overcoming these difficulties.

Some four or five years ago a large company built a plant in Regina at a cost of $3,000,000. They imported their fabricated steel from United States, paying a duty upon it of 30 per cent. That was all right; they made no complaint about that. The plant is in operation now. Another American company, finding that the company which had been previously established was taking the Canadian trade away from them, came to the conclusion that it was necessary that they also should establish a plant in Regina in order to hold their business. So they secured a property in Regina and have started to put up a plant. But in the meantime the fabricated steel which they also must import, has increased in value by one hundred per cent, and under the Customs regulations which I have read, the duty is just so much increased over that paid by their competitors four years ago. In other words, the company established four years ago paid a duty of thirty per cent on their fabricated steel, while the new company must pay a duty of sixty per cent. That is unfair, and prevents competition. It means that this new company must have a much higher capitalization than it would otherwise have, and as it must pay interest on that capitalization it is not in a position to engage in competition that it otherwise would engage in. The principle is the same as that which was applied by hon. gentlemen opposite in 1907 when they undertook to reduce the tariff on certain agricultural implements and then increased the valuation for duty purposes, upon which they collected that tariff. The only difference is that to-day the principle is worked out not through an action of the Government, but because of war conditions. I hope that, by reason of these illustrations, the minister will understand as strongly as I do that this inquiry should be proceeded with and completed as quickly as possible, and a revision made at the earliest day so that the inequalities to which I have referred may be removed.

I now come to another phase of this subject. The firm of wholesale grocers whose letter I read, have been giving me a good deal of information in another line. I shall not blame the Government for the case to which I am about to refer; I blame the Senate, because they did something recently which I do not think they had any good reason for doing. Last session the House of Commons passed an Act which the Senate rejected; I understand that the Acting Minister of Trade and Commerce is trying to put that legislation through again this session. I refer to the measure with respect to canned goods, goods in packages, etc. I quote from a letter which I hold in my hand:

> I am taking jam as a typical instance of the present situation, it is supposed to be sold in a four-pound tin, some manufacturers put it up four pounds gross, and others four pounds net so that there is a difference between four to six ounces in the actual net weight of the jam between different manufacturers. . . . . In the first place the consumer would be certain that when he bought four pound pails of jam that he was getting four pounds of jam and not three three-quarters pounds or less.

When I got this, I knew what conditions were in the West, but I made up my mind that I was going to find out if we in Western Canada suffered from this exclusively. I accordingly visited a couple of grocery stores on Elgin street, and I found that you are suffering here from exactly the same conditions that we have to endure in Western Canada, because the manufacturers are not playing the game honestly with the consumers in Canada. A free trader might say that the manufacturers are taking advantage of their privileges under the high tariff. It is not necessary that they should be permitted to do this. It is quite evident that in the United States there were exactly the same kind of manufacturers as we have in Canada, and until quite recently those

American manufacturers were taking advantage of the consumers by selling them a much smaller quantity than the cans and packages were supposed to contain. As a consequence, the United States Government took vigorous steps which resulted in the enactment of the Pure Food and other laws compelling the manufacturers of that country to be honest. I am sorry to say that we in Canada have reached that point where, if we are to have honest trading, we shall have to compel our manufacturers to do the right thing. I believe we have some honest manufacturers in Canada, but we have some who are certainly not honest. In those grocery stores on Elgin street I bought two cans which I weighed. One of them weighed four pounds, one ounce, and the other one exactly four pounds. When I opened them up I found that the contents did not nearly come up to the top, and the net weight was short five or six ounces in each case, and wholesalers who deal in these things say that condition prevails throughout Western Canada. What is the result? Our Canadian manufacturers ought to waken up to the situation. The people of Western Canada are sensible people; they understand what they are doing; they are not a lot of ninnies—let the manufacturers make no mistake about that. They get two classes of goods, whatever article you may take, one of Canadian manufacture and the other of American manufacture. One is not under any law and is put up in any old way, being short five or six ounces, and the other, of American manufacture, the people know by experience will contain the quantity and the quality in accordance with the standard. What are they going to do? Just what they have been doing for the last number of years. They are going to buy the American goods, and the Canadian manufacturer will have to do without their market. That is largely why the Canadian manufacturers have not, in Western Canada, the market which they ought to have. I hope the Minister of Trade and Commerce will this session press that Bill which he brought in a short time ago and which was rejected by the Senate, at the last session, because in that way we may compel those manufacturers to deal justly with the Canadian consumer. There is only one thing I should like the minister to do, and that is to give me the privilege of writing the penalty clause. If my request is acceded to, I can assure the House that those Canadian manufacturers will not the second time engage in such practices.

[Mr. Cowan.]

Canadian manufacturers have not shown good business judgment in their dealings with the western market, because, if they had, the condition which undoubtedly does prevail in the West would not exist. If a man goes to Regina which, I believe, is the largest distributing centre of agricultural implements in the world—if not the largest it is very nearly the largest—he will find a most peculiar condition. He will find that, from now on for the rest of the season, warehouses will start filling up with machinery of all kinds which will overflow into the yards and will eventually cover acres upon acres of ground outside. Trainload after trainload of agricultural machinery is brought in, binders, tractors and everything else, and if you inspect them, you will find that they are almost all of American manufacture. I am fully convinced that Canadian machinery is equally as good as American and that being the case, how is it that American goods command the market as they undoubtedly do to-day, and why is it that Canadian manufacturers are not succeeding in the West? Canadian manufacturers should look into their methods, because American manufacturers have them beaten. Canadian manufacturers have undoubtedly indulged in very small and petty practices. If you go into a store and receive courteous treatment, you want to go back; but if you find that indefinable something or other that is repulsive, you do not return. Canadian manufacturers have not dealt generously and in a businesslike way with the people of Western Canada, and that is causing our people to deal with American manufacturers. It is just as well to recognize the truth. The facts are plain to anybody who goes to the West and sees the conditions or who studies the returns. I do not want to see that state of things continue, and I say to the Canadian manufacturers: You must do more than fire a whole lot of sarcastic references at long range at the western farmer.

That market must be regained, and sarcastic references to the people of Western Canada will not help to regain it. There must be no further indulgence in sarcasm of any sort and you must get down to a proper business basis, adequately paying your employees in Western Canada to look after your business instead of half paying them as is now the case. Dealers in agricultural implements in Canada working for Canadian firms are getting just above one-half of what is being paid by American business firms to dealers out there. I will give an illustration or two in regard to the methods that are being pursued. Not long

ago my wife gave me a list of goods she wanted ordered. I went into a store and asked for a certain article. The clerk informed me that it was not in stock, and when I reminded him that it used to be kept he admitted that it was but said they had a substitute that was just as good. It was American made, and I naturally wanted to know why the other, which was Canadian, was not sold. He said: "They advertised that all over the town the other day at ten cents and the price is fifteen cents." I asked him, then, if he would not sell more of that article at ten cents. He said, "Yes, but we get six cents profit on this article whereas on the other we get only one cent." Now, that was a strange situation, but it is the fact. American manufacturers largely have the western market to-day because they are giving to the Western Canadian dealers a much larger percentage of commission for handling their goods than the Canadians give, with the result that the dealers press American goods wherever they can. I shall now mention a case that is not by any means recent, in order to show that this condition has existed for quite a long while. When I landed in Regina thirty years ago from the city of Guelph, which was my own home town, I wanted to buy a sewing machine. I picked out a "Raymond" which happened to be manufactured in my own city, and of which fact I was naturally proud. The dealer told me that they had a "Raymond" at $35, but he showed me another machine which he declared to be much better and the price of which was $65. One was American and the other Canadian. He talked me into buying the $65 American machine, and about two months afterwards, on our meeting on the street. he inquired as to how the machine had worked. I said it was all right, but that my wife was emphatic in the opinion that it was no better than the other machine. He said: It may not be better to you, but it is worth $30 more to me. I asked him what he meant, and he replied that there was just that much more profit to him in urging the sale of the American machine. Could you expect anything else than that he would endeavour to the best of his ability to sell that machine? These are the business methods that obtain all over Western Canada. Canadians are being done out of their own market by reason of the fact that the manufacturers of Eastern Canada have not studied conditions and have made no serious attempt to retain that trade. I make that statement without any hesitation because there is no question about the truth of it.

Mr. W. H. WHITE (Victoria, Alta.): Before the hon. member leaves that point will he tell us what commission Americans pay and what commission Canadian manufacturers pay their agents?

Mr. COWAN: It depends on the goods. Does the hon. gentlemen mean agricultural implements?

Mr. W. H. WHITE: Yes. The hon. member says the Americans pay a much higher commission to their agents than do the Canadians.

Mr. COWAN: I shall come to that in a few moments and answer the hon. member absolutely. I have a letter from a manufacturer's agent in Nebraska who says that implement dealers in the United States are paid 20 per cent by American implement firms.

Mr. W. H. WHITE: And what about Canadian dealers?

Mr. COWAN: I shall answer that presently. There are a few matters to which I wish to refer and before I am through I shall answer the hon. member's question. I have here the result of an inquiry conducted by the Retail Merchants' Association of Western Canada, a body that is not at all prejudiced. I take it that the association is anxious to get down to a solid business basis, and I shall read a part of the findings of the investigation. I cannot read the whole of it, although I would be glad if I could have it all on Hansard. However, any hon. member who cares to do so may see the document at any time:

> If implement prices are high, the fault cannot be laid at the door of the retail dealer in Western Canada, as the attached analyses of prices and costs will show.
>
> The cost of operating a retail implement business averages approximately 18 per cent of the sales turnover. This figure will be conceded as not excessive; as a matter of fact, it is the result of striking the average of a number of implement businesses of varying size and character in varied localities in the West. It is further confirmed by researches made by implement journals in various middle and western States of the Union where conditions are somewhat similar to our own, This figure of 18 per cent does not include freight paid to bring goods to salesroom; this freight is considered a part of the cost of the goods.

Let us take another example, and this will answer the question of the hon. member for Victoria (Mr. White):

Take the case of a 3½ x 3 wagon, 28" box Y & T. Prices at Oct. 1st. dating both ways, figured on basis of factory and Regina prices, freight being figured on average haul for local points in Regina zone.

	1914	1915.	1916.	1917.	1918.
Cost factory	$ 85.00	$ 85.00	$ 83.00	$ 98.00	$123.50
Freight & Ctge	13.25	13.25	13.25	13.25	17.50
Laid down	98.25	98.25	96.25	111.25	141.00
Sale price	116.00	114.00	112.00	122.00	152.00
Margin	17.75	15.75	15.75	10.75	11.50
Percentage of sale price	15.30%	13.81%	14.60%	8.81%	7.00%

The sale price in 1914 was $116 and in 1918 $152 or an increased cost to the consumer of $36, freight increases being only $4.25. It will be seen that while the price of agricultural implements went up, the amount of money received by the retail dealer in Western Canada decreased on that article from $17.75 to $11.50, and the total increase in cost was $36, of which only $4.25 was freight. The question I want to ask is, what is the reason for this increase? The percentage on the sale price in 1914 was 15.30 per cent; in 1915, 13.81 per cent; in 1916, 14.60 per cent; in 1917, 8.81 per cent, and in 1918, 7 per cent. That is to say, while Americans are paying 20 per cent to their retail dealers, Canadian manufacturers are paying only 7 per cent to their dealers and expect them to sell their goods under such circumstances. These dealers, as soon as they find out this condition, immediately seek positions with American firms and take with them all the experience they gained while handling Canadian business. Let us take another example, a gang plough:

	1914.	1915.	1916.	1917.	1918.
Cost Regina	$73.	$75.50	$78.50	$94.50	$136.50
Freight & Ctge	3.	3.	3.	3.	4.
Laid down	76.	78.50	81.50	97.50	140.50
Sale price	88.	88.	98.	104.50	150.50
Margin	12.	9.50	16.50	7.	9.50
Percentage	13.63%	10.79%	16.83%	6.73%	6.33%

Now, this seems to me to prove that the people of Western Canada have a real grievance. We do not want to be ugly, but we find that we are suffering and our suffering is reacting on Canadian business to its injury. We want to have this condition of things remedied as speedily as possible, because, as we are all Canadians, it is desirable that we should arrive at some understanding satisfactory to both the manufacturers and the dealers, and we see no reason why this should not be done.

We do not want to coerce these manufacturers at all, but I want to know why this extraordinary increase has taken place east of the Great Lakes, while there has been a reduction in working expenses and cost west of the Great Lakes. I am mighty glad that the Finance Minister has decided to give us that inquiry. I would urge that he make that inquiry as quickly as he possibly can.

I have far exceeded my time, but I am going to deal with just one other subject altogether different from this. There is a great deal of discontent in Western Canada with the conditions at present prevailing. I do not wonder at it. I am going to tell you right here, plump and plain, that the cause of it largely lies at the door of hon. gentlemen opposite. We are said to have provincial autonomy in Western Canada. We have not got anything of the kind. In 1905—

Mr. W. H. WHITE: The hon. gentleman says that we have not got provincial autonomy. Have we federal autonomy?

Mr. COWAN: I suppose the hon. gentleman thinks that because we have passed some Orders in Council we have no federal autonomy. Is that what the hon. gentleman means?

Mr. W. H. WHITE: Yes.

Mr. COWAN: As he belongs to a party that passed four or five thousand Orders in Council each year it was in power he can answer the question just as well as I can. It is only a question of numbers, not of principle. There is nobody in this House who objects to Orders in Council more than I do, but as long as there is a war on, if it is necessary to adopt an Order in Council to carry this country through, then I say let us have the Order in Council.

Mr. W. H. WHITE: How long does the hon. gentleman expect the war to continue?

Mr. COWAN: We have not got provincial autonomy at all. Hon. gentlemen opposite talk about provincial rights. They did almost everything to strangle provincial rights. In 1905 what did they do? They said: We will set up the provinces of Alberta and Saskatchewan. They took the three territories and made two provinces out of them, but they took good care that they did not give us what they said they were going to give us. They did not give us our own domain. What is our position today? The hon. gentleman (Mr. W. H. White) knows, as well as I do, that the Federal Government handled these mines exclusively and that they take thousands and thousands each year out of these mines under the leases which they grant. The Federal Government controls almost entirely the water courses of these two provinces.

Mr. W. H. WHITE: Why does the right hon. the Prime Minister of this country not keep his pledge and give us what he said we should have got?

Mr. COWAN: My dear friend, I am coming to that if you will just wait a minute. I am going to read some of the pledges that the right hon. the Prime Minister made and I am going to ask him to implement these pledges; that is what I came here for. I do not propose that because the Government in 1905 stuck its knife into the province of Saskatchewan and because there has been a change of Government, or successive governments, it is going to stay there. The blame for sticking the knife in belongs to hon. gentlemen opposite and they cannot get away from it. The hon. gentleman (Mr. W. H. White) agrees with me in that and I am glad to know that he does. If we get down to a basis of honesty in this country we will soon get this question settled. Everybody knows that in 1905 we were deprived by an iniquitous measure of the control of our public domain and it has been kept from us ever since. Let the blame be put where it ought to be. The initial blame rests with hon. gentlemen opposite even although they want to escape the blame for that particular act. First of all, however, I am going to read a motion that was passed by the Legislative Assembly of the province of Saskatchewan last session. It is as follows:

> That in the opinion of this Assembly the Government of Saskatchewan should continue to urge upon the Government of Canada the necessity of arranging for the transfer to the province of the public domain within its limit without further delay.

That is exactly what I am going to do. This is a resolution for which the Saskatchewan Legislature should be given full credit. It deals with a matter that is within its jurisdiction and right. I sometimes think that the Legislature trespasses quite unnecessarily on the federal domain in dealing with the tariff and similar questions and under those circumstances I pay no attention to it but when it comes down to a matter like this, which is really one that it should deal with, I feel that I should support it regardless of the fact that Premier Martin licked me badly once in an election and that he always has been a good Liberal while I have always been a good Tory. He has a right to get my support in a case such as this. The right hon. the Prime Minister made certain statements and I am going to read them because I am going to ask him, now that the war is over, to implement those statements. I would not think of pressing the Government, during the period of the war when there were so many other things that they should deal with, but now that the war is over to all intents and purposes I am going to urge upon the Prime Minister to do what he said he would do and I intend to continue to do so because it is necessary and in the interests of the people of Western Canada, that they should get control of these resources. We have it within our power to build up enormous industries in the West. If we had had the right to deal with the oil of the north, I think it would have been dealt with by this time. I am quite satisfied that within a short time the province of Alberta will be one of the big industrial centres of Canada. If they had control of their mines, forests, watercourses, oil, gas and other resources, they might do something towards their development, but provincial initiative has been strangled, they cannot do anything and under these conditions, do you wonder that there is discontent in Western Canada? In the province of Saskatchewan, our resources are not quite as varied as those of Alberta, but we have plenty of mines, forests and like resources that are as yet not even quite known to us. What are they to us? We have no control over them. They are under the control of the Federal Government. We have to come down and get the consent of the Federal Government before we can do anything. Would you expect the people to have an interest in these

resources under such conditions? Would you expect the people to be content to do anything else than what they are doing—that is to cause as much trouble as they possibly can until these conditions are righted? Hon. gentlemen opposite must carry the blame up to the time that they relinquished office for the establishment of the conditions that exist there and the present right hon. Prime Minister must carry the blame for the continuance of those conditions for the time since he came into office. The only way in which he can excuse himself is to say that during the past four or five years he has been so engrossed in the war that he had no time to deal with this matter. But, he is not going to escape hereafter if I can help it. Speaking at Regina on June 22, 1911, the right hon. the Prime Minister said:

> Speaking in 1907 at Halifax, laying down what was afterwards called the Halifax platform, I said the policy of the Conservative party would be to grant to these three provinces the control and ownership of their public domain and natural resources. Last autumn again at the commencement of the session I renewed that pledge. I renew it again to-night, and I say I believe the signs of the times are not wholly misleading. I believe the time is not far distant when a Conservative Government at Ottawa will give to Saskatchewan, Alberta, and Manitoba that right and that ownership of their public domain which has been so absolutely and so long and unjustly denied to them.

Again, speaking at Battleford, he said:

> If it should be the will of the people of Canada to impose upon me the great responsibility of being called upon to form a Government in Canada and after that Government is formed, the policy I have outlined will be carried out by the Government as I have stated, or one man of the Government will go out of public life.

The hon. gentleman for Victoria, Alberta (Mr. White) has asked why he has not carried out this pledge. I have given one reason. There is one other reason that is sometimes advanced by the other side and which I have refused to accept. That is that when he went to the country on that platform the people of Saskatchewan returned nine opponents and one supporter. Therefore, it was argued that the people did not themselves want to have control of their own domain. But I want to point out to hon. gentlemen and to the Government that in the election of 1911 this was not the dominating issue by reason of the fact that public attention was concentrated upon the reciprocity agreement.

The reciprocity agreement became a dominant issue in that election, which was fought out upon it, obscuring the other

matter entirely. I say now, and I say it unhesitatingly, that the wish of the people of Saskatchewan in regard to this question is thoroughly reflected through their representatives sitting in their Parliament and voicing the resolution which I have just read, and I must, therefore, take this to be their desire. Let me emphasize it: We need that policy in order to settle the prevailing unrest. I have reason to believe that recently a conference was held of the premiers of the provinces and this matter came up for discussion there. I am not speaking authoritatively now, but I have reason to believe this version is correct, because I got my information from a very reliable source; I am told that our view would have been agreed to were it not that certain provinces opposed granting provincial autonomy to Saskatchewan and Alberta until certain arrangements were made with respect to their own terms and their own relations with the Federal Government. Let me say to the premiers of the provinces in question, and in as emphatic a manner as I can, that they have got to keep their hands off the throat of Saskatchewan. As for the province of Alberta, the representatives from that province can speak for themselves. We in Saskatchewan do not propose to be strangled any longer. If the premiers of these other provinces have any just grievances against the Dominion, if the existing arrangements are not satisfactory to them, or if they have any claim to advance, I think the people of Canada are sufficiently just to recognize that claim if they would come forward and state it and let it rest upon its merits. If there is any foundation for the claim, or any merit in it, I think the people of Canada, those of the province of Saskatchewan included, will be quite willing to remedy any wrong that exists; but I must say to them that they are not going any longer to strangle us in Saskatchewan in order to gain their own ends.

Mr. Speaker, I will not address you any further; I feel that I have already occupied too much time. Let me summarize my views: I am going to support the Government in their proposals, because they have given us what I unhesitatingly call a very substantial reduction in duty, and because they have intimated to us, and I have every reason to believe they are sincere in the intimation, further means by which we can continue in the way of getting what we need in the West and of obtaining the redress of all our wrongs. That being so, I am going to support the Government, but I again urge upon them that they take

into consideration the conditions existing in the West and adopt as early as they possibly can further action which will tend to ameliorate those conditions.

Mr. D. D. McKENZIE (Cape Breton North and Victoria): Mr. Speaker, I have listened with a great deal of earnestness and attention to the very eloquent speech of my good friend from Regina (Mr. Cowan). It is not necessary for the hon. gentleman to offer, in his own behalf, any explanation why he is supporting the Government. I am sure those of us who have been in touch with the hon. member since he entered the House, who have known of him before he came here, and are acquainted with his confession of faith, know very well how his heart-strings are tied to the Tory party, and that in order to live at all he had to support the Government. It was, therefore, entirely unnecessary for the hon. gentleman to spend any time in giving any reason for his political beliefs. The reason I have given explains first, last, and all the time his political course.

The hon. gentleman has reminded me of something that was said in this House somewhat earlier in the session when, I think, the member for Macdonald (Mr. Henders) was professing great faith in the Government. On that occasion the member for Queen's and Shelburne (Mr. Fielding) reminded us of the old scriptural phrase that "he had not seen so great faith, no not in Israel." But that faith is continuing down from the hon. member for Macdonald to the hon. member for Regina. The latter has still great faith in the Government. When he wonders what the Government is going to do in the matter of the revision of the tariff, I would like to remind him that on the 29th of November, 1911, this question was asked in the House by the then member for Humboldt (Mr. Neely):

> Will the Government appoint a permanent Tariff Commission? If so, will the labour and the farming interests be allowed to nominate a majority of the representatives of such Commission?

The Prime Minister then answered:

> Authority from Parliament will be necessary, and a measure will be introduced accordingly.

I would like to remind my good friend from Regina that this promise was made on the 29th of November, 1911. Days and years, I won't say ages, have passed since then, and a good deal of water has flowed under the bridge, but the commission referred to has not been appointed, and the tariff inquiry did not take place. Therefore. I would remind my hon. friend that when another promise on the same subject was made this year that it is only gentlemen like himself, possessing the simple faith of children, who will not question anything that the Government says. The Government knows that when it does make a promise their supporters like the hon. gentleman will accept it in their simplicity, regardless of time or any intention to carry it out. My hon. friend will therefore not be disappointed when he discovers that the same old story and the same old practice will be repeated in the future as in the past.

The hon. gentleman has clinched somewhat of an idea that we had on this side of the House in reference to the Minister of Finance—and I am sure nobody would protest against it more vehemently than the hon. member for Regina—that the Minister of Finance was subject to some persuasion, that some influence would sway him, and that some interests would have a hearing with him sometimes when perhaps they should not. But to-day we have it flat-footedly, so to speak, from the hon. gentleman, that he compelled the Minister of Finance to make a change of something like $27,000,000 in the tariff.

Mr. COWAN: "Induced."

Mr. McKENZIE: No, "compelled" was the word the hon. gentleman used. I could hardly believe my ears when I heard it first. I listened and it came the second and third time—that the hon. gentleman and his followers from the West compelled the minister to do so and so. I am sorry to believe that the distinguished gentleman who holds the portfolio of Finance and who has so ably led the House for the major part of the present session should be subject to compulsion of that kind. I rather think it is unfortunate that he should be compelled to swallow his convictions, be dragged around in that manner against his own will, and forced to do a thing that possibly would be against the interest of the country because the hon. gentleman (Mr. Cowan) would only support him on a condition of that kind. I think we on this side would be willing to come to the assistance of the Finance Minister if he had appealed to us stating that he was in such dire distress by reason of the sort of support he gets from hon. gentlemen on his own side of the House. However, the compulsion has been exercised and we have the result. We have the truth now—and the Minister of Finance, who is sitting in

the House, did not think it worth while to contradict the statement—that compulsion of this kind was practised upon him by the hon. member for Regina, and other members of the same class and party.

The hon. gentleman also told us that he was not coming over to this side of the House. That is another statement which is no surprise to us. I must tell the hon. gentleman that no fatted calf is being killed on this side for him, and that no place is being prepared for him here. We do not expect him. We respect him very much where he is, and I can assure him that if he has any notion of carrying his compulsion propensities with him we do not want him, and if he expects to practise them as the supporter of a Government or a leader, he had better exercise them in a more favourable field than over here.

He has made reference to another funny incident. He says there are hens sitting on the cross benches and there are owls sitting behind the Government, and that the owls will not take seats on the cross benches. The owl is a harmless creature and I have no occasion to reproach it; the hen is a most useful domestic bird. But I must remind my good friend that I did not know they had such a surplus of owls as sat on the cross benches the other day. At least twenty-five of them sat there. In fact, they crowded off the hens. Of course, they scampered back later to a more congenial location. I rather think my good friend from Regina was among the owls on the cross benches the other day. However, he will remember the beautiful flock that lined up for the not very worthy purpose of crowding the hon. gentleman who was but recently a member of the Government, because they thought it would be a clever thing to leave no room for him on the cross benches. I do not think my hon. friend would do that, I have every reason to think better of him. I respect him for being just what he is—a hard and fast Tory, with all that that means. And it would be well for the people of Regina to know that and to make no mistake about it. That is no reflection on the hon. member; he is all right. I am sure if we had more straightforward party men supporting the Government we should all appreciate the fact, and the sooner we get such a class of men as my good friend,—who is not mistaken about where he is, and who is attempting no camouflage, saying he is one thing and doing another,—the better government we shall have in this country and the more stable it will be.

But before I leave the hon. member's speech, let me say to him that he must not depend very much upon the promises of the Government to reduce the tariff, nor must he remember anything of its promise to give to the province of Saskatchewan her natural resources. And he must not blame this Opposition,—which was the Government in 1905 and 1906, for anything done in the formation of the provinces of Saskatchewan and Alberta, because the precedent was established by the Tories in 1870 in the days of Sir John Macdonald when the province of Manitoba was organized. But when the Government of the late Sir Wilfrid Laurier created the new provinces and granted them certain rights and privileges under their autonomy, they got far better conditions than were granted to the province of Manitoba. The Act creating the province of Manitoba was passed by the Imperial Parliament, and this Parliament could not change it. Therefore, when my hon. friend throws the blame across the floor, he forgets the conditions when the first province was carved out of the Northwest Territories by the Tory Government which he so dearly loves to support and adore.

So far as the natural resources of the western provinces are concerned, I rather agree with him that the provinces should have them. Those natural resources were discussed in this House on several occasions. They were discussed, I think, in 1912 in the early part of the session, when the boundaries of the province of Manitoba were extended and new arrangements were made with that province. It was then thought by the present Prime Minister that the time had not arrived to finally deal with the natural resources of the western provinces. If my good friend cares to look up the speech made by the right hon. gentleman on that occasion he will see why a final settlement was not then made. So far as the Liberal party in this House is concerned, I think they are fully of opinion that the provinces should have their natural resources, consistent with certain arrangements that must necessarily be made, and which were always put forward when this subject was under discussion.

5 p.m.

The hon. gentleman will understand very well why those natural resources were not given to the provinces, particularly the land. None of the western provinces cared to undertake the expenses attached to the

machinery of bringing immigrants into this country and settling them on the land. For that reason it was thought when the question of the autonomy of Saskatchewan and Alberta was being dealt with that as the Dominion had the machinery for placing immigrants on the land, it was better that the land should remain in the Dominion and be handled in that way. It was for that reason and not because, as I understand it, of any particular profit that was going to accrue to the Dominion Government. I heard the discussions in 1905 and 1912, and I can assure my hon. friend that they were along those lines, particularly the discussions when the provinces were formed in 1905. But this is the first time this session that I have heard any Conservative members from Saskatchewan say anything about the subject.

The hon. member has to-day read the promise of the Prime Minister that those natural resources would be returned to the provinces; but nothing has been done to implement it. I do not understand why the fact that the war was on should in any way have interfered with implementing that promise, made as early as 1907 and reiterated several times in 1911. I am not going to press that point too far, Mr. Speaker, because there may be reasons I am not aware of, but looking at the matter as I see it now, I cannot discover any serious reason why even under war conditions that promise should not be redeemed. We had from 1911 to 1914 at least three sessions of this Parliament before the war, and if the Prime Minister was in a great hurry to implement his promise he could have done what the hon. member now wants him to do, but nothing was done then, and there is nothing in sight now. However, it is much in line with other promises made by the members of the Administration when in Opposition—once they came into power they forget or refused to carry them out.

Interesting as my hon. friend's speech was, I shall follow his remarks no further than to make reference to one statement that he made to which I take exception. It is not fair for the hon. gentleman to say that the Liberal party are opposed to the building of railways in the West. That is far from the truth. If there is anything big, grand, promising, or comprehensive in the West to-day it is traceable to Liberal administration. My good friend will remember that in 1869 this country acquired the Northwest by purchase; through the agency of Her Majesty the Queen the lands of that Western country became ours. Hon. members know the conditions which prevailed from that day until 1896; they know how painfully slow the growth of that country was. Immigrants were coming into Canada by hundreds of thousands, but the conditions in the West were such that when the census officer went around to look for them he found that they had left the country—and why? Because the conditions were so poor. So little attention was paid to these people by the Government that they took the first opportunity of leaving Canada and settling in the United States. That was the condition so far as immigration was concerned before the era of Liberalism which commenced in 1896. The whole country knows that the sun which set in darkness on the last day of Tory rule in 1896 rose in brightness and splendour under the administration of Sir Wilfrid Laurier. We know how this country went on in advancement and prosperity from one stage to another under the policies laid down by the Liberal Administration of that day. In 1911 we went honourably out of power, fighting the battles of the West and the battles of the whole country; and the country at that time, the West included, was in such a condition that our good friends on the opposite side, including the Prime Minister himself, caused the cry to be raised from one end of the country to the other: "Leave well enough alone." That, Sir, is an indication of what the Liberal party has done for the West. That was their policy then, and what was their policy then is their policy now—the advancement, prosperity and well-being of the country. In 1903, when it was thought that better railway facilities should be given to the West, we fought for the building of those railways and were opposed by gentlemen, like my hon. friend, of the Tory party. We fought in 1904 on the question whether a railway should be built in the West. My good friend says that we opposed the building of railways in the West—nothing of the kind. We built main lines and trunk lines, and we are willing that more be built. My hon. friend tries to make Tory political capital out of this matter. When the Bill in connection with which he takes opportunity of making this reflection on the Liberal party was before the House, I said then that we were not opposed to the building of railways in the West; that we were in favour of the building of railways in the West, but that we did not want any foolery about it; that we did not want any deceiving of the people, or the promulgation of any scheme that was

impracticable or not in the best interests of the country. That is what we said, and that is what we say now. If my good friend is anxious to tell the story of the railways in the West, let him tell the whole story. The railways that he speaks of were in a solvent and first-class condition when they left our hands in 1911, but in the very short time that has since elapsed they have become absolutely bankrupt and have a debt of $370,000,000 as a millstone about their necks. That is the position in which these railways are to-day as the result of Tory rule. If my hon. friend will tell the whole story of railways in the West from Genesis to Revelation, and tell it correctly, I shall have no fault to find; but I do not think I would be doing justice to myself or to my party if I allowed him to get away with the statement that we were opposed to the building of railways in the West. We were particularly jealous of development in the West; we practically staked our all on the West in 1911, and we are as hopeful now as we have been that the great expectations of the people as to the future of the West will be realized. But those expectations cannot see fulfilment unless the West receives the governmental assistance that is necessary to its proper development. The hon. member may accept this as my answer to his assertion that the Liberal party is opposed to the building of railways in the western country.

Before I deal particularly with the Budget, I wish to refer to the prospective amendment of the member for Red Deer (Mr. Michael Clark). I do not know that I should call it a "prospective amendment," but I know that it was his intention had the rules of the House permitted his doing so, to bring forward a certain amendment. I suppose that one of the reasons for that amendment was to get me into a very close place;—to get me into a corner, so to speak, on the question of coal and coal duties, iron and steel, and their production in this country. Let me tell my hon. friend, as well as hon. gentlemen opposite and my own followers, that I do not propose to get into any corners for anybody; it is not in line with my ideas of public life that any man should allow himself to get into corners. We had an example to-day of some of the conditions to which a public man may be subjected. The member for Regina told us that he virtually held a whip over the head of the Finance Minister and compelled him to do certain things, to make certain changes. I do not think that is a desirable thing in the life of public men in Canada.

As for my part, I am getting up in years, but I have never been compelled to do anything so far as public life is concerned, and I do not propose to get into any corners now; nor do I propose that there shall be any misconception about my position.

I am a Canadian first, last and all the time; I am in favour of doing what is in the best interest of this country so far as I can see that interest. I have been following the development of this country very closely in Parliament for the last twenty years, of which five years have been in my local Legislature and fifteen years in this House, and I have never, so far as I recall, been obliged to take back anything that I have said. I have had my share of speaking in this House, and in the local House of Assembly in dear old Halifax, and I have no recollection of making any apology to anybody, nor do I remember any particular angle into which I was forced by anybody on the other side of the House, either here or there.

While I admit that the hon. member for Red Deer (Mr. M. Clark) and those who are of the same mind with him have a perfect right to move any amendment or resolution they think proper, I must explain my position as regards coal, iron and steel, and, in my opinion, any nation must develop its natural resources. There are certain things that must exist and be possessed by a country before one can live. One cannot housekeep unless one has the utensils of housekeeping. One cannot live unless one has fuel and food, heat and warmth in one's house and the nation is merely a development of the smaller unit of the family. While there are things that we may possibly get from outside, there are certain things which a nation must have for itself and which it cannot do without. There is such a thing as creating unduly stilted or unnatural industries in a country, but when you have in a country coal, iron ore and lime and all that goes to the making of iron and steel, in order that you may have an independent country, those basic industries must be developed. That has been found to be the case in Great Britain and, indeed, in every part of the world where those resources have been present.

A great deal has been made of a statement uttered by me in this House some time ago when discussing the building of ships and the erection of a plate mill in the city of Sydney. Everybody who was in this House in 1906 or thereabouts knows that a bounty was granted to the Sydney company in connection with their produc-

tion of steel, and to another company near the Soo in Ontario. I was thinking about the bounty that was granted to the works at Sydney, and I used the word "protection" when I should have used the word "bounty," because no protection worth talking about was ever given to the steel industry at Sydney. The company was, however, given a bounty, and on that occasion I said I was not to lose sight of the fact that protection did much good for this particular industry. I should have said that they got a "bounty," as they really did, and that bounty was a help to them. The newspapers and our Tory friends throughout the country jumped on this statement and said that the leader of the Opposition was a hide-bound Tory and a protectionist. If any specific industry such as coal which is absolutely necessary for the existence of a country requires any specific assistance for that particular purpose, I am in favour of the Government's taking that matter in hand and, consistently with the general interest of the country, giving it whatever assistance is thought fair and proper. If the production of iron and steel which is absolutely essential to the national existence of this country requires at its beginning some encouragement either by bounty or otherwise, I would be remiss in my duty to my country and to myself if I said: No, while we may have iron and steel in the raw state in this country, there may be others who can pour their products into this country and keep us forever from having any industry of that kind for our own. If I were to say that and to allow the natural resources of this country to remain forever in a dormant state, I do not consider that I would be doing what would be in the best interest of my country or in the general advancement of the people. If to take some specific object of that kind and provide for it in the way in which I think it should be provided for is Toryism, or protectionism, or unreasonable, as regards the general trade of the country, I must plead guilty.

Mr. BUTTS: Come over.

Mr. McKENZIE: But those are specific matters and, as I said a moment ago, I am a Canadian, first, last, and all the time, but I am no more a Canadian than a Liberal; I am just as staunchly a Liberal as I am a Canadian. That being the case, the fiscal and trade policy of the Liberal party is well known to the people of this country, and I do not wish to be counted as one of those men who say they are Liberals while, at the same time, their conduct is absolutely opposed to the principles of that great party. The platform of the Liberal party including its trade policy was clearly defined by its great leader whom it lost a short time ago. I purpose, and I think I am safe in saying that hon. gentlemen on this side purpose, following in the footsteps of that distinguished gentleman as regards trade and other questions. I do not know that any hon. member suggests that we should not gather a tariff revenue upon things coming into this country. There is a tariff in England, and although I never understood it very well, money is collected through the customs houses upon certain classes of goods coming into that country, whether by a tariff or a specific arrangement. Collection of revenue by a tariff has been established as the policy of this country ever since we have been a country, and long before Confederation, the provinces collected revenue by way of customs duty, and we have continued that into the fabric of the Dominion administration. If you admit that coal, like everything else, should be subject to a revenue tariff, you will find that the revenue tariff on coal is to-day extremely low. Bituminous coal pays a duty of 53 cents a ton; anthracite coal comes in absolutely free and slack-coal pays only fourteen cents a ton. Bituminous coal brought in from the United States costs, laid down in Montreal $9 a ton and if you apply the duty to $9 a ton, it is only about 5¾ per cent. That is the tariff revenue we are collecting on bituminous coal, and I am sure that nobody would say that a revenue tariff of 5½ or 5¾ per cent, or at all events, under 6 per cent is a protective tariff. These are the conditions that exist to-day, and if that rule is applied all round and the tariff is reduced to 5 or to 6 per cent I am sure no one in this House, not even my good friend from Red Deer (Mr. Clark), would find fault.

Mr. HAROLD: Does the hon. member not know that the rate of duty is always applied on goods from the point of shipment and that to get the percentage duty you would have to refer to the price of coal at the mine in Pennsylvania?

Mr. McKENZIE: The coal is sold to the Montreal man anywhere in the United States at $5.50 and before it is laid down in Montreal it reaches, by reason of freight, etc., $9. So that if you take the tariff on $5.50 it is a mere trifle and is no protection at all. These figures were given me by the Labour Department and I believe they are absolutely correct. I got them

to-day and I find that the price of bituminous coal, laid down in Montreal, is $9 and the price of anthracite $12.50. I fortified myself with these figures in order that I might be in a position to explain, if I were asked, and whether I was asked or not, what the condition is in this country as regards coal.

I would go further in reiteration of what I have already said and express the opinion that it is not a good policy for any country to deprive itself of the development of its natural resources that are vitally essential to its existence, and coal, iron, and steel are among those resources. Will any one say that we should not encourage the development of wheat in the West because, forsooth, we might get flour cheaper from the United States? I do not think that any one will contend that we should never have built those great avenues of commerce in the Prairie Provinces across the Rockies to the Pacific coast to develop the country and promote its greatness generally. The man who starts housekeeping must put up with some difficulties and hardships at the outset, but that is no reason why he should not undertake housekeeping. This country is comparatively new and if we have anomalies and are compelled to deal with things that are not just as we should like to have them, we must put up with them and carry on the general combination of interests necessary to the well-being of the nation. Any man who starts out as premier or leader of a party and lays down one definite policy, saying, "I will put so much duty on some things and make so many things free," unless he has some clear cut experience, would, I think, be acting unwisely. What would any shipowner in the House say if he were hiring a captain to take one of his large sailing vessels across the Atlantic and that captain said he intended to leave the harbour of St. John to-morrow with all sails set and would carry the ship under full canvas from start to finish all the way across the Atlantic? The owner would say that that man was a fool. He would say: You won't get my ship; you must trim your sails according to the different winds; if you go full sail in a gale neither you nor your ship will live very long. Well, the same thing holds true in regard to men who undertake to run governments in any country. They must deal with matters in accordance with the facts and circumstances before them from time to time, always having in view the best interests of the people and the things that are most conducive to those interests. That, Sir, is my idea of the proper conduct of government, and I believe that when parties make promises they should carry them out.

I think I have made perfectly clear what I meant when I was speaking on the shipbuilding programme some time ago, and no person should in any way be mistaken in regard to my policy or position in connection with particular questions in this country. I am in entire accord with the principles of the party as laid down in several of its resolutions which were passed in this House and elsewhere. For the moment, coming down to the tariff, I am sure that what I said about other matters so far as the general progressiveness of the country is concerned will apply in this respect, namely, that it is necessary that we should have stability in the financial condition of the country. As a great party, we are believers in that theory, and because we are believers in the financial stability and advancement of the country, when we came into power in 1896 the Prime Minister of that day and his Minister of Finance set themselves to work to place the country upon the financial footing in which it ought to stand. And it shall always be our pride that we brought the country from a financial condition that was anything but prosperous in 1896 to the topnotch position of financial advancement and stability when we passed over the reins of government to hon. gentlemen on the other side of the House. At that time, we had every obligation of the country well looked after and had straightened out our accounts, and when we passed over our books to the hon. gentleman who is now Minister of Finance we gave him the magnificent nest egg of $40,000,000 clear of every obligation. That was the position in which the finances of the country were at the time we passed over the reins of government, and that justifies me in saying that I believe in financial stability and progress in connection with trade and other questions that vitally enter into the fabric of the country's affairs. But it is rather sad that not very many years passed over the heads of the hon. gentlemen opposite before the condition of the country was different. It is all very well to blame the war for everything, and no doubt the war can stand responsibility for many things. But it is too easily made a handy pot into which to drop every thing that is at all bothersome, or that has not the appearance of an altogether proper transaction. The tendency is to throw such things into the war pot. But war con-

ditions and war difficulties will not extend beyond the war. They are not a reason for conditions that existed prior to the war. If hon. gentlemen will inquire into the conditions that existed in this country before the 4th of August 1914 they will find that the $40,000,000 that we passed over to hon. gentlemen opposite was expended and every cent of it gone; and the prosperity of the country had also gone down to the lowest possible ebb. We find that they had no money and no industries before the war broke out—that is, if we are to believe the statements made repeatedly by the hon. gentleman who was then a member of the Government, the ex-Minister of Militia and Defence (Sir Sam Hughes). That gentleman told us repeatedly, not only here, but on the hustings, that when he had to deal with war questions there was nothing but crys from every corner of the country of those who were looking for jobs and advance orders because there was nothing for them to do. He further told us repeatedly that he had told the Minister of Finance, who was rather putting himself in his way—or, as he expressed it to us, poking his nose into things he had nothing to do with—to go back to his own office and see that his own affairs were looked after, with a view to effecting such conditions as would make for the prosperity of the country. That is his statement, and of course, it is "between you be it" so far as I am concerned. I do not know whether or not it is true that the Minister of Finance interfered with the hon. member, but those statements were made.

How do we find conditions, Sir, as they appear in the Budget? We find ourselves with a debt of $2,000,000,000, equal to $250 per capita of the population. What does that mean? That means a tax of $250 for every man, woman and child in this great country of ours. About half the population of this country is made up of women and children. That means that the man who is capable of paying taxes has to shoulder a burden of $500. That is an enormous burden. The general expenditure for this year is stated to be $620,000,000. We are told that the revenue will be $280,000,000 and that we have a deficit of $340,000,000. Thus, the deficit is $60,000,000 greater than the whole revenue, a most extraordinary thing and something that was never heard of in this country before. That is the condition of things we are facing to-day. I hope that we shall be able to pull through but it is not a very promising prospect.

Hon. gentlemen in this House and people in the country will remember that in 1911 the present Prime Minister (Sir Robert Borden), when he had an expenditure of $87,000,000, used to make an unctuous speech to the effect that if we had an expenditure of $87,000,000 it was in itself prima facie evidence of maladministration and recklessness of the very worst kind. That language was found in his manifesto of 1911 and in his speeches all over the country and in this House. You found, Mr. Speaker, in 1910-11, an expenditure of $87,000,000, while in this year of our Lord, we find an expenditure of $620,000,000 under the administration of our right hon. friend who so severely criticised the Laurier administration of those days. In other words, the capital expenditure in 1910-11 was $10.87 per head while to-day the expenditure is $35 per head under the administration that was going to give us a marvellous reduction and economy in connection with these matters. The Prime Minister drew the deduction that an expenditure of $87,000,000 was prima facie evidence of maladministration and recklessness. What deduction will he now draw when the expenditure for like purposes has been increased to $620,000,000? I am sure that his strong, clear-cut legal mind will lead him to the conclusion that he must necessarily allow judgment to go by default or plead guilty to being at the head of an administration that is not properly conducted and is guilty of carelessness in the expenditure of the public moneys. That is the condition that they have landed us in to-day notwithstanding the very excellent start which we gave these hon. gentlemen when they came into power.

The question of the Budget has been very largely dealt with and has been threshed out by other hon. gentlemen, and, I suppose, it will be dealt with again. I do not profess to have given that care and attention to the Budget, or to the facts in the Budget, that might possibly be expected of me. But, you understand, Sir, that I have a great many other duties to attend to, and I leave the question of dealing in detail with the Budget to such men as the hon. member for Brome (Mr. McMaster), who has so clearly, so exhaustively, and with such great knowledge of the subject, dealt with this question. I am sure that it is only fair to say that in so far as my hon. friend the Minister of Finance is concerned, he made the most of a very difficult circumstance. If I might be inclined to joke again, I might say that, notwithstanding the fact that he was preparing the Budget under

compulsion, he did very well, indeed. I trust that the day shall come when he may have a free hand to prepare a Budget without compulsion and that it will be entirely satisfactory to the people.

Coming now to the question of the high cost of living, which is a very live question in this country, I think that under the circumstances, as we have had them during the last four or five years, certain elements that enter into the business fabric of the country should be under the control of the Government. In my judgment, transportation, whether there is a war on or not, should be under the control of the Government in order to make sure that freight rates shall not be unreasonable. The grain elevators should be under the control of the Government so that nothing can happen such as, I am told, did happen within the last year or two; that is, that our own elevators are stocked up with grain from the United States to the great disadvantage of our own people and the general trade of the country. I submit that these very important matters should be under the control of the Government. The cold storage system should be absolutely under the control of the Government under circumstances such as have been prevailing the last few years. The Government should be enabled to see that the stuff that goes into the cold storage was obtained at the best possible prices, that it is sold again at reasonable prices to the people, and that only such profit is made as is necessary for the handling of it. I am rather in favour of private ownership and management, believing these to be necessary to get the best results out of anything. That is really my private opinion, but under the circumstances which have existed for the last four or five years one's private opinion must be set aside and the circumstances of the case dealt with in such a way as to get the best results for the people. I remember that for some time after the war began we in this House used to insist upon the Government doing something to relieve the situation and to keep prices under control. For a long time they turned a deaf ear to us and would not listen to us. At last the Department of Labour softened a little and they began to appoint commissioners. But this was only putting the evil day farther off and nothing was being done.

The appointed Mr. O'Connor a commissioner, and when he brought in a report which required immediate action another man named Henderson was appointed to look into the matter. He also submitted a report but nothing was done with it.

Another royal commission was appointed in Winnipeg, but at the moment I cannot recall the name of the commissioner. However he was appointed to investigate the storage of large quantities of chickens in that city, and handed in a very damaging report, but again nothing was done with respect to it. The Food Board was also appointed, and I presume they have been making some reports, and in addition we have the Fuel Controller, and we have outstanding the reports of the Mathers Commission and the Nicholson Committee, and probably a whole lot of others, and still nothing is done. Why? Because evidently the Government does not believe there is any necessity to do anything at all, they are still unconvinced, they are still doubtful as to the necessity of taking any action, because one commission after another has been appointed. The amount of evidence that these gentlemen require before they move is appalling. Let me say that the somewhat maligned doubting Thomas was merely a credulous imbecile compared with the Pharoah-like impenetrability of hon. gentlemen opposite. They will not believe anything. We have had commission after commission appointed, and report after report presented, and still nothing has been done. I should not say that altogether, because it is said that by means of one of these commissions " a peace offering" was granted to the newspapers of this country. The Government brought to their knees some gentlemen who are manufacturing pulp and paper, in order to produce a cheap newspaper, with no doubt a contract on the side that that newspaper would be used for the glorification of the Government. It must be admitted therefore that the Government have brought into effect that cheap paper, and then there was something else. After a great deal of negotiation action in certain directions was taken by the Department of Labour. On the 13th December, 1916, there went forth from that department a letter to three cobblers in the town of Chatham, in the province of Ontario. It was disclosed to the Department of Labour and to the Government by special messenger that three cobblers in that city had put their heads together, and that they were going to raise the price of half soles and heels from 65 cents to 75 cents. Immediately the Government took action and the following letter was written by the Department of Labour:

I am advised that a few days ago yourself and several others entered into an agreement to raise the price of shoe-repairing in the city of Chatham from the 8th instant. I am en-

closing you copy of an Order in Council recently passed, whereby you will see that if any such agreement was made you have laid yourself liable to prosecution under that Order. It prohibits the entry into any such agreement.

Now, Mr. Speaker, we have standing to the credit of the Government as far as regards the cutting down of prices, and keeping down the cost of food in this country, those two things: a peace offering to the newspapers, and this letter threatening the three cobblers that unlesss they came right back to their former price of 65 cents for shoe repairing worse would follow and that an evil day was fast approaching for them. These things, Sir, it must be admitted the Government has done, and I wish to give them every possible credit for it.

The President of the Council (Mr. Rowell) the other night rather suggested that although the Government have a Department of Justice, a Department of Trade and Commerce, a Department of Labour, and quite a number of other departments, that one would suppose we are dealing with matters which enter into the necessities of the people who are suffering and depressed in Canada, there was really nothing they could do. He was on that occasion delivering one of his clever speeches, and giving particular attention to that sinful man, the hon. member for Marquette (Mr. Crerar) who, according to hon. gentlemen opposite, has fallen from grace. The President of the Privy Council was pointing out what a great man he was himself and what a sinner the ex-Minister of Agriculture was. Sitting opposite to him while he was talking it occurred to me I had seen something in literature that reminded me of the attitude of the hon. gentleman, bearing in mind his opinion of his own high state of excellence, and the miserable sinful state of the rest of us on this side of the House. I think what I really had in mind was what my immortal friend Burns was pleased to call "Holy Willie's Prayer," I did not take the whole of the verses because all of them would not apply to my hon. friend. If he reads the poem in its entirety he will see that I have expurgated matters that were not appropriate, and would not apply to him, but the following verses I think are just in their application:

Holy Willie's Prayer.

I bless and praise thy matchless might,
Whan thousands thou hast left in night,
That I am here, afore thy sight,
For gifts and grace,
A burnin' and a shinin' light
To a' this place.

What was I, or my generation,
That I should get sic exaltation?
I, wha deserve sic just damnation
For broken laws,
Five thousand years 'fore my creation
Through Adam's cause.
Yet I am here a chosen sample,
To show thy grace is great and ample;
I am here a pillar in thy temple,
Strong as a rock,
A guide, a buckler, and example,
To a' thy flock.
O Lord, thou kens what zeal I bear,
When drinkers drink, and swearers swear,
And singing there, and dancing here,
Wi' great and sma';
For I am keepit by thy fear,
Free frae them a'.
But yet, O Lord! confess I must,
At times I'm fash'd wi' fleshly lust;
And sometimes, too, wi' wardly trust,
Vile self gets in;
But thou remembers we are dust,
Defiled in sin.
Maybe thou lets this fleshly thorn
Beset thy servant e'en and morn,
Lest he owre proud and high should turn,
'Cause he sae gifted;
If sae, thy han' maun e'en be borne
Until thou lift it.
Lord, bless thy chosen in this place,
For here thou hast a chosen race:
But God confound their stubborn face,
And blast their name,
Wha bring thy elders to disgrace
And public shame.
Lord, hear my earnest cry and prayer
Against the presbyt'ry of Ayr;
Thy strong right hand, Lord, mak' it bare
Upo' their heads,
Lord, weigh it down, and dinna spare,
For their misdeeds.
But, Lord, remember me and mine,
Wi' mercies temp'ral and divine,
That I for gear and grace may shine
Excell'd by nane,
And a' the glory shall be thine,
Amen, Amen.

To me, Sir, the foregoing verses represent the excellence of my good friend and the high altitude in which he finds himself as compared with other hon. gentlemen on this side of the House. I am not going to say exactly what the great Robert Burns may have thought of his friend, Willie, but I am sure that we on this side give credit, and a good deal of credit, to my hon. friend for the many excellent abilities which he possesses. We rather regret, however, that he finds himself in a Government that is so slow to be moved, and that despite the evidence of the necessity of something needing to be done for the general advancement of the country, and despite the urgency of the situation which is striking so strongly at their doors from day to day, he finds it congenial to his interests to remain in that Government.

He also told us in his speech some things that make one believe he is the most satisfied child that ever entered a nursery. He

will be perfectly happy if nothing is done to the Budget; he will be perfectly happy if the Budget is changed. I am sure that that is the kind of man the Minister of Finance wants to have beside him, and not my friend from Regina holding a whip over his head to compel him to do things. This getting up early in the morning and doing things is distinctly averse to the general principles of the Government.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. McKENZIE (Resuming): At six o'clock I was pointing out that, having regard to the conditions which have prevailed during a number of years, certain large concerns and avenues of trade in this country should be brought under the control of the Government. I was saying that this should be done because the Government is supposed to have only one object and one purpose in view, the general advantage and the general benefit of the people; and if such control as I have suggested was exercised over such things as transportation, grain elevators, and cold storage plants, the Government would be able to prevent profiteering and undue exactions from the people. Had the Government kept under their hand the cold storage plants particularly, profiteering in foodstuffs would not have taken place to the extent that it did and would not have got beyond the control of the Gvernment. I was pointing out also that several warnings had been given to the Government in this regard, but that the Government had declined to take any action of material advantage to the people. The conditions to which I have referred still prevail; very high prices are charged for the necessities of life. It is to be hoped that even at this late day the Government will take action by carrying out the recommendations of the report, which we hope will be received in a few days, from the commission presided over by Judge Mathers. Although we have no knowledge of what that report will be, we have been observing the nature of the evidence that has been presented to the commission, and if the report is based upon the evidence as we see it, it should recommend that some steps be taken by the Government in the general interests of the country and with a view to relieving the burdens of the poor people who find it extremely difficult at this time to provide the necessary sustenance for their families.

The watchword of the Minister of Finance is, "produce and save." That advice is, of course, very proper for all times. It is a tenet of religion that everything should be done decently and in order, and that nothing should be wasted. In the days of the miracle of the loaves and fishes, the Master himself instructed the people to pick up the crumbs that were left over and to see that nothing was lost; so that in asking us to produce and to save, the Minister of Finance is following a very excellent precedent. But it is a rather sad fact that the Government themselves are not setting a very good example in the way of saving and husbanding the moneys of the people.

At this stage I should remind the Government of something that appears very much to the outsider as a leakage in connection with the Department of the Overseas Military Forces. It was reported in the newspapers, and asserted in this House, that in one branch of that department an investigation had revealed a shortage of $10,000,000. That is a large amount of money, and if the loss really took place, if there was a defalcation, or whatever it might be called, to that extent in connection with the management of that department, a full explanation should be given. A question with regard to the matter was submitted to the Minister of Militia (Major-General Mewburn) some time during this session, and his answer was, as I recollect it, that the matter did not come under his department, but that when the Minister of Overseas Military Forces (Sir Edward Kemp) returned to Canada he would make a statement and these matters would be explained. The Minister of the Overseas Military Forces returned and made a very full statement indeed covering the activities of his department. We listened with interest to see whether he was going to explain this reported leakage or loss of $10,000,000, but he sat down without saying anything at all about it. The member for Maisonneuve, (Mr. Lemieux) who had previously made reference to the matter, asked the Minister of the Overseas Military Forces if he had any explanation to make regarding this Jenkins' report, as it was called, but I do not think that the minister gave any information on the subject; my recollection is that he said nothing about it. Questions were asked about it in the House, and a return to an Order of the House was brought down the other day which was supposed to

be an answer to the inquiries which have been made. I have read that return, Sir, and I find nothing in it which is an explanation about the Jenkins' report or which gives any information concerning this $10,000,000 which is said to have been lost. I submit that when $100 is supposed to be lost, the fullest explanation should be given to the people; much more should the fullest possible explanation be given when such a large sum as $10,000,000 is supposed to have been lost in connection with one branch of the public service. This is only one thing that happened to come to the surface. We heard about it: we read about it and we tried to get information that would be satisfactory to the people, but so far we have obtained none. I bring the matter again to the notice of the Government. I do not say whether or not the report is true; all I say is that it appeared in the newspapers and that questions were put concerning it to the minister, who made no explanation. The return which was brought down and which was supposed to explain the whole matter away does not at all explain it, and things stand as they were. I suggest that the Government, which, through the Minister of Finance, gives us the very sage, the very wise and proper advice, "produce and save," take a little more care in the saving end of it so far as the money of the people is concerned.

As to production in this country, the Government, of course, is not called upon to produce, it is the business of the people in the various callings and walks of life to produce. Whatever profession or calling a man chooses in life he owes a duty to that profession or to that calling. If a man is a doctor, he ought to make the most of his profession; he ought to be an ornament to it —and the same is true of all the professions. If a man chooses to be a farmer, it is his duty to devote all his talent and ability to the high and honourable calling which he has chosen and to be successful in it if he can. It is the duty of the Government to encourage the different walks and callings of life, the different professions and industries, the different sources of production, whatever they may be, and, as far as it is possible to do so, to put means within the reach of the people so that the proper kind of men and women will have equal opportunities in a free country like ours. That is the doctrine which I would preach to the Government when they ask us to produce and to save.

It is just as important to cultivate the fisheries of the country as it is to cultivate the farms.

We have on the Atlantic and the Pacific immense fishery resources, and it is within the power of the Government to do a great deal for the development of our fisheries. We speak often and properly of building railways through the wheat fields in the West, and it is right and fitting that the wheat fields and granaries of the West should be traversed and touched by our railway lines and every other suitable means of transportation. But it is equally fitting that the fishery grounds and the fishing villages, towns and centres of this Dominion should also be put in touch with lines of railway. In parts of British Columbit, which have no railway facilities, we have magnificent fisheries, and it is highly desirable that they should have railways for the proper development of that industry. In my province of Nova Scotia, and in New Brunswick and Prince Edward Island, we have magnificent fishing centres, but they are far away from railway lines, and it is impossible to carry on the industry with the advantage to the country that would be possible if better means of land transportation were available. There is no good reason why that magnificent fish food which we have in abundance in Nova Scotia should not be placed on the table of the man in Toronto, or Quebec, or Montreal, or any other great city, in the same shape as it leaves the water, if suitable facilities by way of cold storage and refrigerator cars were provided. Those are encouragements which the Government can give, and by giving them for the benefit of the fisheries and other industries, the Government will be doing something that will encourage our workers, whether fishermen, farmers or lumbermen to put energy into the businesses in which they are engaged. Those are the things which the Government should bear in mind when they are giving us advice in Canada to "produce and to save." There was never a time in the history of this great country of ours when it was so necessary and desirable as it is now to produce and to save.

There is another thing that must be done if we are to have the best results from the citizenship of this country. A man must be a free citizen in this country; he must be taught to love his country. He must be given to understand that he is in a country of equal opportunities of equal advantages, and that once he places his feet upon the soil of Canada and behaves himself as he ought to, observing our laws, he is entitled

to the heritage which has been handed down to us by generations of development and to the fullest of civilization in this country. That is another of the great facts which ought to be brought home to the minds and hearts of the people who are to develop this country and to produce and to save, if this country is to be what it should be. I have in mind people in this country who are British subjects and who are not getting the benefits which are supposed to flow from that great legacy. We have on our Statute Book a law, namely, chapter 77 of the Revised Statutes of Canada of 1906, section 24 of which says:

> An alien to whom a certificate of naturalization is granted shall, within Canada, be entitled to all political and other rights, powers and privileges, and be subject to all obligations, to which a natural-born British subject is entitled or subject within Canada, with this qualification, that he shall not, when within the limits of the foreign state of which he was a subject previously to his obtaining his certificate of naturalization, be deemed to be a British subject, unless he has ceased to be a subject of that state in pursuance of the laws thereof, or in pursuance of a treaty or convention to that effect.

That is the promise of this Parliament, put in the shape of a solemn statute, passed by the House of Commons and the Senate, assented to by the Crown and spread broadcast throughout the world, inviting immigrants to come to this country. They came to this country; they qualified for the taking of the oath which they must take before they are naturalized, and when they are naturalized, they come within the purview of this law. I am sorry to say that, notwithstanding that law which is on our statute-book to-day, and has been on our statute-book for many years past, we have refused the right of citizenship to hundreds of thousands of people within this country within the last three or four years. I hope the Government will realize that the time has come when that blot caused by what is familiarly known as the War-time Elections Act, by which thousands of people who had this promise in their hand and who had earned this right were deprived of that privilege, should no longer remain upon the escutcheon of the Canadian people or the Canadian Government, and that we should once more go back to the time when we regarded ourselves as bound by our laws and recognized that our promises were absolutely and finally binding upon us, that the promise of a minister should not be doubted, much less the promise of the country and that no statute should be disregarded by any Government or individual. There is nothing that I stand by more firmly than constitutional government, and I assure the Prime Minister and the Government that if there is anything necessary from this side of the House to assist them in maintaining law and order and constitutional usages in this country, they shall find the most devoted and loyal support from hon. gentlemen on this side. But let me remind hon. gentlemen that when we have instances of this kind, when we have governments and officials of governments shying round statutes and doing things which should not be done, they must not be surprised if, in particular, strangers coming into this country should rather hesitate and not have the same regard for our laws, institutions and conduct generally in matters of government that they would otherwise have. If we are going to assimilate the hundreds of thousands of people who are coming into Canada; if we are going to make them proper Canadians it is absolutely essential that we should show them an example. They should see in us a peace-loving, God-fearing, law-abiding, honest people, and should understand that the people who come into this country are expected to measure up to our standards. But if they find after they come here that notwithstanding this heritage of ours we do not live up to the high ideals that it sets before us, then we must not be surprised if these people are not the excellent citizens that we should expect them to be.

I desire to say a word or two in regard to the present labour difficulties in this country. I do not purpose to go extensively into that question just now, for I believe that it is possibly not the best time to discuss it. One may say something that may be misunderstood, but I would say to the Government, for all that, that I rather think that its attitude and that of the ministers who went to the great centre of labour at Winnipeg to deal with the difficulties there was rather of an unkind and unsympathetic nature, and that, in my judgment at all events, they have not exercised the very scrupulous care and excellent judgment necessary in dealing with such a question as confronted them there. I fear, whether reasonably or not, that the labour people or those who are in trouble out there, regard the ministers as being entirely on one side of the question and out of sympathy with those out on strike. I suppose it is impossible for the Government to bring about very satisfactory results if those on one side of the dispute have reached the conclusion that the Government are unfriendly to them and are not disposed to give them a fair

show. We were dealing with this question of labour a few days ago. I said then, and I say now, as a friend of labour and as a man who has been brought up among labourers and who in this House represents a very large body of labouring men, that I was, and am still, anxious that some easy, proper and lasting way should be found by which troubles of this kind in this country should be dealt with in a satisfactory constitutional way, in order that they may be prevented as far as possible. I submit, Sir, that it is impossible to obtain efficiency in dealing with labour problems or in adjusting labour difficulties by means of temporary boards. You have a board to-day to deal with a case, say, in the city of Quebec. You have three of the very best men you can get and perhaps they will settle the question. Probably they may never have sat on a board before, and may not sit on such a board again for twenty years, if ever. They are absolutely new men, untrained, and in all probability know nothing about the business in hand. Every time you form a board you have raw recruits who are unacquainted with the conditions that have to be considered, who are absolutely untrained, and may be somewhat indifferent about their responsibilities —regarding their work as a small job and not attaching to it the importance which it deserves. They feel that once they have disposed of the question before them there is an end of their labours. What sort of administration of justice would we have in this country if the Supreme Court of Canada, for example, were constituted of three or four men whom you might pick up on the street to sit for a few days and try cases and who, when that was over, would never meet again? Apply the same rule to the different courts. Suppose you had untrained men without an adequate knowledge of the law, and not properly equipped, to deal with the cases that might come before them from time to time, and what would be the state of the administration of our law? That, however, is not the case. On our benches in the different provinces, and in the Supreme Court of Canada, there are trained jurists who have given their lives to the study of law and evidence and are well versed in the proper application of the rules of evidence. As a result we have careful trials and, as a rule, proper and equitable decisions. Now, Sir, my view is that if it is necessary in dealing with problems in every day life that we should have trained men who understand the business of law and who have made its study their life work, it is equally proper and necessary, when we come to deal with the great questions involved in the relation that exists between millions of men engaged in labour and hundreds of thousands of capitalists, that we should have some method by which men adequately qualified for the work should be able to deal with all matters that come before them, in the difficulties that arise from time to time in a systematic way that would be satisfactory to all concerned.

I made this statement the other day in this House, and some newspapers and individuals jumped to the conclusion that I was unfriendly to labour and wanted to constitute a court that would force men to accept its findings. I was accused of being altogether one-sided. I am nothing of the kind and to-night, after due consideration of what I said before, I say that not many years will pass by before hon. gentlemen sitting in this House and public men in the country will have reached the conclusion that it was surprising that we did not long ago take some proper step along this line. I submit to you, Sir, as I submitted the other night, that possibly it would not be a good thing to make a court of this kind compulsory at the outset. But if such a court were constituted and for some years at least it were left to the option of interested parties to go to it or not as they chose, I am sure that those who resorted to it would find it so satisfactory and so far superior to strikes as a means of settling labour questions that it would not be far in the future when everybody would take his difficulties to it. In Nova Scotia there is a body known as the Utilities Board, and perhaps there is such a board in every other province. When difficulties arise in Nova Scotia they are taken to this board. Any difficulty between the consumers of electric light, for instance, and the company is not permitted to be settled by a strike. The aggrieved side express their difficulties in writing and the document is handed in to the chairman or the secretary of the Utilities Board. A copy of the petition is served to the other side, and within ten or twenty days they send their answer. If they cannot agree a day is fixed for hearing the case, and the whole matter is thrashed out, and an order is made by the board binding on all parties concerned. If a similar system—I do not say the same system —were adopted in connection with strikes, I am sure the result would be satisfactory. I am in favour of unions and I think that all labour in the country should be well

united under proper leadership. But, while I favour labour unions and their proper administration, I must say that I have no use whatever for the agitator or the fire-eater who makes a business of stirring up strife and trouble. However, when all labour is properly organized I can see no difficulty in the way of any body of united labour putting their complaints in writing and filing them with a proper tribunal which could submit them to the employer and obtain his answer. If the answer were deemed unsatisfactory the tribunal could appoint a time for both parties to appear and discuss the matter in dispute with a view to settlement. I think that is what is coming in the future. We may not see it to-day or to-morrow, but the day will come when disputes in this country, whether of labour or otherwise, will not be left to the haphazard arbitration of strikes. I am sure that no men desire to go on strike if they can get their difficulties satisfactorily settled otherwise, and as it is to-day we are not offering to the people anything that will settle their difficulties. Let this Government take the view I present and adopt such a court as I have suggested. They could leave it, for some years at all events, to the judgment of the people whether they would have their difficulties solved by the tribunal, but the court would be there to settle disputes that might be taken to it.

This, Sir, is the view which I submitted before and which I present now. I do not want to introduce any personal matter but I wish to bring to the notice of the right hon. the Prime Minister that, since I made that statement before, one of the commissioners on Judge Mathers' commission busied himself as a street corner politician in the city of Sydney trying to arouse feeling against me because I made the statement in this House a few days ago. If this is the class of men that they send around the country to promote peace, order and good government, they are making a mistake. It does not concern me very much, but I am sure that that is neither the wish nor the will of the Government and that they would not desire any person who goes around the country, paid by the Government and supposed to be acting for the people, to convert himself into a political machine and try to stir up trouble against me or any member of this House in any section of the country.

I do not know why there should be any misunderstanding, or any lack of confidence, between any body of people in this country and the Government of the day. If there is such, the sooner the Government take steps to remove it, and give everybody, whether employer or employed, to understand that it is the function of governments in this country to deal fairly and squarely with all interests whether of the capitalist or of the man whose only capital is his brain and the strength of his arm, the better it will be.

Along the lines of assisting labour and helping production in this country, I would remind the Government once more that the coal industry in Nova Scotia depends largely upon shipping. On account of the war, the shipping on which we depend was shut off. We do not complain of that; nor do we complain of anything else necessary to advance the interests of the country in the war. But the war was over on the 11th November, and three or four ships which were taken away from the Dominion Coal Company are not yet returned. It was thought by the owners of these ships, who are in the Old Country, that they were not obliged to return them because, as they alleged, the war cancelled their contract. The matter was tried out in the English courts and the judges held that the war did not cancel the contract and that the moment the war was over the ships were obliged to return to their old charters. But what has happened is that these shipowners, through some influence, and wishing to keep their ships in the service of the Government as long as possible, sent the ships off to Australia. From Australia they were sent to the Mediterranean, and kept away from their proper contracts possibly until now. I do not know whether this Government could have intervened to compel—possibly not compel, but advise—the Home Government to send these ships back to their proper charters. What happened was that we in Nova Scotia lost the use of these ships, and as they were chartered before the war, the rates were reasonably low. If we had these ships it would enable us to place coal in Montreal and other places on the St. Lawrence at a reasonable price. As it is now, coal is selling high, and the people of Nova Scotia have not the facilities that these ships would afford them. The impression is that the Government have not done what they should and could have done in this matter. I am not saying whether or not that is true, but that is the impression, and possibly some day we shall find out what the full facts are. If it is true that the Government could have obtained these vessels for the company and sent them back for the

proper discharge of their contract under the charters, they should have done so. The reason why the owners of the ships continued them in the service of the Government was that they were getting very much larger freight rates and making a great deal more money out of their war-time charters than they would have made if they had carried out the old agreement with the coal company. However, the courts have decided that they were obliged to come back. It is a pity that they were allowed to remain away to the great detriment of the people in Nova Scotia who were depending upon them.

Much has been said about parties and party government in this House and elsewhere. I do not intend to close my remarks without making some observation along these lines. I do not mention party with the intention of casting the slightest possible reflection upon any person, whether he belongs to the Liberal party or the Conservative party. Parties are institutions in this country. We here have been governed for the last one hundred years, as they have for a longer period in the Old Country, along party lines and under the party system. Whatever development we have made in this country, whatever development they have made in England or the United States, or in any civilized country, has been made under party government. Therefore, party government, to my mind is an institution that should not hastily, or without due consideration, be set aside. Party lines and party government develop likes and dislikes; the likes are the things that we particularly prefer. Party creates traditions, love of men and love of country along lines which, in so far as I know, cannot otherwise be developed. It is not usually easy for one to cut himself away from the ties of party and party government. Particularly is that the case where we find properly conducted party government. I am sure, Sir, that the Conservatives of Canada—the old-line and the new-line Conservatives—would be sorry indeed to be deprived of the lustre, honour and glory that they have derived, or which they take to themselves, by being connected with a party with which are associated such names as those of the Right Hon. Sir John Macdonald, the Right Hon. Sir Charles Tupper, and the Right Hon. Sir John Thompson. My hon. friends opposite, I am sure, will be pleased to remember that they were friends, supporters and partisans of the right hon. gentleman (Sir Robert Borden), who leads the House to-day. On this side of the House, I know we shall always be proud of such names as George Brown, Sir Oliver Mowat, Alexander Mackenzie, and, last, but not least, the great and distinguished gentleman who led us until yesterday—I might say—the Right Hon. Sir Wilfrid Laurier. These are names and traditions which are worthy of being perpetuated. Whatever may have happened during the war—I am not saying a word about that just now—I think that the growth and development of this country should be along party lines.

I am not, of course, saying anything new when I say that. It has been already stated in this House in a very eloquent and interesting speech by the hon. member for Shelburne and Queen's (Mr. Fielding). The hon. member for West Lambton (Mr. Pardee) has also made a similar statement.

I say now, as I have said before, though not with the idea of making the slightest reflection against any hon. gentleman whether he sits on this side or on the opposite side of the House, that following along party lines offers the best system of government that has yet been discovered in this country. People who think they are very smart in uttering clever things may talk about severing that, this and the other thing from politics. It is impossible in Canada to sever things from politics—that is, politics in the proper sense. There is a sense in which politics are spoken of sneeringly, and in connection with the lowest things that can happen in this country, but it is for men such as the right hon. gentleman who leads the Government to lift politics, government, and political parties above such sneers, and to place them on the high plane on which they ought to be. Men would respect him and others if they would take that high stand and continue it.

Now, Mr. Speaker, I wish to deal further, and shortly, with the attitude of the Liberal party as far as regards trade and the trade questions of this country. That is nothing new, it is well known, but in view of something that I mentioned this afternoon and some use that was made of my own name throughout the country, some reference to it on my part becomes necessary. If I were merely a private member, I would not for a moment bother about noticing it at all, but occupying the position that I now do there is perhaps exaggerated attention paid to anything I say. Whatever may happen to me personally, I assure you, Mr. Speaker, that while I occupy this position I am particularly anxious that no word or act of

mine should in the slightest way whatever reflect on the party to which I belong, or interfere in the slightest way with the confidence with which that party is regarded by the people of the Dominion. For that reason, Sir, I wish to make perfectly clear my own attitude with regard to the trade issue. But I might first revert for a moment to the question of production to which I made reference a few minutes ago. Production is not a local question. The production of flour, or the production of wheat, although it takes place on a great scale in the West is not a western question. It is one in which everybody in Canada is concerned because wheat and flour constitute the food of the people, and when the food of the people is the matter at issue that of course is a national question. When we are asked to do anything that will help the farmer in the West, if the giving to him of free implements is going to help him, that is not for himself alone, it is for the industry in which he is concerned, it is in the national interest, because it is hoped that greater production will follow, and that the results will find their way through the channels of industry to the consumer. Therefore, when we are called upon to help the farmers in the West in getting implements for them to plant their grain and harvest it, when we are called upon to help the lumberman in his production of lumber, or to help the miner and the fisherman in their respective callings so that they may produce more, we are not doing that exclusively in their interest—we are doing it for them of course, but in the greater cause of the general interest of the country. That, Sir, is the position we take on this side of the House, and always take when we announce ourselves in favour of making conditions easy either for the people in the West or for producers all over the country. The taunt always thrown across the floor of the House is that we on this side have not lived up to the position which we took in 1893 when the great Liberal convention was held in this city—that Sir Wilfrid Laurier and his followers did not adhere to the promise that they gave at that time. The assertion has been made thousands of times all over the country that Sir Wilfrid Laurier on that occasion said we were going to have free trade as it was in England. Sir Wilfrid Laurier never said anything of the kind. I will quote his actual remarks at Ottawa in 1893 when the resolution referring to that matter was before the convention:

> I say the policy should be the policy of free trade such as they have in England.
>
> I am sorry to say that the circumstances of the country cannot admit at present of that policy in its entirety, but I speak to you from this day forward that it should be the goal to which we aspire. I propose to you from this day forward, although we cannot adopt the policy itself, to adopt the principle which regulates it . That is to say, that though it should be your misfortune for many years to come to have to raise the revenue by customs duties, those duties should be levied only so far as is necessary to carry on the business of the government. Nothing is more difficult,—that is one of the evils of protection—than to wipe away protection because under it interests have been established which every man who has at heart the interest of all classes must take into consideration. It is always easy to increase the tariff because by doing so you increase the private fortunes of certain individuals, but whenever you decrease the tariff it has always to be done with careful consideration, and I am sure that when the Liberals are in power they will not be indifferent to this primary consideration.

That, Sir, is all that the late Right Hon. Sir Wilfrid Laurier said, and that was the principle enunciated by him at that time and which he always followed. It will therefore appear to you, Sir, how unfair it was and how unfair it is to-day, that Sir Wilfrid Laurier should be charged with saying we were going to have free trade as it was in England, and that he never carried out his promise. I submit, Sir, that what I have given is the text and the guide of the Liberal party to-day, following along the lines as laid down by the great chieftain at that time. Although he is gone, his memory and his principles and what he has done for this country, will not easily depart from the recollections of those who had the great honour of being close to him during his lifetime, and particularly during his public career.

I have said here before, and I repeat it, that speaking for myself I have always supported the resolutions that were passed, or proposed, in this House, looking to the forwarding of this principle as laid down by Sir Wilfrid Laurier. On the 28th of January, 1914, the then member for Humboldt, Mr. Neely, moved this resolution:

> That the House regrets that, in the gracious Speech with which Your Royal Highness has met Parliament, the said Speech gives no indication of any intention on the part of your Advisers to take any steps to secure free access to the markets of the United States for the wheat and wheat products of Canada by removing the duty on wheat and wheat products coming into Canada from the United States.

That resolution was put to a vote in this House and myself and others on this side voted for it. Hon. gentlemen on the other side of the House voted against it.

On the 23rd of April, 1914, the late right hon. Sir Wilfrid Laurier moved this resolution:

That this House is of the opinion that in view of the prevailing economic conditions of the country it is advisable to place wheat, wheat products, and agricultural implements on the free list; and that without doing injustice to any class, steps should be taken to alleviate the high cost of living by considerate removal of taxation.

On that occasion every Liberal in the House voted for the resolution, and our Conservative friends to a man voted against it.

On the 16th of March, 1916, the late right hon. Sir Wilfrid Laurier moved this resolution:

That this House is ready to provide for the exigencies of the present situation, and to vote all necessary ways and means to that end, but it regrets that in the measure under consideration duties are imposed which may be oppressive on the people, whilst yielding little or no revenue; and that the said measure is particularly objectionable in the fact that instead of favouring, it is placing extra barriers against Great Britain's trade with Canada, at a moment when the Mother Country is under a war strain unparalleled in history.

That resolution was voted for by every Liberal member, and voted against by hon. gentlemen supporting the Government and by the Government themselves.

On the 23rd of February, 1916, the then member for Assiniboia, now Hon. Senator Turriff, moved this resolution:

That in the opinion of this House, in order to secure the farmers and people of Canada the advantages of the American market for wheat products and potatoes, steps should be taken at once to put these articles on the free list in the Canadian tariff.

For that resolution hon. gentlemen on this side of the House voted, and hon. gentlemen supporting the Government and the Government themselves voted against it.

On the 23rd of May, 1917, the then member for Edmonton, Hon. Frank Oliver, moved this resolution:

That in the opinion of this House it would be in the public interest if the Customs Tariff Act were so amended as to provide;

1. That wheat, wheat flour and all other products of wheat be placed upon the free list;

2. That farm implements and machinery, farm tractors, mining, flour, and sawmill machinery, and repairs for same, rough and partly dressed lumber, illuminating, lubricating and fuel oil, cement and fertilizers, be added to the free list;

3. That staple goods and food products (other than wheat flour), domestic animals and food therefor be admitted into Canada free of duty when coming from and being the product of any country admitting like Canadian articles into such country free of duty;

4. That substantial reductions be made in the general tariff on all articles imported into Canada, excepting luxuries;

5. That the British preference be increased to 50 per cent of the general tariff.

For that resolution all the Liberal members voted, and hon. gentlemen supporting the Government and the Government themselves voted against it.

On the 25th of March, 1919, the hon. member for Brome (Mr. McMaster) moved a resolution. I do not know if
9 p.m. there is any objection to my reading it. It is not from Hansard, it is a copy I possess. If there is no particular objection I would like to put it on Hansard. That resolution reads as follows:

Whereas in order to meet the great expenditure necessitated by our national obligation it is imperative that the labour and capital of this country should be directed to the obtaining of the greatest economic return, and that the energies of our people should be freed in order that the most be made of our natural resources and the strength and intelligence of our people be utilized to the fullest extent; and

Whereas it is advisable in the public interest that taxation should be borne by those most capable of sustaining the burden, and that the proceeds of taxation should reach the national exchequer, and should not be diverted into the hands of the privileged classes of the community; and

Whereas the reciprocal trade agreement negotiated with the Government of the United States in January, 1911, has been accepted by that Government, and legislation providing for its coming into force upon its acceptance by the Canadian Government has been passed by the said Government of the United States; and

Whereas the said agreement, providing as it does for the free interchange of the products of the farm, the sea, the mine and the forest, and for the freer exchange of many articles of prime necessity and universal use, offers to the producers and consumers of this country an opportunity which wisdom and patriotism demand should be availed of:

Therefore be it resolved that it is the opinion of this House:—

(a) That the increases of duties of 7½ per cent and 5 per cent enacted by the statute 5 George V. Chap. 3 should be repealed;

(b) That the offer of reciprocity contained in the reciprocal trade agreement now upon the statute books of the United States of America should be immediately accepted in its entirety, and that legislation for that purpose should be introduced forthwith;

(c) That without derogation from the provisions of paragraph (b) hereof, all staple food and food products not now free (with the exception of luxuries), and domestic animals and foods therefor should be admitted into Canada free of duty when coming from and being the product of any country admitting like Canadian articles into such country free of duty;

(d) That without derogation from the provisions of paragraph (b) hereof, all farm and garden implements, machinery and tools, including farm tractors; all mining, flour and sawmill machinery and repair parts therefor, as well as the raw material entering into the same; lumber, illuminating, lubricating and fuel oils,

cement and fertilizers be added to the free lists—it being understood that the tariff benefit proposed to be conferred upon raw material entering into the manufacturing of the articles above set forth may be granted by way of rebate or drawback; it always being provided that in the event of any difference of duty existing under the provisions of different parts of this resolution, the lower duty or freedom from duty prevail;

(e) That having regard always to the requirements of the public revenue and the necessity of affording reasonable opportunities for adjustment to those affected by the proposed changes, substantial reduction should be made in the tariff with the object of reducing the burden upon the consumer in respect of the prime necessities of life, and with the object of delivering the consumer from the bondage now imposed upon him by the exactions of monopolies, trusts, and combines.

That resolution was supported by hon. gentlemen on this side of the House and voted against solidly by hon. gentlemen opposite, supporters of the Union Government.

There has been a great deal of talk that we on this side of the House moved that resolution because we were after the Unionists from the West, that we wanted to get them into trouble by forcing them to vote against that resolution. Nothing was further from the mind of any member of the Opposition. During the first session there was plenty of opportunity for us to move resolutions if we wanted to get our friends on the other side into difficulty, but we simply left them alone. This year our friends everywhere were taunting us that we had not the courage to bring down any resolution at all.

Our only alternative, therefore, was to maintain our stand, to bring down that resolution and to ask hon. gentlemen to vote for or against it as they thought proper. But I protest against the suggestion that we supported this resolution because we wanted to get our western friends on the other side into trouble; because we wanted to get them "in wrong," so to speak, with their friends in the West. Nothing was further from our minds. It is being suggested now that we should have introduced a resolution similar to the first resolution introduced by the member for Brome, word for word. The rules of the House would not permit us to do that; we had to keep as far away from the first resolution as we could. If we did not propose the McMaster resolution word for word, it was simply because the rules of the House would not permit our doing so. Taking the responsibility of the position which I occupy for the moment, I say that the principles enunciated in the resolution submitted by the member for Brome on March 25, are binding upon us, and that we stand by every line, every word, every syllable and every thought in that resolution. It is the resolution which we would have submitted, if we could have done so, as an amendment to the motion made by the Minister of Finance. But let no one say that we are taking shelter under any subterfuge or trying to get away from the McMaster resolution—nothing of the kind. Accordingly, I put myself on record as supporting the McMaster resolution of to-day and as coupling with it, as far as I can, the resolution which he moved and which we on this side voted for on March 25 last—a resolution which contains the views on trade and tariff questions which were entertained by the great chief himself, Sir Wilfrid Laurier. Let me read the amendment now before the House, as moved by the member for Brome:

That all the words after the word "that" be left out, and the following inserted instead thereof:—

The proposals of the Finance Minister are unsatisfactory. They offer no curb against extravagance. They utterly fail to take any adequate steps to relieve the present high cost of living. They give no definite promise of tariff revision downwards.

That to relieve the present situation, the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with the raw material entering into the manufacture thereof;

To take off or substantially reduce, as speedily as may be expedient and just to all interested, the duties upon all other necessaries of life;

Also, the reciprocal offer of trade with the United States should be accepted, and a general downward revision of the tariff undertaken forthwith in conformity with the principle herein enunciated.

That resolution, Sir, contains in concrete form the principles which we hold respecting matters of trade and tariff reform in this country. Nothing is further from the minds of the hon. gentlemen on this side of the House than to do what is vulgarly called "play the bull in the china shop" in regard to any of the industries of this country. We realize that we have to deal with principles, with institutions, with vested rights, and we assure the country at large that as the Liberal party has been capable in the past of dealing with questions of trade and of tariff and with matters affecting the general interests of the country, it is not now without the talent, the ability and the energy to do the same thing whenever the people of the country call upon it.

Now that the war is over, I hope that we, in common with other countries, shall profit by the lessons of the war. Let us hope that the great sacrifices offered on

the plains of France and Flanders shall not have been in vain; that the graves and crosses which mark these sad and sorrowful fields shall cause us to realize that as we have fought in other lands for freedom of thought, freedom of action, brotherly love, and brotherly conduct, so should we in our own country, carry out these principles and ideals. Let us hope that the possession of the name "Canadian," and of the qualities and attributes of a true Canadian, may entitle one to anything that is in the gift of the country. It would be a sad commentary upon the civilization of this country if a man who possessed the necessary qualifications for any high and important office should be debarred from obtaining it because of the church to which he belongs, because of the altar or shrine at which he worships his God. Let it not be said that any man is shut out or cut off from any high position for which God and nature intended him, simply because, forsooth, he happens to belong to this or that church. If the war shall have been instrumental in causing us to have that high spirit; if it causes us to uphold the principle that a man should stand upon his merits, that people should be judged by their worth, by what they are capable of doing for their home and their country, then all our sacrifices of blood and treasure shall not have been in vain.

Let me read to the House a very touching bit of composition that I saw in the Ottawa Journal of June 10:

> Owen Wister, the American novelist and author of that flaming book "The Pentecost of Calamity," was in Westminster Abbey at the funeral service of Edith Cavell, and he sends to the Times these thoughts on that great ceremony:—
>
> "In the hour of Edith Cavell's funeral service, as her body approached Westminster Abbey, but before it had quite reached the entrance, the waiting people thought it was come and rose in silent respect. During that silence, very faintly from above us as we stood, the clock struck noon.
>
> "As I counted the strokes, these were my American thoughts:
>
> "This woman, who died for her country, died for more than that. The shots by which she fell killed what was left of the chance we should stay out of the fight. They tore away whatever was left of the veil that hid German savagery from our eyes.
>
> "After that, it was merely a question of time when our bodies and our spirits should be equipped to join in defeating Germany.
>
> "This Edith Cavell did; and now to-day, here comes her body, and we all, of many nations, but mostly of British race, rise to meet its approach.
>
> "Presently the singing began, and my thoughts went on:—
>
> "These words from the Bible that I am hearing, these prayers, this hymn, 'Abide with me,' are the corner-stone of both my faith and my speech.
>
> "This roof, where these words I have known by heart all my life are being uttered, is the shrine of my history. It belongs to me.
>
> "It cannot be possible for any American, however untravelled hitherto, to enter here and linger awhile and learn what it holds, not to be stirred to his depths. The place speaks to him of himself, his meaning, his past, the great race to which he belongs.
>
> "May the striking of that noon hour and the coming here of Edith Cavell's body mark the end of the era of misunderstanding and the beginning of the era of understanding between Great Britain and America."

That beautiful thought was put forward by that great writer, and I felt it would be well that I should bring it to the notice of this House and particularly to the notice of the Canadian people. If sacrifices like that of Edith Cavell struck this gentleman in such a way as to make him think it was a reason why all differences between Great Britain and the United States should forever disappear, should not the sacrifices of those united groups of English, Scotch, Irish and French, who, side by side on the fields of France and Flanders, having offered their hearts' blood for freedom, are united in death, and, we hope, united in heaven, be the cause of bringing about conditions of amity and understanding between those different races and peoples in this country of ours? Let nobody be so small and narrow in thought and mind as in the future to look upon anybody, whether he be French, or Irish, or English, or Scotch, or whatever else he may be, as anything but a Canadian entitled to the mantle of love, charity and protection which we are prepared to throw over him if he is a worthy citizen under the Canadian flag.

Mr. JOHN HAROLD (Brant): Mr. Speaker, in rising to address a few remarks to the House upon the Budget, I feel it is my first duty and privilege to extend congratulations to the Minister of Finance (Sir Thomas White) upon the able manner in which he has dealt with the fiscal questions that face us to-day. I realize that every member of the House will not be in accord with those congratulations, but with the next remark I feel that a generous House will be in agreement, and that is to pay tribute to the Minister of Finance for the very able and untiring manner in which he has devoted his services to his country during the past few years that have been the most trying in our history. In dealing with the fiscal questions of the country he has, in my opinion, had his eye upon the main issues with which we are confronted.

The leader of the Opposition (Mr. McKenzie), who had just taken his seat, and whose address I have listened to with great interest, and whom I hold in great respect, has given me a text in that he says he believes in looking at the facts and circumstances. I intend to deal with some of the facts and circumstances with which the Minister of Finance had to deal. In the first place, we are demobilizing an army of some 400,000 men; we are converting from war activities to peace activities some 300,000 other men and women, and possibly the number may be more, but the Government, in formulating their policy, had to have uppermost in their minds the question of employment for these people. We cannot but see what is taking place in other countries. Only to-day we read of large numbers of soldiers endeavouring to approach the House of Commons in Great Britain to impress upon the Government their belief that they have not dealt with the situation of unemployment in the way they should. We read also that the Prime Minister of Australia has advised his followers there that he purposes bringing down to the House resolutions with a view to giving some protection to the industries of that country so that they may retain their citizens in employment and build up the country and not be dependent, as they have been during the past few years, upon foreign countries.

The leader of the Opposition usually endeavours to be most fair in his remarks to the House, but I felt that in his criticism of our good friend the hon. member for Regina (Mr. Cowan), he was not dealing fairly with the arguments which the hon. member brought up when he stated that that hon. member was biased because of his old party leanings. This is not a Conservative Government; it is not a Liberal Government; it is a Union Government. And I can join with the hon. member for Regina in stating that I have faith in this Government to deal with the crisis at this time in our country's history. The leader of the Opposition also, somewhat unfairly cast doubts upon the proposals of the Government to have a hearing with regard to various matters relating to the tariff, and to visit the country, such a body to be represented by the different interests and to hear all those concerned with reference to tariff proposals. This, every hon. member should accept without any hesitation. The previous promise to which reference was made, the appointment of a commission, was an entirely different matter, and so far as carrying out this promise is concerned, the House of Commons dealt with it, but it was rejected by the Senate.

The leader of the Opposition also went into much past history, and I shall not follow him in a discussion of the matters raised. In some things I agree with him, while in others I do not. There is one thing, however, that I feel like congratulating him upon and that is the fact that he tried to make his position perfectly clear to the House as to where he stood on the tariff question, although I do think that the first part of his address was not quite in harmony with the latter part. In reply to questions of the hon. member for Red Deer (Mr. Clark) with regard to his views on coal, steel and iron duties, his answer was quite satisfactory from his own standpoint, but I fear his explanation would not be quite in keeping with the aims and ideals of the grain growers of the West. From that position of his, in which he agrees that we should give a measure of protection to the iron, steel and coal industries, I would like to lead on to another topic; and in the first place, I would take issue with him on the statement that protection was of very little account in these industries. Now, bar steel in the regular tariff is $7 a ton, and at the time that was put on the price of bar steel was about $28 a ton, the protection thus being about 25 per cent. At the present time the prevailing prices, I believe, are such that that duty is a very substantial protection against the importation of iron and steel. Then, with regard to coal, the price at the mines, which is the price on which duty would have to be figured if it were ad valorem, was at one time as low as $2 a ton or less. At the present time it may be between $3 and $4, but in any event the protection, 53 cents a ton, is considerable.

From that point, I would like to take the leader of the Opposition to the resolution brought down by the hon. member for Brome (Mr. McMaster), in which he is of the opinion that, to relieve the present situation, the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with raw materials entering into the manufacture of the machinery. I should like for a short while to discuss the question of agricultural implements. This is a subject that has been debated in this House and referred to by a great many members on both sides, and I am at a loss to know where the underlying principle is which they take as their

guide in arriving at the conclusion that agricultural implements should be put upon the free list. I may refer to some of the facts and circumstances connected with that industry which I believe is being treated, as the hon. member for Brome would say, as a whipping boy of the industries of this country. It is only as a matter of justice that I shall mention certain facts and endeavour to reason with some of our friends from the West and some from the other side as to just how this industry stands at the present time. I will endeavour to make a comparison between it and its great competitor in the United States, and also to show that if we do not deal with the situation in view of the conditions that exist we are going to do a great injury to one of the pioneer industries of the country and also, to a great many of the workingmen employed therein, as well as to the farming community from one end of Canada to the other. In the first place, let me say that agricultural implements are down now practically to a 10 per cent net protection. We must deduct the duties which implement men pay on their raw materials and the higher prices they pay for the iron and steel, part of which comes from the riding which the leader of the Opposition represents. Some questions have been asked to which I should like a reply in regard to this industry. One question is: How is it that the Canadian implement man can meet his American competitor in foreign fields and cannot meet him on this continent under a free trade policy? In the first place, the fact is overlooked that in exporting his goods to the foreign countries the manufacturer has a drawback of 99 per cent of the duty on his imported raw material. Of course, he is situated favourably by reason of sentiment in many of the British countries, and he also is at an advantage from a freight standpoint. But, notwithstanding the fact that a certain amount of business, for which we are proud, is done in the foreign markets, our manufacturers are yet far behind their great competitors in the United States. The United States exports of all kinds of implements will, I believe, amount to probably $50,000,000 whereas our own exports amounted to $5,427,000 in the year ended March, 1918. But the main point I would like to raise is that by opening our own markets we give the American manufacturer an opportunity to compete with us here, and the circumstances are such that our manufacturers are not in a position to compete in the United States market with the American manufacturer. In view of this, I shall give figures to demonstrate the fact that what I state is in practice taking place. There may be nothing in the United States tariff to prevent our manufacturers from going to the United States and selling their goods, and yet we exported to the United States last year only $320,000 worth of implements, one-half of which were parts; whereas on the other hand the United States sent to us, if we include their tractors and all other implements, some $28,000,000 worth. The Canadian manufacturer, when he looks at the American market, will see the large implement factories there are situated in the centre of the country. Geographically they are well placed, being conveniently accessible to coal, iron and lumber, and they are also centrally located as regards the markets, where most of the goods are sold. If the Canadian manufacturer desires to approach that market he has to ship his goods a great many miles from his factory before they can get into the heart of the business in the United States, and he is also handicapped by reason of the fact that he would have to risk a great amount of capital in advertising there and in establishing warehouses in order to obtain confidence in his wares there. Then he would have to convince the American farmer of the wisdom of buying machines from another country when the tariff might be raised at any time and his chance of obtaining parts would be cut off unless he cared to pay very high prices for them. The farmers here will appreciate that difficulty. There is another consideration, and that is that many of our machines would be debarred from the market there on account of the patent laws. Our makers can copy any design or patent from an Americain machine after two or three years, for sale in our markets, but cannot sell such a machine in the United States.

As they have industries there twenty times as large as ours, they can afford to expend an immense amount of money in experimenting and in endeavouring to develop new ideas. Some years ago some of our Canadian manufacturers attempted to enter the American market but they found that a ruling had been made by the authorities there that, whilst the machines themselves could go in, the parts could not go in. They suffered from losses at that time. While I do not know whether that ruling has been changed or not, they felt disheartened in attempting to trade there because of the great danger that there would be

a change in Government followed by some change in ruling or raise in tariff, and they would find that the capital which they had invested had been lost.

Let us look at this matter from another angle. The Canadian manufacturers produced in 1917, according to the returns from the Statistical Department, $32,000,000 worth of implements. If we deduct $5,000,000 worth of exports, it leaves $27,000,000 worth of implements sold to the home trade. If we consult the trade returns we actually find that the American manufacturers are selling in this country as much as, or more than, the Canadian manufacturers. The American manufacturers are heading towards a complete monopoly of the agricultural implement trade in the world. They have only one competitor and that is the Canadian implement industry. If the Canadian implement industry does not receive any more consideration from the Government than many members are urging it will soon have to leave the field entirely to the American manufacturers. Not only will we lose the foreign trade, but if the home trade is lost to a much greater extent competition and the cost of production will be so great that our manufacturers will be forced out of the market.

Looking at this industry from the standpoint of national importance we have a business that is one of the pioneers in the foreign trade. The demand for implements is becoming very great at this particular time because of the great shortage in production. France alone will require 300,000 implements to replace those destroyed in the war. I ask the House to listen to the appeals of the implement industry and to give them such consideration that they can do credit to this country by extending the foreign trade and by having an opportunity to compete with any manufacturer in the home market. It does seem to me that a net protection of 10, or 12½ per cent, is not a very unreasonable request upon their part.

Since considerable criticism has been made of the arrangement which was effected in regard to the reduction in freight rates—the cry of discrimination has been raised—I would like to ask the former Minister of Agriculture (Mr. Crerar) if he ever raised any objection to the discrimination which is in effect now with regard to the rates on wheat. We have to pay the same rate on wheat from the West to the consuming centres of Ontario as will carry the same wheat 400 or 500 miles farther towards the seaboard. The all-rail cost from Winnipeg to Montreal on wheat is $132 per car of 30,000 pounds. The rate from Winnipeg to Brantford is the same. On a carload of implements from Brantford to Winnipeg of the same weight the new rate is $202.50. In other words, a carload of implements shipped to the West of the same weight as the carload of wheat cost $70.50 more than the wheat coming East does. We have to consider that in dealing with the railway situation. Aside from the general policy of national development and connecting our East and our West together we have now an interest in the National Railway system that presses this point home more emphatically. Was it not good business for the railways to make some concession in order to carry implements to the West at these comparatively high rates compared with the rate on wheat rather than ship back an empty car? It means revenue for our railways, while if implements of the same weight were shipped to Winnipeg and the centres of the West from the United States lower that the ordinary rates and, of course, mean to the Canadian railways only $30 per car.

To our western men I would like to appeal upon the grounds of national policy. The country has expended, or has taken under obligation, great amounts of money in connection with the railway and canal systems; free lands were given to the settlers up there; elevators and harbours have been constructed; experimental farms have been established; and in many other ways the money of the country has been expended to develop the West. There is also another discrimination in rates to which we have heard no objection. The rates for carrying farm labourers to the western grain field during the harvest have been very much lower than the ordinary rates and, of course, to those I have no objection.

Before leaving agricultural implements I would like to call the attention of the House, Mr. Speaker, to these figures: There is a capital invested in these factories of $70,000,000; salaries and wages paid annually amount to $10,000,000, and the number of employees is over 10,000. In that connection, I would like to refer to the local situation in the constituency which I have the honour of representing, in which there are some hundreds of these employees residing who work in the implement factories. A great many of these men have recently returned from overseas and are expecting to find the old positions open to them. If the amendment of the hon. member for Brome (Mr. McMaster) were carried it would mean that this industry would be subjected to a

tariff that would be very injurious and unfair to these men. I feel that the Government, as well as the former Liberal Government, are to be congratulated upon the fact that they did not give way to the demand that such radical action should be taken and the present Government has properly decided that the matter should be left open until a commission, or a committee of the Cabinet, could make a very close investigation of the true situation of affairs.

Sometimes the claim has been made that there is a combination of implement factories in this country. That is not a fact, although some years ago there was an amalgamation of a number of companies. That was done in order that these companies could carry on their business more efficiently and be able to serve the public better than they could as individual concerns. As an illustration of that I would like to point out that a short time ago when the question of standardization of parts was before the Agriculture Committee of this House, the Deputy Minister of Agriculture (Dr. Grisdale) bore testimony to the fact that on the Government experimental farms they saw the benefit of the arrangement referred to, and of the standardization of goods that took place in consequence. Furthermore, working as individual companies, it would have been impossible for these concerns to enter into a foreign trade. Now Canada is in the position of having an industry developed here, and I would like to make this comparison—in the case of Australia, New Zealand, South Africa, and the Argentine Republic, where they have no such industries established, some of these countries are going to pursue the policy that Canada has followed, because they find that when they are at the mercy of foreign companies they have no control whatever over the prices charged. It is my contention that if Canada accepts the policy which some have advocated, we will be in a very short time subject to the fixing of prices by concerns that are vastly larger than anything we have in the Dominion of Canada. It is a well-known fact that foreign companies will slaughter prices to obtain control of a market, but when they once get control they have no compunction whatever in raising their prices.

There are some other points I would like to deal with for a few moments, and one of them is the business profits tax. In the action which it has taken I believe the Government has considered the true interests of the country at this time. Let me compare our policy in that regard with the policy which has been adopted in the country to the south. In Canada, we tax twenty-five per cent of profits over seven per cent—and on all profits over fifteen per cent we tax fifty per cent, and in the case of profits over twenty per cent we tax seventy-five per cent. The United States, for the year 1919, first make an exemption of $3,000, and then of eight per cent on the invested capital. They then take forty per cent of the net income in excess of twenty per cent. It will therefore be observed that our legislation is much more drastic than that of the United States. In Great Britain the excess profits tax for 1919 has been reduced from eighty per cent to forty per cent. My contention is that if a company can make those large profits this year, which is still a war year, they should raise no objection to paying these taxes. In reference to the income tax, the appeal has been made that we should adopt the British schedule. Those who make that appeal, however, overlook the fact that in Canada our municipalities, and in some instances, our Provincial Governments, also levy an income tax, whereas in Great Britain there is only the one income tax which is charged by the Imperial Government. In comparing our returns with those of Great Britain, I notice that when we come to the very large incomes our rate is higher than that of the United Kingdom. For incomes of $300,000 our tax is $161,190, whereas in the United Kingdom in the case of incomes unearned and earned, it is $152,187.50. On incomes of $500,000 our tax is $303,190, and in the United Kingdom, $257,187.50. On incomes of $1,000,000—there will be some—our tax is to be $663,190, as against $519,687.50 in the United Kingdom.

I listened the other evening with a good deal of interest to the hon. member for Frontenac (Mr. Edwards) and he compared the decrease in population and the agricultural conditions in certain American states with those in the province of Ontario, which is somewhat similarly situated and which comparison was most favourable to Ontario. I have some figures here with regard to the increase of the population in Western Canada, and they show that in the ten years from 1901 to 1911 the increase amounted to 174 per cent, as against an increase of 17 per cent only in Eastern Canada. Now, it is a fact known to every one that the large increase in population in Western Canada was made up to quite an extent of people who left the Eastern Provinces, drawn to the West by the greater op-

portunities for succeeding in farming there in the shape of free lands and other advantages that are offered. The argument is often put forward that many of our farmers have such a difficult time to get along that they are forced out of the farming occupation. It is true that a certain percentage do not make a success of farming, but I can present statistics to show that that condition does not pertain to farming alone. According to the returns made to Edward N. Hurley, ex-vice chairman of the Federal Trade Commission of the United States, out of 250,000 trading and manufacturing concerns in the United States, over 100,000 earned no net returns whatever; in addition, 90,000 made less than $5,000 a year. However, when a business man fails, the fact is not brought to our attention as conspicuously as when a farmer abandons his farm. I would also like to point out that the furniture manufacturers of Ontario a few months ago issued a questionnaire and secured reports from fifty of the leading manufacturers in the province. These returns, which were correctly analyzed by a well known Toronto firm of chartered accountants, indicate that on an investment of nearly $12,0000,000 the return in 1917 was just over $300,000, or about two and-a-half per cent. The returns since 1917 have been somewhat better, but no one can rightly claim that the profits in this industry have been excessive, and the same can be said of many other groups of Canadian manufacturers.

Every real grievance should be removed from the farming or any other industry, and it is my desire to refute some of the extreme ideas that appear to prevail with regard to that one industry. The Minister of Finance has his sympathies in the right place; he has every desire, and rightly so, to see the agricultural industry put upon the soundest footing possible, because it is of prime importance to this country that it should be placed in that position.

May the attention of the hon. leader of the Opposition be called to an apparent error which he made when he referred to the resolution brought forward last March by the member for Brome? He stated that all the members on his side had voted for it. As a matter of fact two members spoke and voted against it, and some others refused to record their votes as they were not in harmony with it.

I listened to the remarks of the hon. leader of the Opposition with a great deal of interest and also with a great deal of sympathy, because I felt he was dealing with a very delicate question. Entire harmony upon this question does not dwell with our friends on your left, Mr. Speaker, and the hon. gentleman (Mr. McKenzie) does not feel quite as free to deal with the facts and circumstances as he would if he were an independent member. When he referred to the ship which should be guided according to the various winds—which sounds logical enough—I could not help thinking that he had steered his own ship rather across the path of that of the hon. member for Brome, and had taken the wind out of his sails. But may this appeal be made to the hon. leader of the Opposition: That he recognize the facts and circumstances in connection with the implement industry and not register his vote in favour of the amendment? Because I believe that as good a case has been made out for this industry as he put forward for his coal and steel. He mentioned that no person could start up housekeeping without having the customary utensils, and those are necessities to the farmers and to the workingmen just as much as are farm implements; and as those utensils are granted a good measure of protection, it is incomprehensible to me how it can be reasoned that the same principle should not apply to other things. In fact, the attitude of some hon. members is influenced too much by the political propaganda carried on in the country.

There is another point to be mentioned—the " land taxation " scheme of the Council of Agriculture. Before the session closes may some one who can speak with authority explain just what is meant by that phrase. At a public meeting not long ago the Vice-president of the United Farmers of Ontario put a different interpretation upon it than that of our friends from the West. They call for a direct tax on unimproved land, including all natural resources. If that means practically unoccupied land it will result in confiscation and very little revenue; but if it means the assessment of all land on an unimproved basis then we have something of an entirely different nature. Some figures have been given me dealing with the value of land in the various provinces, totalling $4,260,000,000. In some instances it has been impossible to separate the land from the buildings, and this figure is undoubtedly high. But if we were to take one-half of that as unimproved value it would be necessary to assess it at 6 per cent to get a revenue of $127,800,000. A farm valued at $8,000, and reduced to $4,000 on the basis of unimproved value, at 6 per cent would return a tax of $240, or at 3 per cent $120. Every effort has been made to get

some definite statement with regard to this taxation, and in putting forth these figures I do so without being arbitrary, but simply to try and draw out some specific statement with regard to the question.

Mr. MAHARG: In arriving at that total valuation, did the hon. gentleman include all land, or only agricultural land?

Mr. HAROLD: These are assessed lands.

Mr. MAHARG: That is, agricultural land?

Mr. HAROLD: All assessed land, city and agricultural—the total assessment. I do not wish to put myself on record as being opposed to a scheme of land taxation that will bring back to the state a proportion of unearned increment, but one will readily see that with the different ideas prevailing in regard to this question it will not only take some time to arrive at a basis of taxation, but it will take a greater time to arrange a system of assessment and collection. Time is required, and as this Budget is only for one year, it does seem to me most reasonable to ask that that proposition be laid aside as impracticable until it is put forward in a more concrete form.

The general question of free trade and protection has been debated for many hours. The debate has been a brilliant one and has not been a loss of time. The general attitude towards it has been one looking to the national interest. We have different viewpoints, which is to be expected. I wish to place very briefly before the House my views on the general fiscal policy of the country. In the first place, we must recognize the principle that unity is absolutely necessary. In framing the next tariff stability should be one of the first things considered also. For many years to come the revenue will have to be derived in a very substantial way from the tariff. Another thing that should be considered is the desirability of developing the national wealth; and in that respect I am in full agreement with the leader of the Opposition, that there is not any heresy in our producing goods at home when we can do so on a basis that is fair and just to the different classes in the community. Last, but not least, we have to consider the national spirit. Our provinces stretching from the Atlantic to the Pacific are joined up by our great railways, and the national sentiment after the great war should be more in harmony with the ideals of this country than it could possibly have been before.

10 p.m.

As our soldiers come home they leave the ranks of their various battalions, and some go to the East and some to the West. It should be the desire of this country to adopt a policy that will unite these men and be fair and just to all.

A narrow or partisan feeling as against our great neighbour to the south is improper, but we must recognize the fact that she has made no departure from the fiscal policy which she has followed in the past, a policy which has been one of considering herself first. We must recognize that she is a great and powerful country, and that at the present time we are heavily indebted to her. We should try to put ourselves in such a position that we shall be able to ease up that burden. The right way to do that is to make ourselves self-contained, so far as that is possible. We should have a policy that will encourage home industry in all its various branches, and enable our own people to produce our own requirements, so far as we can do so equitably Under no circumstances would I subscribe myself as a high protectionist. I would not be any higher in that regard than our good friend the leader of the Opposition, although I would stand on his first position to-night rather than on the position which he took in the latter part of his speech.

With a view to bringing about unity, stability and good feeling, producing a revenue and upbuilding the country in a national way, the tariff should be so framed that we should have no extortion, no profiteering, no combinations. To arrive at that point, it is necessary that the tariff be not so high that the price prevailing outside this country for commodities would not regulate the prices for similar commodities in this country—this without departing from the principle that it is desirable to encourage the production of our home needs.

It was with regret that I noticed that the member for Humboldt (Mr. Lang) in his most excellent address made the statement that some of the people in the West were buying foreign goods in order that a revenue might thereby go direct to the Government. If hon. gentlemen would look at this question from a broader standpoint they would see that a very large revenue does go to the Government in the amount represented by the duties which the makers pay, and that there is great benefit to this country in the freights to the West on our own Government railways and in the proportion of taxation which, in various forms, companies and their employees pay. They should also recognize the justice of

giving the home article the preference over the foreign article. Surely there is no heresy in that.

Our good friend the ex-Minister of Agriculture (Mr. Crerar) cited the cream separator industry as an example of an industry flourishing in this country under free trade. I would like him to make an investigation of that industry and of the patents and licenses which are controlled by it, which are a much greater source of protection than any tariff wall could be. We know some of these companies; their names are household words, and need not be mentioned. Some widely advertised cream separators are manufactured in this country by different concerns which are controlled by outside parent companies who will not allow their territory to be infringed upon. The illustration given by the Minister of Agriculture does not stand upon all fours with the general agricultural implement business.

The questions already dealt with are not all the most important questions which confront the country at the present time. One of the most important issues that we have to face now is that of the maintenance of law in this country. It would be most regrettable if this House should show any uncertainty or any hesitation in maintaining our institutions or demonstrate any lack of faith in them at this time. Moreover, it is out of place that we should at this stage of the peace negotiations show any lack of confidence in those who represent us in these important negotiations. What would we think if Premier Clemenceau of France was turned out of power by the House of Deputies upon a tariff question at this time? It seems to me that if we should do anything of this kind we would cast a cloud upon all the war efforts and achievement of this country during the past five years.

In closing, this appeal is made to some of our friends who are thinking of leaving us at this time. May each of them place themselves in the position of sole judge of the Government and ask himself—indeed they cannot evade the question—whether he is willing at this time to take the responsibility of turning the Government out of power upon an issue of minor importance.

A short time ago the Prime Minister returned to this country from the scene of the peace negotiations and was welcomed by this House in a way which showed that he had the confidence of the House and especially of his followers. His burdens have been very great; he has fulfilled his responsibilities conscientiously and to the very best of his ability. Does it seem right that at this stage the Cabinet should be appealed to, as they are leading our victorious army out of the fray, to capitulate, or its supporters in this House be asked to strike down their leaders?

Mr. WILLIAM COSTELLO KENNEDY (Essex, North): Mr. Speaker, I do not propose to analyze in detail the speech of the Hon. Minister of Finance (Sir Thomas White); that has been done by the member for Brome (Mr. McMaster) in a manner which met with the approval of members on this side of the House and, in my opinion, with the approval of the great majority of the people. In three or four matters mentioned by the minister, however, I was particularly interested, and to these I will refer.

The minister purposes increasing the income tax, and I believe this is a step in the right direction. Hon. members will recall that in the discussion that took place in this House last year on the Budget—the Minister of Finance was not here then—hon. members on this side urged that the income tax be increased to where it is being placed to-day. We are again urging that there be a further increase, and I am perfectly satisfied that if it be not brought down before this debate closes, the minister, in view of the financial condition of the country, will recognize, when he comes before the House with his Budget next year, the necessity for a further increase.

There is also a proposal to eliminate the double income tax. This is reciprocal legislation, perfectly fair and just, and it eliminates the possibility of residents in Canada having to pay two taxes. Many of our people living along the border had to bear this burden last year; this proposal will relieve them. The same may be said of the legislation enacted last year with reference to reciprocal tax exemption with the United States as regards smaller wage earners. This has worked out very satisfactorily, and the minister and his department did much with the United States Government at Washington to have them carry out as speedily and as promptly as they could what was intended to be done under the Act of 1918.

The minister in the course of his address dealing with the financial affairs of the country, stated that the national debt was approximately $2,000,000,000. He told us that of this sum $1,510,000,000 was held in the Dominion, and also that the last Victory Loan which was placed before the people last October amounted to approximately $700,000,000. As these bonds were issued free of income tax, it means

with that amount outstanding approximately $80,000,000 of income escapes taxation. We have heard the minister defend this feature of his loan, but I am free to confess his defense does not appeal to me. In my opinion, the terms were entirely unwarranted and uncalled for, and the bonds were handled most extravagantly and expensively. Long before this issue of $700,000,000 was placed on the market, men of financial standing in the country and, indeed, the press, pointed out to the minister that what has happened would happen, namely, that the bonds would pass from the hands of the small holders into the hands of the large holders and these very men who have made their money out of the war, the war profiteers if you will, would be relieved by the purchase of these bonds from their just share of taxation. The minister stated that a bond free of income tax gave a better result than a taxable bond, advancing the reason that if the bonds were not tax free, the Government would have to pay a higher rate upon them and the amount of that interest would be much more than the amount we would receive by way of income tax. I am sure the minister will not tell this House that there was any occasion under any circumstances to pay a higher rate of interest for money than 5½ per cent. Surely the minister will not say that Canadians do not think as much of their securities as they do of the securities of Greece or Roumania, and it was only the other day we had a statement in this House, in answer to a question by the hon. member for Victoria (Sir Sam Hughes), that the rate of interest charged to Greece and Roumania was 5½ per cent. To arrive at the amount of income we would receive from an income tax bond in this country, would necessitate in every case a calculation—we should have to know who held the bond, what the amount of the holdings were and what his income tax and surtax would be, before we could arrive at any definite conclusion as to the amount we would receive—and I am sure the minister will not tell me or anybody else that such a calculation has been made. I attended many of the meetings at which these bonds were offered for sale, and the questions of tax free bonds or rates of interest were never discussed. The appeal was made to the people to buy the bonds, because our men were overseas and the Government needed money to finance them as regards food, clothing and munitions of war, and money to bring them home when opportunity offered. Nobody talked about income tax bonds or rates of interest. It may be, and undoubtedly is, true that some of the larger dealers bought these bonds simply as a financial proposition. When they got to that point, the minister should have dealt with them strictly on a business basis, and the amount of bonds these men were permitted to take should have been restricted and two classes of bonds should have been issued, one income tax free, the other taxable and the taxable bond should have borne a higher rate of interest than the tax free bond, and, the Government should have had the privilege of retiring these tax-free bonds at will before maturity. This year the United States' Government issued a four-year loan with the privilege to the Government of retiring it in three years. They had two classes of bonds, one taxable bearing a rate of interest of 4¾ per cent and the other tax-exempt, bearing interest at the rate of 3¾ per cent. The Secretary of the Treasury at Washington made the calculation that on a three-year bond the difference of the rate of interest between one that was tax free and one that was taxable, was one per cent. This Government, however, issues bonds at the maximum rate of interest of 5½ per cent and for five, ten or fifteen years, without retiring privileges and yet we speak about how much credit is due to us for our financing.

I would call the attention of the House to the references made by the minister to the fact that our bonds have been readily selling during a time of stress and trouble and that to-day they are being sold at a premium. The reason for intimating this is that the people of this country have confidence in its securities.

While he did not say so, we gathered the impression from his remarks there was just a little credit due the Government for their method of financing. I do not agree with the hon. gentleman that they are entitled to any credit for the issue of those Victory Loans on the terms on which they were issued. As a matter of fact, those bonds are selling at a premium to-day, not on account of the security but because the Government issued them under the market rate, and it did not take long for business men and the moneyed interests of the country to realize the fact. That is the reason they are selling at a premium. The millions of dollars that are going into the pockets of speculators to-day and that are being placed in the strong boxes of big financiers very properly belong to the treasury of the Dominion, and they are being placed in those strong boxes be-

cause the bonds—the best security of this country—were thrown absolutely upon the bargain counter. I am sure that when my hon. friend looks at the morning paper and sees 5½ per cent bonds income tax free which were sold approximately six months ago, bonds that we paid brokers a commission for selling, bonds that we paid bankers a commission for handling, bonds that we paid newspapers thousands of dollars for advertising, and, in addition to that, gave 15 days' interest as a bonus—when he sees these bonds selling at 106, he must ask himself, what does it mean? What rate of interest is the man receiving on his money who made that investment six months ago? He is receiving at the rate of 17½ per cent per annum. Surely it must be apparent that we placed these bonds on the market under market value and that millions of the people's money have been given away through financial prodigality.

In reference to the principle of tax-free bonds, it has been argued from one end of the country to the other, and it has been discussed to more than some hon. gentlemen's liking, that it is undemocratic. Tax free bonds relieve the man who can best afford to pay his share of taxation and place the burden upon the man who can least stand it—the toiler, the wage-earner or the small business man. That is one objection that the people have to tax-free bonds, and it is an objection which the hon. minister should take into consideration.

These 5½ per cent bonds really mean an investment of 7, 8 or 10 per cent for the men who have large incomes, if their income and surtax is taken into account, and the taxation they are relieved of must be borne by the rest of the people of the Dominion. I am sorry that the hon. minister said in answer to an inquiry the other day that he had not yet arrived at a definite conclusion as to the terms of the next proposed issue. Well, let me say to my hon. friend that the people of this country have reached a conclusion. No more tax-free bonds will be successfully issued if they have not back of them the good-will of the public. So far as I am personally concerned I say to the minister frankly that I cannot support any issue that makes no distinction in the rates of interest on bonds that are tax free and those that are not. In the event of an issue similar in terms to the last, I shall certainly oppose it in my county. It may be that it does not matter very much how much we raise in the county of Essex, but I can assure the hon. minister that when we get through the people will know what they are buying, and just who are escaping the burden of taxation and who are carrying it. I say that in all fairness, because it is an important matter and I am just as anxious as the hon. gentleman that any loan we put out shall be a success. But in order to be successful it must be based on fairness and equity and must appeal to the taxpayers of the country. It may occur to some hon. gentlemen opposite that there are plenty of big men in the country to take all the bonds even if the little fellows do not take them. If the issue is right the big men will take them; but my experience has been—as indeed has been that of most men of business—that the only man who is more afraid of losing his money than the million dollar man is the two million dollar man. The saying is trite but true, and I am not so sure that the big men will be quite ready to take the bonds if they realize that a strong and vigorous campaign will be inaugurated to eliminate by retroactive legislation any tax-free privileges granted subsequent to the armistice. I think, therefore, that it would be well for the minister to give this matter serious consideration.

Last year in the course of the debate on the Budget I suggested to the then Acting Minister of Finance that we should emulate if possible the example of the United States in the handling of these bonds. I pointed out that in the United States neither the bankers nor the brokers received compensation for their services, and I felt that we Canadians were just as patriotic and loyal as were the people in that country, and that under proper government leadership our people would respond, and the work could be done here on the same basis. It would appear to me, from the figures I have in my hand in connection with the loan that was placed last October, that this Government are still of the opinion that when it comes to money matters patriotic motives do not influence our people and that there must always be a commission and a rake-off. I have a statement here which shows that in connection with the 1918 Victory Loan we paid: Banks, $1,356,000; advertising, $275,596.88; printing, $219,257.23; remuneration to brokers and bond firms—this is divided this year into two classes, one called remuneration to brokers, and bond firms, $709,468.18, and the other, canvassers' commission, $2,250,000, making a total of $4,810,314.29. So that it cost us approximately $5,000.000 to sell our $700,000,000 worth of bonds, while the United States Government placed a loan

that realized over $6,000,000,000, the cost of which did not exceed one-tenth of one per cent, or less than $6,000,000. In the list of brokers who received compensation in connection with this loan it is interesting to observe names which somehow or other seem to have been much in evidence since the advent of Union Government. I see here our friends the Dominion Securities Corporation, with Mr. E. R. Wood as president, received for their services $48,995; I find our friends Messrs. Wood, Gundy & Company were paid $51,060, and A. E. Ames and Company $47,339. These gentlemen were said to be "commandeered" in this country. Well, let me point out to my hon. friend how such men are commandeered on the other side and what they do in Detroit, Michigan. I have here a letter from Mr. Norton, secretary of the Detroit Patriotic Fund, in which he gives me the facts as follows:

> The total subscription to the fourth Liberty loan for Detroit and Wayne county was $80,250,400. The total expense of the campaign was $28,315.74. The banks handled the bonds without charge and no commission was paid to the brokers.

In other words, in Michigan it cost 35 cents per thousand, while it costs us $7; or for every dollar they spent we spent $20. These are the facts in so far as that particular loan is concerned.

Might I be permitted to bring to the attention of the House something which comes a little more closely home, something that occurred on this side of the river. We have in Essex county five municipalities, which, in matters of this kind, always work in unison—Ojibway, Sandwich, Ford, Walkerville and Windsor. When this matter came up we had a meeting to discuss it. A gentleman came from Toronto to represent the Toronto brokers. He told us what they proposed doing and on what basis they proposed to do it. He said that all subscriptions of $10,000 and over would go to what was called the special committee and that all under $10,000 were to be credited to the local committees and that upon this amount so collected a commission of one-half of one per cent would be paid. Our men at the meeting told him that in so far as we were concerned, we were quite willing to help the loan all we could, and that there could be no question of personal remuneration. We were willing to give all of our time without any personal remuneration. We organized, we were given our quota of $4,000,000, and we raised in these five municipalities over $7,500,000. The local teams were credited with $3,700,000 and the teams which were under the direction of the private brokers were credited with $4,000,000. In so far as the Toronto brokers are concerned, I do not know what remuneration, if any, they had in connection with this loan, but what I do know is that they had not anything more to do with it than the Montreal brokers or anybody else, because all they did was to have a man in our office in Windsor telephone to Toronto nightly the names of the "special" subscribers and the amounts subscribed. When this transaction was closed up we were sent a cheque by the Toronto brokers, I assume for our share of the commission, and that cheque amounted to $18,549. We deducted from that cheque all the expenses in connection with the campaign and in the expenses we included an item of $1,800 for advertising. The total expenses of our organization amounted to $5,400. We had $13,000 left and this we divided between the local G.W.V.A. and the Sportsman's Patriotic Society. That is just what a few of us did. If in a few municipalities like ours there could be a saving of $13,000 on subscriptions amounting approximately to $7,500,000, it is simple mathematical calculation to ascertain what could have been saved throughout Canada if a proper appeal had been made to the people along that line.

I have already said that we paid to the banks the sum of $1,356,000 for their services in handling the bonds, and I have quoted in contrast the facts with regard to Detroit. I say that it is to the eternal discredit of the banks of this country that they should have exacted that sum from the people of Canada. When one considers the prosperity of the banks during the period since the war began, when one realizes that their profits have been so great from year to year that, in fact, within the last year there has, to use the parlance of the street, been some "melon cutting" amongst them, and that they have issued new stock at 30, 40 and 60 points under the market, one can see how little justification the banks had for the course which they pursued in connection with the Victory Loan. Surely the banks should have been willing to do what the banks on the other side, great and small, have been doing; that is, give their services to the country without being compensated for every single thing they did. The Minister of Finance has been paying 5½ per cent for his money and we are told that money is dear and that it is going to be dearer. In fact, everything has gone up. Everybody is complaining about the

high cost of living. But we do not hear any one saying anything about the rate of interest allowed to depositors going up; it is just the same as it was—three per cent. That is a matter that the Government might investigate, particularly when it finds the bankers exacting from the people the last dollar. If the bankers insist upon having their pound of flesh, they should be made to pay the people a reasonable rate of interest on the money of the people that they are handling.

I want to say to my hon. friend in connection with this new loan that it is a most important thing, in my opinion, that the Government should have the support and good will of every person in this country, if it is to get the best results. The Government have spent millions of dollars, but now they are up against the court of final appeal. They have to go to the people for money. When they do that they had better satisfy the people that they are going to give them a square deal, and the people are not satisfied that they are getting that in connection with the income tax free bond.

There is another matter that I should like to take up, a question that has been dealt with before in this House. I refer to bank amalgamations. The matter was pretty fairly discussed here some weeks ago and it seemed to be the consensus of opinion amongst hon. members that we have had enough bank amalgamations for some time in Canada. The hon. member for Shelburne and Queen's (Mr. Fielding) told us that while ten years ago there were thirty banks in Canada, to-day there are sixteen. I think he likewise told us that at that time there were deposits of $800,000,000 while to-day there are deposits of $1,600,000,000 or one-half as many banks and twice as much money on deposit. The result of these amalgamations is to place in the hands of a few men the control of the financial resources of the country. It works out to the detriment of the small communities. It is making money centres out of one or two of the principal cities, which is not a good thing for the country. My hon. friend the Minister of Finance in dealing with bank amalgamations the other night,—and I was very much impressed with his remarks—said that there were four parties to be considered in connection with a bank amalgamation. First there are the depositors, second the shareholders, third the borrowers, and then the general public. Well, Sir, I have yet to learn in any bank amalgamation that has taken place in this country where the depositors have been consulted. They have nothing whatever to say. The amalgamations go into effect and the money of the depositors follows, as a matter of course. Now, it would not be a bad idea if the bankers of this country realized that, after all, their holdings, in comparison with the moneys of the depositors, are rather small in the chartered banks of this country; they are simply the trustees of the people and not the absolute owners of the money that is there on deposit. To-day there is in paid-up capital in the banks of Canada, and likewise in the reserve funds—because we want to give the shareholders credit for everything —approximately $230,000,000, whereas the deposits amount to $1,600,000,000. What does that mean? It means that for every dollar the shareholders have invested in the banks the public have seven. And yet the latter are not consulted in connection with amalgamations. So far as the depositors are concerned, they get the same old three per cent interest, whereas the shareholders get fat dividends and run the bank to suit themselves. Now the time has come in the interests of the Canadian public when, in dealing with the banks, more consideration should be given to the building up of the country by the Government. Our banks have much to recommend them, but in so far as the depositors and the small business men are concerned, in my opinion they are an expensive luxury. I would say, in this connection, that it would be a good thing if the Government would investigate and take into consideration the advisability of opening a number of smaller banks, somewhat on the line of the State banks in the country to the south. I have in my hand the report of the Bank Commissioner of the State of Massachusetts for the year 1917. It shows that they have in the state of Massachusetts 195 small savings banks with deposits to the amount of $1,250,000,000, which is within $350,000,000 of what we have in the banks of the whole of Canada. What do we find further? There they have no shareholders in the banks. The depositors are the shareholders, under Government supervision. They get credit for the interest earned on the money, and they are charged with the expense of handling it. I have already said that in Canada the depositors obtain three per cent on their money, whereas the banks, and I think I am not doing them any injustice when I say so, obtain an average rate of interest on that money of six per cent, or a spread equal to the rate of interest paid. Now what do we find in the case of the banks in Mas-

sachusetts? I have the reports and they show that for the year mentioned the banks charge for the use of money to customers interest at 4.88 per cent, and the average rate of interest they allow to the depositor for his money is 4.05 per cent, a spread of less than one-third of one per cent. That is the reason I say that our system is too expensive, and the Government should seriously consider, in the interests of small banks and of depositors, the advisability of introducing some changes in the system in order that more of a parity should be maintained and there should not be such a spread between the cost of handling money and the expense of borrowing it.

There is another matter I would touch upon for a minute, which concerns the people of this country, and that is bank premises. We all know that from Halifax to Vancouver the Canadian banks ordinarily have very ornate, handsome, and expensive premises. I think we are safe in estimating that one-half of the paid-up capital of the banks in this country is invested in office buildings. I believe there should be some government supervision and some restriction on the amount the banks can invest in office buildings not only in this country but abroad. I saw in a New York paper not very long ago where one of the Canadian banks had paid over $1,000,000 for office buildings in New York city. That money is locked up when it is needed to develop the industrial and the agricultural life of the country. In my opinion the Government should see that the bankers are kept under some restriction in that regard. There is no reason why the Government should not give serious attention to this and other subjects, and endeavour to ascertain if we cannot do something more than we are doing for the people of this country.

It is rather late in the day to my mind, but a committee has been appointed to investigate the high cost of living. I have the greatest respect for the members of that Committee, and I do hope that they will accomplish something, but I have my doubts. Personally, I believe the matter is largely in the hands of the Government. They must expect that where there has been the lavish issue of paper money and bonds that has taken place in this country—where issues have been made by the bale—the cost of living is going to be high. That is the history of every country under similar conditions. In addition to that, I would like to point out a reason that appeals to me as being one why the cost of living increases and continues to soar, and that is in connection with the advances recently made for credits to countries across the seas. There is not a wholesaler or a retailer in Canada whose shelves are filled, they are all practically empty, and yet we have the Government of the day going out and borrowing the money of the people to finance manufacturers to sell abroad necessaries at war prices. They ask our people on the one hand to finance these undertakings for them and on the other hand they ask them to go and purchase for home consumption these very same goods at the prices so established. Is it any wonder that prices continue to soar? It is unreasonable to expect them to remain where they are. My own thought is that if the Government would simply stop this financial merry-go-round and permit trade and commerce to take its natural channel without being artificially supported by Government credits, we would get back to normal conditions and down to a reasonable basis of living. As I see it, Mr. Speaker, what we have to do in this country is to look the situation clearly in the face. There is no use in putting off the evil day. We are a country of but eight millions of people, we owe $2,000,000,000, and it is going to take $300,000,000 to carry us over this year. These are the conditions and the facts that have to be faced. But with it all we have a country of wonderful natural resources, we have a people who are courageous and have confidence in themselves and in their country, and if this Government will only give us sane financial legislation then I believe we will work out our salvation.

Mr. JAMES McISAAC (King's, P.E.I.): Mr. Speaker—

Mr. McKENZIE: In view of the lateness of the hour, will the hon. gentleman move the adjournment of the debate?

Sir THOMAS WHITE: I think the hon. gentleman had better proceed.

Mr. JAMES McISAAC (King's, P.E.I.): Mr. Speaker, this debate is the most important that comes before Parliament at any time, and at no time, we may take it for granted, has the importance of the Budget been as great as on the present occasion, for the reason that it is a war Budget. We are yet at war. It is true that the fighting has ceased—for the time being at least—but the terms of peace have not been signed, peace has not been officially proclaimed. And more than that, our troops have not all been demobilized. The conse-

quence is that a very large amount of money will be required for demobilization and other matters in connection with the war. Having this in view, it is our business to seriously take into account how best the necessary money can be obtained, and this brings up at once the question of our fiscal policy.

In this connection it would be a waste of time to discuss theoretical policies—free trade, protection, moderate protection, lower tariff, and so on. These would be simply shibboleths. The all-important question is the policy which is best adapted to the conditions of our country at this particular time, and which will afford, according to our traditions, the easiest and surest way of raising the money necessary to carry on the affairs of the nation.

In the first place, Sir, if we take into account, as has been more than once brought before the House during this debate, our position relative to the protective countries of the world, and especially our position with regard to our neighbour to the south—a highly protected country which has brought its fiscal policy to such a degree of perfection that its industries have been brought to their highest state of development—we see that were Canada to depart from her protective policy she would be at the mercy of this great and powerful neighbour, and it appears to me that it would be very difficult for us to retain even those industries which we have succeeded in bringing to a certain degree of development, and, in some cases, to the very highest perfection.

Mr. PROULX: The hon. member speaks of protection. Is he in favour of protected potatoes or free potatoes for Prince Edward Island?

Mr. McISAAC: Potatoes are free. Mr. Speaker, not only is this, to which I have referred, the best fiscal policy for this country, but it is the fiscal policy under which we have carried on our public business for forty years—during almost the whole history of this confederated Dominion the fiscal policy has been that of protection. And in the change of government, notwithstanding the professions that were made prior to 1896 by our friends opposite that protection should be pulled out root and branch, and the maledictions they hurled against this fiscal policy, as I frequently heard myself, yet when they assumed power and during all the years that they remained in power they 11 p.m. carried on the business of the country under practically the same fiscal policy as that which was inaugurated by Sir John A. Macdonald when he initiated the National Policy. It is true, there have been some minor changes here and there in the way of readjustments, but they were infinitesimal. And that is the same policy that has prevailed from that time down to the present session,—the policy prevailing under the Laurier tariff of 1907. So that when we are told by our friends on the Opposition side that a new era must now be brought about, and that protection must not be any longer the policy of this country, surely they can have not the slightest hope that they will be able to persuade the members of this House or the people of this country to take them seriously.

[Mr. McIsaac.]

Now, Mr. Speaker, in view of these facts it is our duty to stand by that which will afford the Government the best and surest means of securing the money necessary to meet our great obligations. We have been told by the Finance Minister of the amount of our national debt, of the various expenditures for this year, of the interest on the public debt, and of the pensions—all which involve immense sums of money; then the revenue is summed up, and we find there will be quite a difference between the revenue and the expenditure. We shall have, according to the figures presented to us by the Finance Minister, a total revenue of $280,000,000, the ordinary expenditure will be $270,000,000, the capital expenditure, $50,000,000, and in addition there will be an estimated expenditure for war purposes of $300,000,000. That is quite a formidable array of figures. The Government has to grapple with this problem and find some means of meeting these obligations. But is this the time for us to depart from the fiscal policy followed by Governments of this country for forty years? Is this an opportune time for us to lop off that portion of the revenue which is derived from the customs tariff— $145,000,000 estimated for the present fiscal year—and make a plunge into unknown and hitherto untried methods of raising money to meet the public expenditure? Is this the time to adopt unproven and uncertain methods which are likely to prove ruinous to the country? Is this the time to make such a departure?

There are a number of other matters to which I should like to refer, Mr. Speaker, but I hardly feel equal to the occasion tonight. I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On the motion of Sir Thomas White, the House adjourned at 11.07 p.m.

Tuesday, June 17, 1919.

The House met at Eleven o'clock.

CIVIL SERVICE RE-CLASSIFICATION.

Hon. A. K. MACLEAN: I desire to lay upon the table of the House the Re-classification of the Civil Service as prepared by the Civil Service Commission under the direction of the Parliament of Canada. I had intended submitting this to Parliament upon the second reading of Bill No. 136, to amend the Civil Service Act, but as the English copy of the report was ready, I thought it desirable to lay it upon the Table so that copies might be distributed to hon. gentlemen, and also that it might be available to the Civil Service for inspection. I regret to say that the printing of the French copy of the report is not completed, but I hope it will be on Saturday or Monday when I shall immediately lay it upon the table of the House. Copies of this report will be circulated at once, and members will find them in their boxes, I hope, about one o'clock.

Mr. DENIS: Is the second reading of the Bill to be gone on with before the French copy is distributed?

Mr. A. K. MACLEAN: No. I wish to have the French copy circulated before the Bill is brought down again for second reading.

Mr. ROBB: Is it the intention of the Government to proceed with the Re-classification this year?

Mr. A. K. MACLEAN: It is the intention of the Government to proceed with the legislation at this session. I may ask the House to consider the advisability of submitting the amending Bill and the classification schedule to a special committee. That, however, will be discussed later on.

THE BUDGET.

The House resumed the adjourned debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means, and the amendment of Mr. McMaster thereto (resumed from Monday, June 16.)

Mr. JAMES McISAAC (King's, P.E.I.): Mr. Speaker, when the debate was adjourned last evening, I was making some reference to the state of our country as unfolded by the Minister of Finance. I had just referred to the fact that the expenditure for the current year, all told, including capital and war expenditure, would amount to $620,000,000, and also that after the total of revenue receipts was applied to the reduction of our expenditure for the year, there would still remain a balance of $300,000,000 which would be the war expenditure. I will, in a moment, refer briefly to the ways and means that may be employed to meet this deficit. I also stated that, under all the circumstances, it appeared to me that this would certainly be a most inopportune time to effect any radical changes in our fiscal policy. It surely is a time when, to use the words of the great dramatist, we should rather " bear those ills we have than fly to others that we know not of." It is better for us to go on in our usual manner of raising revenue than to plunge into any new, unknown and untried methods of doing so. It certainly was generous on the part of the Minister of Finance that, under all the circumstances and obligations that confronted the Government from the monetary point of view, he made such changes in the tariff as to remit at least $17,000,000 of revenue. Under all these conditions it is our duty as members of Parliament and as representatives of the people, and it is the duty of the people to unite and to show the same generosity, the same spontaneity, the same enthusiasm in assisting the Government in completing the war from a financial viewpoint as Canada showed when she did not hesitate when the tocsin of war was sounded, but went forward and acted so splendidly and in a manner never to be forgotten, on the battlefield. The same generosity might reasonably be expected from the people of Canada under present circumstances.

There are a few other features of this question to which I wish to refer briefly. The question of the fiscal arrangements embodied in the pact, which was entered into in 1911 and which is known as the reciprocity arrangement, is a matter of which our friends of the Opposition have spoken, have harked back to, have lamented. Their lamentations and their regrets that these arrangements had not been carried out were almost as serious and as constant as those of the Israelites in the desert when they wept and lamented over the loss of the flesh pots of Egypt. But the Finance Minister, in the remission of taxes

that he has instituted, has gone as far and perhaps in some respects further than was intended by the arrangement of 1911.

Hon. gentlemen opposite are not willing to give the Government credit for having done this. Although we have heard them talk about reciprocity time and again in this House before the bringing down of the Budget, they have scarcely referred to the matter since. They might indeed, were they so disposed, take a little credit to themselves and say that the Minister of Finance had taken a leaf out of their book and that "Imitation is the sincerest form of flattery." But even that they are unwilling to concede. Their principal object in this discussion, as in all their conduct in this House, seems to be to handicap the Government by all reasonable means within their power, and perhaps unreasonable means. They never advance any workable suggestions that might be of assistance to the Government in this trying time, when the country is faced with so many serious and difficult problems. They prefer to talk of the high cost of living, industrial unrest and labour troubles. These problems do, unfortunately, exist, but the Opposition offer no solution; they simply make the bare statement that all these troubles are due to our high tariff. If that were so, how do they account for the industrial unrest and labour troubles and high cost of living in free trade Britain? They have no high tariff there, but they undoubtedly have these troubles. Surely hon. gentlemen opposite would not attribute the troubles in England to the Canadian high tariff These problems confront the United States, Australia, and almost every other country. Are the troubles of all these countries to be laid at the door of the Government of Canada? Surely that would be absurd. The present upheaval all over the world is most unfortunate, but history teaches us that such conditions follow inevitably after every great war, and if that be true of other wars, the disturbance is likely to be a hundredfold more pronounced after incomparably the greatest war in all history. It is only accentuating these troubles for hon. gentlemen opposite to make speeches, as some of them have done, exposing the line of cleavage between the lower classes of society and the very wealthy. The effect can only be to make those who are not blessed with so great an amount of this world's goods look upon those who strut around in wealth as their enemies and the cause of all their troubles. At this particular time when people are worked up to a very high degree of nervous tension it is our duty to do everything we can to bring about a return to normal conditions. At all events, we should refrain from taking any course of action or indulging in declarations that can only aggravate the present feeling of unrest. This is a time when we should all unite in assisting the Government to bridge over this period of upheaval, until in the course of a year or two normal conditions, let us hope, may be restored, and we can proceed as we did in pre-war times with the ordinary business of this country.

This brings me to another question to which I wish to refer briefly. During this debate and on other occasions the question of East versus West has been discussed. In my opinion, it is to be particularly regretted that any such question should be raised, whether it is East versus West or North versus South. There should be only one question—Canada. Canada for the Canadians—and from whatever part of Canada we come we should all unite in an endeavour to promote unity and good feeling between all classes and sections of the country, so that we may help to bring Canada to the place which she is destined to occupy. Can the West exist without the East or the East without the West? Is not the East the complement of the West, and the West the complement of the East? It is within the memory of hon. gentlemen sitting around me when the West was not such a great country as it is to-day, when it was practically unknown and shut off from the rest of Canada to a very great extent. No one would claim that when all Canada united on the project of building a great railway to open up that country that the West, when the curtain was drawn aside, appeared in all its grandeur of to-day. If this project had not been realized or a railway had not been built into the West by other interests, I am inclined to believe it would have been many long years before the West would have attained to the greatness it now occupies. We are most ready and delighted to give our meed of praise to the energy, perseverance, virility, and ambition of those of our friends in the West; they deserve the greatest possible credit. They are young and full of ambition, and it is not uncommon for the young, when they see obstacles in the way of the attainment of their goal, to become exceedingly sensitive and come to the conclusion that those obstacles must at once be swept out of the way.

At the present time, under our onerous conditions, and under the tremendous responsibility resting upon the Government, it would be a pity that any question of east or west should arise, or that any disposition, metaphorically speaking, should be manifested in any section of the country to take the Government by the throat and say: This is our chance; we are looking for something and we think this is the time to get it. Whether they have an existing grievance, rightly or wrongly, we shall not discuss at the present moment. We know that the people of the western portion of Canada did splendid service when the call came to enlist for the war, and I am willing to give all possible praise for what they did. There is one thing that I would like to say, however, not with the intention of detracting from the credit that is due the people of the West, and that is that a great many of those who enlisted in the West belonged to other provinces. Quite a number of those who enlisted in the West were Prince Edward Islanders. At the same time, I am not attributing that as a fault of the West; it was a mere circumstance. Of the adult native born Canadians living in the West I am not sure that very many of them were born in the Western Provinces. However, that is neither here nor there. These are matters that come into my mind when we are discussing the claims of the West. It has been said, too, by a western member in the course of this debate that after the next election there will be an increased representation from the West in this House and that if they do not now get what they are looking for they will then be in a position to demand it. It would be most unfortunate if any idea of that kind should exist in Canada, and especially at this time, when we have done so nobly and so well and when we have sent to the front those who have done such grand work in the war. It would be a pity that we should not go forward as a united and enthusiastic people to complete the task which we took upon ourselves in connection with that war.

I would like to refer for a moment to our national debt, which the hon. the Finance Minister (Sir Thomas White) has told us will be, at the end of the present fiscal year, in the vicinity of $2,000,000,000. The deficit, due to the war, will be about $300,000,000. Two elements that will enter into this debt will be the matter of interest on the national debt itself and pensions. These are heritages that we enjoy as a consequence of our noble and never to be forgotten participation in the great world war. How is it intended to raise the money necessary to meet this great deficit? As already stated, there will be a hiatus between ordinary revenue and expenditure of about $300,000,000. In order to provide for this deficit, it is intended to borrow the money in one way or another and probably largely by means of national loans, at least, some of it will be borrowed in that way. On this point I wish to make one remark. Prior to the war no Canadian loans were floated within the Dominion. When the first domestic, or national loan, was issued, it is quite possible that there were some misgivings as to what might be the success of that venture. But in this, as in every other effort put forth in connection with the war, Canada rose equal and superior to the occasion. The loans thus far floated in Canada were subscribed with great facility and generosity, so much so that in every case they were considerably over subscribed. That goes to prove that not only in war is Canada great, but that Canada is great in peace and in her ability to finance her own burden of debt. If we have to borrow at all—and what Government has not to borrow—is it not best to borrow from amongst ourselves, that we raise the money necessary to place in the hands of the Government from our own people? The people are giving the money to themselves through the Government to carry on the public business. The interest comes back to them, in due time the principal, and principal and interest remain in the country. In that way the country is not denuded of this money; it is not made so much poorer, as it would be were these financial transactions carried on outside of Canada.

In this connection I can scarcely refrain from animadverting briefly on a remark made by my hon. friend from Red Deer (Mr. Clark) when addressing the House a few days ago. He advised the Government to stop borrowing. Any government, I suppose, would be glad to stop borrowing were they able otherwise to meet their obligations, but if they have to borrow at all is it not much better to borrow in our own country and from ourselves than to go abroad and negotiate with those outside of Canada who then will be the beneficiaries rather than ourselves? Following this up, I would say that in Great Britain, where the system of government and the fiscal policy presently existing are dear to the hon. member for Red Deer, they are constantly borrowing money for their public expenditure.

Are they not at present negotiating enormous loans? Well, if it is a good thing for

that country and for that government which, in his opinion, is an ideal one, surely it cannot be bad for Canada to follow such an example. I have heard it said that the national debt of Great Britain was one of the greatest elements of her financial stability. At first sight I could scarcely understand such an assertion, but its soundness is established upon inquiry, when it is apparent that the money raised is simply handed by the people to the Government and then goes back to the people again, and that it circulates throughout the country, amongst those who have contributed it. Now if such a policy is good for the Motherland, I can scarcely bring myself to believe that a similar policy is bad for Canada. I have already said that the Government is confronted by serious problems. A considerable amount of unrest exists throughout the country and large amounts of money have to be raised for various purposes. Nevertheless, I think we can be assured that all the problems which confront the Government can be solved, that all the difficulties which face it can be overcome, and that all our financial obligations can be well and reasonably met, when we consider the almost limitless resources of our country and the energy, enthusiasm, and patriotism of our people. In my opinion this is the time, above all, when East and West should stand united, when all sections of the country and all our people, whatever views they may entertain, should work harmoniously together to bring about that which we all earnestly desire, the success of Canada, and all lend our assistance so that our country may be firmly and solidly advanced on the path leading to that proud position which she is destined to occupy in the galaxy of nations.

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, the Government have indulged in so much self-praise and eulogy of their own accomplishments and were so lavishly boasted by some of their followers, that we would be inclined to think that we have reached the millenium. Fortunately, hon. members of this side of the House rose from time to time to throw cold water on the burning enthusiasm of that brotherhood of mutual worshippers, otherwise the members of the Government and their supporters might have thought themselves great statesmen, ready to wear the crown of immortality. However, it looks as though that implicit approval on the part of the followers of the Government has been somewhat less unanimous of late. Nevertheless we must admit that the most noisy ones—of course the most interested— continue to bow and cringe more than ever, hoping thereby to make up for the withdrawals that are becoming more and more numerous. No doubt, it is impossible for a man who is used, through better traditions, to assert his independence, to keep on flattering fulsomely a group of politicians who are united under the same yoke by only one bond, that of a common longing for power and the advantages attached thereto.

It is not necesary to be a very astute politician to feel that it is the duty of every honest member of this House to rise and endeavour to stop the activities of a government who are leading the country into bankruptcy through the despotic use of Orders in Council, following the tyrannical gaging of the representatives of the people.

Therefore, Mr. Speaker, my first duty will be to stigmatize this anti-democratic policy and to protest against such abuse of power. Hon. members opposite—those who sit in the front seats as well as those who are in the background out of which they should have never come out—never cease to speak about justice and freedom. Since the inception of the war, they told us repeatedly that one could not make too great sacrifices for the safeguarding of democracy and of its principles in jeopardy. They were ready to mortgage everything to save the world from barbarism. The wealth of the country and the blood of thousands of our brave citizens were not too much for the sake of so sacred a cause. Everything was to be set in motion for the sake of liberty. Very well. All these expressions of patriotism would have looked splendid had they been inspired by something else than political ambition. They asked that the freedom of the smaller nationalities of Europe, Africa and Asia, be respected, and the representatives of the Canadian people have just been denied the same freedom. The men who always claimed to possess the exclusive privilege of loyalty to the Empire are the same men who wanted to break up the parliamentary organization and to ridicule the Constitution. Where is the freedom so often preached by the great unionist saviours? It is now buried in oblivion, hidden under scores of Orders in Council and gags which were set up by some clever artists occupying the Government benches.

Orders in Council and censure, such is the constructive, clear-sighted and saving policy of those who hold in their hands the future welfare of this country. I do not exagger-

ate, Mr. Speaker. In reply to a question put by the hon. member for Champlain, the Hon. Mr. Meighen stated some time ago that there had been as many as 32,848 Orders in Council passed since the beginning of the war. Orders in Council even passed at a time when Parliament was in session, relating to questions on which the representatives of the people ought to have been consulted. That is most unfair and provoking. It is nothing but pure Bolshevism, to use an expression dear to the members on the other side of this House. Not only have the Liberal members a right to protest against such bold despotism, but the Unionist members themselves should resent so brutal a treatment. At all events, the Canadian people, the good and honest people of this Dominion will not forget the attempt that was made against their most legitimate and most sacred rights. In fact, how could the people forget the insult offered their representatives? How could the people have any confidence in a Government who gag and ostracize those whom they should hear and listen to? I challenge anybody to come and say that I am not telling the actual truth.

Is it not a fact that the Government established a system of censorship as an invidious supplement to the series of Orders in Council referred to? That is not ancient history; it is of very recent date. I am even surprised that in this Chamber they kept the beautiful and noble British motto "Dieu et mon droit." I am sure that if the Government could replace that much respected coat of arms by their own armorial bearings, we would have before us the grotesque and allegorical picture of a huge pile of Orders in Council beside a large muzzle, with these words as a motto "Despotism and Power."

In other countries, to-day, the people are free to discuss, and so were they during the war. With very few exceptions, did they not interfere with members of Parliament, but popular orators were not in any way troubled when they addressed open air meetings in Great Britain, as well as in France and in United States. The powerful British fleet was the subject of some very harsh discussions and out of the critisism offered in the French Chamber sprang up Clemenceau, the grand old man of France.

Some people ask us; "Why did you not protest?" To hon. members on the other side of this House who put such a question, I shall answer, somewhat like that general who said to Napoleon, after a bloody battle: "We had forty-two reasons for not firing our guns, and the first one is that we had no guns." "That will do," replied the victor of Austerlitz. Therefore, I shall answer to hon. members opposite: "We had a thousand good reasons not to speak, and the first one was that we had no right to do so."

I was anxious, Mr. Speaker, to say frankly and openly what I thought of the policy of extortion to which we were submitted. I would never get through if I wanted to recall all the absurdities committed by the Government under the famous "Win the war cry." I could refer to the War-time Elections Act, to the exhorbitant profits made by the profiteers, and to many other topics in which the negligence of this Union Government was fully demonstrated. But that would be going a little too far.

I wish to say a word about the industrial condition of this country, and I wish also to refer to the labour situation and to conditions relating to agriculture. I shall add a few suggestions which I hold as advisable. In showing the evil as it obtains and suggesting certain remedies, I shall have fulfilled my duty as a citizen and as a representative of the people. That will be my humble contribution to the construction of a truly progressive and national policy.

First of all, Mr. Speaker, what is going to be the policy of this Government as regards our industries? What will be their policy in connection with the tariff? Such is the question for which the eastern and western provinces are anxiously awaiting an answer. Judging by the literature which is being circulated by the manufacturers now, the Dominion Government will require, this year, to meet an expenditure, to the enormous amount of $437,679,071. Last year's revenue was 260 millions. Therefore we would be confronted with a deficit of 177 millions. Supposing the Government borrows 85 millions, which would increase our national debt by so much, we would still be short of 92 millions. Then you must add to that the amount of the supplementary estimates, which will make the deficit still greater. Where will the Government get the money to cover the difference? The answer is that the people will be taxed to the extent of $351,785,490, which is a crushing burden. And now comes the most alarming question: "How will these taxes be distributed among the people?" Of course the manufacturers have been long complaining that they were ill treated and that they ought to get more protection. They have made millions and millions during the war, but they would like the farmers to contri-

bute the largest portion of the expenditure. We understand their desire to get rich quick and to pay out the least they possibly can. But there are other people than manufacturers in this country, other classes that the Government is in duty bound not to bleed to death. To consolidate their position, the manufacturers claim that they supply the Government with a revenue of $116,577,066.24. However, they forget to say that, as a matter of fact, the amount is actually paid by the people. Is it not true, Mr. Speaker, that the people are paying money each year to maintain certain industries in the lovely fields of protection, where the streams of privilege and favouritism are following?

This tariff of 33½ per cent and in some cases 40 per cent may be compared to a wall as intended to protect the manufacturer against any foreign competitor but unfortunately tending also to restrict our exports. I don't agree, Mr. Speaker, with those who believe that we cannot compete successfully with our neighbours, as far as manufacturing is concerned, because I have enough confidence in the bright and active energy of the manufacturers of this country to assert our ability to compete on foreign markets. The elimination of these taxes would have three immediate results: First, in view of the competition, the manufacturers would increase their production and thus give more work to the labourers; secondly, by increasing their production the manufacturers could export more goods; then, the tax which we cover under the name of tariff instead of paralyzing our industries would be changed into a revenue as coming from the increased exports.

You need not be a great mathematician, neither have you to prepare budgets to understand that the Canadian manufacturer is reaping a double profit, that made by the American manufacturer and the additional amount that the precious tariff legislation allows him to get. Who is paying for it? It is undoubtedly the farmer. Let the Government allow the agricultural implements to come in free during a period of two years, and I have no hesitation in saying that these implements could be got at 20 per cent less than they cost now. The same argument applies to a thousand other industrial products. Consequently, if our manufacturers were producing a larger amount of goods they would require a larger number of employees who could be selected from the returned soldiers—these brave men who more than once have shed their blood to enrich certain manufacturers who were thirsting for riches or profiteers still gorged with the spoils of war.

Even supposing—that is impossible—that the revenue derived from the tariff would be reduced, why should not the Government make up for that loss in taxing the thousands of acres of land which are held by speculators in the West. According to people who know, we could thus collect a revenue of ninety millions. Why would not the Government, tax these financial vampires who, with the cry of "win the war," have starved the people and speculated on the very lives of our soldiers?

Mr. Speaker, the Government, who favours a policy of naval construction with a view to developing trade, should understand that protection and privilege must be cut down.

If we have a purely protectionist policy the ships will be useless, in fact, if our country is encircled by a wall which will separate us and leave us isolated from other manufacturing countries, we need not spend millions, for we shall have nothing to export.

Such are the different phases of a question which may look complicated in a certain way, but which is very clear when you have but to determine who is paying the cost. The rich manufacturer or poor Baptiste?

These considerations lead me to speak of the labour question. Just as I earnestly wish to see our industries prosperous, I desire also that the worker, who is the essential factor of industry, should be able to live in a well deserved comfort. However, the problem is becoming more and more serious —I was going to say tragic. Strikes, lockouts, troubles and acts of violence are noticed throughout the country. When will this dangerous unrest cease? It will continue until we have found a solid basis of agreement founded on common sense and equity. To reduce working hours and increase wages to an exhorbitant rate are two things which will never go together, and that is what we should prevent in the interest of the workers as well as that of the country as a whole. What the worker needs is to be able to secure good food, to educate his children and to live according to his position. If the wages are increasing too rapidly all the commodities which the worker requires will increase also and he will then be in the same position as before. If you reduce the working hours the cost of the commodities will go up and if you add to that the increased wages you will get the result which we have witnessed with anxiety since the end of the war.

When war was declared Germany had a very large production and was flooding the international markets with her goods which were manufactured by cheaply paid labour. What was the condition in Germany then? The labourers were working eleven hours and more a day and once their regular work was done many of them were spending their evenings in manufacturing various articles.

That is what gave Germany its power of expansion. What would happen now should the Government agree to establish a working day of six hours, such as has been asked for, and if other countries with which we have been at war kept up working eleven hours a day? What would happen? In ten years we would have lost most of our gains and we would be left behind in the export trade and in our legitimate race for economic advantages.

Therefore, let us hope that the Government, will honestly endeavour to bring strikes to an end either by a press campaign or by other means tending to enlighten the masses as to their obligations and duties. But, besides the manufacturers and the workers, there is a class of people, Mr. Speaker, deserving more than any other the attention the support and the encouragement of the Government: I mean the agricultural class. And unfortunately, the farmers do not possess the power which is inherent to the labour organization, and the present Government who are well aware of their weakness, did not set fit to grant them the fair treatment they were entitled to.

In the cities, it is customary to complain about the farmers. But the people that they are complaining about are not the farmers properly speaking, but the merchants who come to the market to sell products which they bought from the farmers. Let us talk about the real farmer. I belong myself to a county which is almost exclusively populated with farmers, and the condition of the "habitants" as we call them, is dearer to me than that of any other class of people. In fact, I regret that there are not any more farmers in this House.

I will give an example which will illustrate my thought. About a month ago, butter was sold 75 cents to $1 a pound. The people in the cities were justly complaining about this high cost of butter. But, Mr. Speaker, the butter had been purchased from the farmer in the fall for 42 cents or 43 cents a pound by the cold storage people, who were using the little savings which the farmer had deposited in the bank. Was not the Government aware that there were millions of pounds of butter in these warehouses? What did the Government do? Nothing. The Government were deceived by the finance magnates who paid over to the election funds the surplus of their dishonest transactions.

If the Government want to make Canada a prosperous country, they must undertake a campaign of education for the benefit of the farmers and the workers. They must suppress the monopolists and the middlemen these blood suckers who are the parties responsible for the increases which led to the high cost of living. If the Government wish to do justice to the farmers let them deal with the pressing problem to which I have just referred instead of wasting millions in the purchase of useless railroads.

Why did not the Government take the duties off chemical fertilizers? We must absolutely give back to the soil what we take away from it for production, especially after a period of over production such as that which existed lately. Therefore it would have been very important to relieve the farmers from duties on chemical fertilizers. The Government have not done it, what do they intend to do?

I would not resume my seat, Mr. Speaker, without making a short reference to what we call the defaulters. I submit that most of these men were ignorant of the many subtleties of the Conscription Act. Practically all of them were acting in good faith, believing they were exempted as farmers' sons according to the solemn promises which had been made to that effect, on the eve of the election. If these alleged defaulters did any wrong, it was in believing in the word of some of the ministers and of other electoral engineers of similar brand. I do not intend to devote more time than is necessary to this question which has been so often discussed in this House. However, I may be permitted to say that the Government having passed over 32,000 Orders in Council since the inception of the war, the farmers were justified in not knowing all these documents by heart!

Who are the members of this House, who never miss an occasion to charge other people with being disloyal? They are always the same great would be patriots, whether they come from Toronto, Frontenac, North Perth or elsewhere. Yes, Mr. Speaker, they are practically the same talking machines set in motion by the invisible springs of fanaticism, of narrow mindedness and of yellowism, which deafen our ears with the empty noise of their wearisome music.

Taking after Shakespeare's Shylock, these prejudice mongers are every day in need of their pound of French Canadian flesh to

throw out to their bloodthirsty electors. Were it not for that, those popularity seekers would not loom large in their constituency, in their town, or in their wigwam. Their plan is to cast aspersions on everything French and Catholic. We are the people whom they make a target for their insults, we the descendants of the pioneers of this country! Let these champions of tyranny spend their energy towards furthering other objects. Let them induce their fellow people in Ontario and the western provinces to treat the French Canadian element as the English-speaking people are treated in the province of Quebec. It is towards securing such a result that many an hon. gentleman might usefully exert his seething powers.

A few words more, Mr. Speaker, and I shall conclude. I may sum up my whole view by stating that I sincerely trust that the system of government through Orders in Council is about to come to an end. I trust, moreover, that the gag system will be replaced by the reign of liberty for the representatives of the people. Besides, it is desirable that the Government should get busy cutting down the customs duties, and helping the labouring classes to peacefully attain their purposes. And particularly, Mr. Speaker, I earnestly hope that the Government shall grant to the farming community all that it is entitled to. We should not concern ourselves quite so much with enriching capitalists, and should endeavour to put the peace-loving countryman in possession of his own. Let an effort be made to enable the agricultural worker to produce more cheaply, and to reap the full reward of his labours. Let us look after our glorious returned soldiers, but at the same time let us keep in mind those who have sown, ploughed and reaped towards the soldiers' sustenance.

Now that peace is about to be signed, we should put victory to good advantage. We may as much as we like enlarge on the great ideals which we have vindicated at the cost of our gold and our blood, but we should bear in mind that liberty, a sublime word which has given its name to the Liberal party, should rule not only in the parliaments of Belgium and Poland, but in this very place within the precincts of our Chambers. And liberty is synonymous with justice and equal rights for all. Liberty goes hand in hand with harmony and union between the races.

If Canada is to become great and prosperous, if Canada is to continue advancing along the wide course opened by the true champions of our national life, Laurier and others, it is necessary that all should respect the traditions and rights of the minority, the opinions, beliefs and speech of those who are bound up in the activities of the country as a whole. Let us have greater generosity, less hatred, greater earnestness, less politics, more free men, in short, and then we shall see Canada soaring towards those resplendent heights where its past history impels it and entitles it to aspire.

Mr. EDWARD T. W. MYERS (Kindersley): Mr. Speaker, at this late stage of the Budget debate I hesitate somewhat in asking the indulgence and forbearance of the House. At the termination of this debate each individual member will have to decide whether his vote will be recorded in support of the resolutions before us or in favour of the amendment, with its uncertainties, of the hon. member for Brome (Mr. McMaster). In stating my intention of supporting the Finance Minister in his proposals, I do so with a keen sense of the responsibility which, as a western member, rests upon me. However, after a careful analysis of the amendment, there is no other choice for me.

There is no doubt, Sir, but that there is a unanimous opinion throughout the Prairie Provinces, utterly regardless of past political proclivities, that there should be a general scientific revision of the tariff in order to obtain redress of certain undue burdens which, it is assumed, are unnecessarily imposed upon us. As a Canadian, I want to see adopted a policy which will build up a great nation—not rend asunder the eastern part of Canada from the great western heritage which is only in the infancy of its development. If our policy is to be provincial, sectional, selfish or in the form of class legislation, then our true Canadian nationhood will suffer; dissension, discord, and industrial chaos are bound to follow.

Before offering any further discussion directly concerning the resolutions and the amendment thereto, I wish to refer to a resolution which I placed on the Order Paper early this present session, but which I did not have an opportunity of bringing to the attention of the House before we reached the termination of private member's day. The resolution was as follows:

That in the opinion of this House it is expedient that some immediate action be taken by the Dominion Government in order to in some manner control the price of wheat grown in Canada in 1919, both in the interests of the producer and the consumer; and, further, to

make immediate provision for the establishment of the necessary credits and transportation facilities to insure that our farm products be marketed to the best possible advantage.

When I drafted this resolution, Sir, with the many vital issues pertaining thereto, I did so with a full realization of its many complexities. Viewed, as it is, with such diversity of opinion and such confusion of thought, I felt rather incompetent to intelligently deal with its many angles of difficulty. The subject, Sir, is of interest to every public spirited man as well as to the farmer, therefore, I hope I will not be judged as being prompted by a sectional, provincial, or selfish motive. This is not a question based on a selfish principle; it should be viewed from a broad national standpoint. To be sure, it relates to agricultural products only, but when we remember that 50 per cent of Canada's population is engaged in agricultural pursuits, and the value of agricultural products in 1918 was $1,100,000,000, then, Sir, I feel that this question commands the attention of every Canadian, and of Canada's Government, if regard for national prosperity is to be seriously considered, for agricultural prosperity means national and Dominion wide prosperity.

A great deal of unrest exists in Canada to-day, brought about by the unsettled conditions following the war—its sudden termination, and the resultant chaotic conditions in the world. No line of industry feels easy or comparatively safe, for where there is no stability, there can be no industrial safety. The knowledge the public has being limited, naturally creates unrest, and an unstable feeling is therefore exhibited. This is particularly true in Western Canada, in those provinces where grain growing is the chief industry. I feel, therefore, as a representative of a purely grain growing constituency, and from the province of Saskatchewan, which holds the proud record of being the greatest wheat producing province in the world, that I would be derelict in my duty if I did not draw the attention of this House to the issues outlined in the resolution I have just read.

My action was prompted by repeated requests from hundreds of Local Grain Growers' Associations in the constituency I represent, reinforced by resolutions unanimously endorsed by the grain growers of Saskatchewan in convention, where delegates of two thousand or more gathered from every remote district of the province. Our local legislative assembly also unanimously endorsed the principles of my resolution.

When we consider the fact that Saskatchewan produces more wheat than Manitoba and Alberta together—from this year's statistics it will be found to be nearly 30 per cent more—I think it will counteract the weak argument brought forward that the West was not unanimous on this subject. I must, Sir, in passing, refute the statement that the farmers of Manitoba and Alberta are unanimously opposed to some action being taken towards the realization of the principles of my resolution. Despite the fact that resolutions of endorsation of this question were not carried. I wish to express the opinion that 90 per cent of the farmers who are grain growers of these latter provinces are in favour of fixation or some form of control. The constituency of Kindersley, which I represent, is contiguous to, or borders on Alberta, and I have had many expressions of opinion from farmers to this effect.

Many delegates attending the conventions held in Alberta and Manitoba were strongly in favour of Government action along the lines outlined in my resolution. What influences changed their convictions can only be surmised? I do know that at the convention of the agricultural societies in Manitoba, held shortly after the convention of Grain Growers, they repudiated the resolutions of the latter convention and unanimously endorsed the attitude of fixation. Likewise, Sir, at the district convention of the Portage Plain farmers, the delegates similarly repudiated the decision arrived at in the Grain Growers convention. I do not wish to impugn the motives which actuated the leaders of the Alberta and Manitoba conventions or leave an impression that they acted from ulterior motives, yet from certain press statements, conclusions might be arrived at that selfish interests actuated these leaders through their friendship with certain grain corporations in which their profits might be restricted if open marketing was curtailed by any form of control.

I have many press statements, Sir, but I shall read one only that was given out by the Hon. George Langley, Minister of Municipal Affairs, and it is on this statement that I base the expression of opinion that I have just uttered. This is the interview as given to the press:

I only want to say that from opportunities I have had of gathering the opinions of farmers, not only in Saskatchewan but in Alberta and Manitoba as well, that Mr. Crerar is sadly astray in taking the forced vote of the farmers' conventions of Manitoba and Alberta on the

fixing of wheat prices as an indication of the way the farmers of the west felt in regard to the question. The vote was forced on each of these conventions by the farmers' leaders, and I strongly suspect at the instigation of Hon. T. A. Crerar himself. The vote was manipulated by the officials of the United Grain Growers, Limited, and does not represent the real wishes of the western farmers.

However, Mr. Speaker, the farmers do want action taken by this Government, as in 1917, when the price was fixed and the market stabilized. This is essentially a war year, conditions are not stable, and no one will dispute my statement when I say that fixation of the price of wheat in 1917 did not react to the advantage of the wheat producers. The price was not fixed in their interests or to encourage production, but in simple language, to hold the price down.

Every member of this House should remember that in May 1917, when prices reached $3.05 in Winnipeg and $3.49 in Minneapolis, and without doubt would have gone higher had no fixation of prices been made, the price realized would have been at least $3.50. The yield in Saskatchewan alone in 1917 was over 130,000,000 bushels. Calculate the difference between $3.50 and the fixed price of $2.24, and you will find, roughly speaking, $150,000,000 of a difference in what was realized by the farmers of Saskatchewan alone in the year 1917.

I have heard the opinion expressed, Mr. Speaker, that we are seeking a bonus. I want to tell the House that we are not seeking a bonus, we are just seeking a square, fair adjustment of conditions brought about by the war.

In 1917 and 1918 the farmers did not complain of the drastic step taken by the Board of Grain Supervisors. They received a fair return—or those did who were favoured with a crop—and they were content not to unduly burden the consumer, especially at a time when our Mother Country and her Allies were engaged in a life-and-death struggle. At this critical juncture the farmers put forth every effort towards production and a greater production, always with a view of loyally doing their duty in the way of supplying foodstuffs to the Allied armies.

In passing, let me say we are proud of the part Saskatchewan played in the great war. She not only produced foodstuffs to the utmost of her power, but she sent her quota of men just as freely as any other province—indeed, in a greater ratio, considering her cosmopolitan population—than any other province. You did not hear of many serious objections when the Military Service Act was amended. Of course, this legislation may have somewhat handicapped production, but the greatest need at that time was men, and our boys went forth loyally. Those left behind kept right on in 1918, producing as best they could.

I need not refer to the campaign for greater production, only to say that this suggestion also was loyally responded to in the West as well as in the East. Many farmers, at considerable outlay of capital, broke up more land in response to the call. The cost of labour and of implements was greatly inflated, with no restrictions whatsoever on either; and to-day we find that the farmers have a large acreage seeded at an increased cost, and that conditions are in an unsettled state owing to the uncertainty of market conditions.

Respecting assertions made by some extreme partisans that very little of our 1918 crop has been exported, due to the fact that United States grain was permitted to be shipped to Canadian elevators, I may say that this step was not taken at the expense of Canadian export. I can say without fear of contradiction that it did not in the least interfere with the exportation of Canadian grain, nor will it. Our 1918 crop has all been arranged for by purchasing agencies of Great Britain, and I am confident that it will all be transported before the 1919 crop is ready for marketing. The question is, to my mind, whether Great Britain may not carry over a large surplus of the 1918 crop and thus affect her requirements for the 1919 crop. The unstable and chaotic conditions in Europe prevent the establishment of sound credits in many of the European countries. Personally, I do not think it wise financially to extend credits to Governments which are not stable. The advisability of controlling or fixing prices hinges at the present time on the question whether the present purchasing agency of the British Government is to continue active for the new crop or will expire with the clearing up of the guaranteed wheat now in store. If Government buying in Europe continues, then Government selling must prevail. Europe may not be ready for open markets this year. United States is in the position of a grain-buying Government, and therefore must be a selling Government. If, therefore, Canada does not take some action, she will find herself in the unenviable position of carrying on individual buying and individual selling, and I am sure no one would argue that we would have any kind of equitable chance against

organized Government buying and organized Government selling.

The special powers granted under the War Measures Act cease with the proclamation of peace. Special conditions may warrant some special legislation to control unlooked-for events, but up to the present we have heard no announcement from the Government concerning a policy of this nature. Some reports state that the price of wheat may reach $3.50 or over; if it does, what action will be taken by the Government? There is only one sane course to pursue, and that is again to fix the price and thus hold it down. Crop conditions in the West are not any too promising this year; there may be a shortage. If some policy of control is not arranged for and stabilization assured, does any sane man imagine that the banking institutions of this country are going to finance the grain men? Not for a moment will they risk their depositors' money, having regard to the stability of prevailing conditions. The grain men are bound to take and will take wide margins this fall when buying the 1919 crop, in order to protect themselves in an unstable market. This action will be at the expense of the producers who, through urgencies of financial obligations, are forced to sell at depressed prices. In the spring of 1920 the grain men will inflate prices and thus make huge profits at the expense of the consumers. This has always been a discreditable state of affairs, and I firmly believe that speculation in the grain trade should be done away with. Why should not the producer get fair and full values from the consumer, instead of so many speculators making fortunes through speculation? In view of the possibility of there being open markets this year, the West is being flooded with circulars from grain men asking the farmers to trade in futures. It is time that was stopped.

Before the fixation of price in 1917 the spread between the price paid in the fall of 1916 and that paid in the spring of 1917 ranged from $1.25 to $2. Any one who knows conditions in the West knows that that has been the order of things; and I feel that such a condition should no longer be tolerated.

I would like to refer to the duty of the Government in relation to transportation conditions. Our crop of 1919 must be marketed at a favourable price, or there will be hard times. If United States has a large exportable surplus and Canada cannot utilize United States tonnage, as before, we must either arrange for some government controlled tonnage or take the consequence of having to use the tramp market for our transportation, and all that that implies. Therefore it is the duty of the Government, if it has not already done so, to arrange for sufficient tonnage for the transportation of the exportable surplus of our farm products.

I wish to refer for a moment to the work of the Soldier Settlement Board. I have heard the work of this board criticized and statements made that its work would not encourage agriculture. To my mind, its chief aim is to encourage agricultural pursuits by getting the returned men to engage in farming. I have no fear of the ultimate results of the work which it is carrying on. A very encouraging report was given me recently by Major Ashton, the Saskatchewan representative on the board.

I have heard it said that the returned men will not remain on the land. I am sure that they will; but in any case there need be no unrest, for if in all cases where returned men throw up their contracts the opportunity of taking the lands thus given up is extended to civilians, the contract will be gladly assumed. In fact, I would like to see this scheme extended to civilians generally; I am sure that agriculture would thereby be encouraged and that the settlement of our rural districts would be given an impetus. I would urge that the Government consider this suggestion.

Exponents of the system of raising revenue by a graduated income tax must be gratified with the Budget proposals brought down this year. If I had any suggestion to offer, it would be that of urging a more systematic organization for the collection of this tax, for I believe that many who should pay it are not doing so. More stringent regulations should be adopted and enforced. When critics argue that the federal income tax is not sufficiently high they must be overlooking the fact that to-day we have a municipal, a provincial, and a federal income tax. As to the advisability of imposing a tax on lands, in my opinion it would be better if a financial arrangement could be made between the Federal Government and the various Provincial Governments under which the income tax would become a purely federal tax and land taxes would be levied and collected by Provincial Governments and municipal councils. Many provinces have already a surtax on wild lands. An arrangement of this nature would prevent duplication and undue hardship. Unimproved lands held by speculators could thus be taxed by a system of assessment based upon the prices which they are asking for the lands.

No western member can fail to appreciate the railway policy of this Government. The Minister of Railways (Mr. J. D. Reid) has informed me that from $10,000,000 to $15,000,000 will be spent this year in the construction of branch line railways, and this is a sane policy to follow. No single agency is more conducive towards the development of a district than a branch line of railway. I know that certain districts in my constituency will, by the construction of different branch lines this year, progress rapidly and will have an opportunity for greatly increasing production.

I did not intend to speak about the natural resources of our provinces, but as they have been referred to by several speakers, I just wish to state that I am strongly in favour of the return to the provinces of their natural resources, and it is very gratifying to me to see that this is almost unanimously desired. It is almost a love-feast on the part of those who are in favour of this at the present time. I should like to point out to the leader of the Opposition (Mr. McKenzie) that I remember when the ex-Premier of Saskatchewan, the Hon. Walter Scott, stated on a platform that any person who advocated such a policy was a fit subject for an insane asylum. I have always felt that our resources should be under control of the Provincial Governments, and I should also like to point out for the benefit of the Opposition that when the leader of the Government attempted to restore their resources to the western provinces, most of the opposition came from the other provinces. I am sure the Prime Minister did his duty when he attempted to adjust the matter.

Mr. Speaker, for a brief period I purpose referring to the Budget proposals pertaining to the customs tariff and the amendment moved by the hon. member for Brome (Mr. McMaster). If the proposals are not just as satisfactory as some western members would like, I would point out that there is a great deal of unrest and lack of stability in Canada as in all other countries as an aftermath of the war, peace is not yet declared, and many grave problems pertaining to reconstruction are engaging the attention of the Cabinet. Demobilization will not be completed until August or September; pensions have to be provided for, and many questions of a really war nature have yet to be solved. The revenue to be raised is enormous, and, therefore, in the midst of these grave responsibilities, with all the industrial unrest and chaotic conditions, I believe the Minister of Finance did all humanly possible, without a scientific revision which he promises he and his colleagues will undertake before the next Budget is brought down. Yesterday, we heard from the leader of the Opposition criticism of this proposed revision. He stated that he had his doubts that it would be carried out, pointing out that for the past number of years no revision of the tariff had taken place. We all remember that in 1907 there was a revision of the tariff. I do not think any sane business man would advocate a frequent revision of the tariff because in that case there would be no stability. That would make the next revision due about 1914 or 1915, and I believe a man would be in the state of Rip Van Winkle if he suggested that a revision should have taken place since 1914. I have every confidence that the Minister of Finance will make a careful, scientific revision of the tariff. From a purely western standpoint, we should like more substantial reductions, but still when one compares the present duties with the duties proposed under the reciprocity pact as regards farm implements, the present duties compare most favourably, and on many articles they are lower than under the terms of the reciprocity pact. To prove my assertion I might cite a few articles. The present duty on farm wagons is 20 per cent. Under the reciprocity pact it was 22½ per cent. The present duty on binders, mowers and horse-rakes is 12½ per cent. Under the reciprocity pact it was 15 per cent. The present duty on cement is 8 cents per hundred pounds. Under the reciprocity pact it was 11 cents per hundred pounds. With very few exceptions there is no article on which the duty is not just as low as under the reciprocity pact. Small tractors up to a value of $1,400 are to continue free of duty, and this has proved a decided benefit to Western Canada, and I believe a great benefit would be derived if this concession were also extended to the tractors of power known as 15-30, as this is a tractor which is more in common use and more serviceable. Wheat, wheat products and potatoes are all on the free list, and if one studies the customs tariff to-day, one will find that the tendency is generally downwards. This was done under a protective government, not under a government which took office on a policy of low tariff. The tariff reductions aggregate, as stated by the Minister of Finance, $17,000,000, which, added to loss by these reductions, make a difference of $25,000,000. One item particularly pleasing to me is the abolition

of the revenue tariff tax imposed on British preferential rates. I am sure this is a start in the right direction, and I would rather trust a party whose energy was directed during the war in co-operation with our Mother Country, and I believe that through this channel we shall, in the future, always have a most sympathetic trade relationship.

A nation's wealth consists only of a surplus of its exports over its imports, and if the object is to increase the imports and to reduce the value of the exports, then we are transferring our wealth to other nations, and, therefore, I hope all our industries will be stabilized through sane legislation.

The leader of the Opposition said yesterday that he was going to support the amendment, but from 1896 to 1911 we did not hear of many amendments along the same lines although we had many, many promises. It seemed yesterday that the leader of the Opposition was grooming himself for a coming very interesting event. He was going to be everything to everybody. He was going to give the West free machinery if we wished it, but would not take away the protection or bounty, as he called it, on iron ore down in Sydney. It is just the old, old story when they are in Opposition.

Briefly analysing the amendment of the hon. member for Brome (Mr. McMaster), let me say first that the hon. member for Lethbridge (Mr. Buchanan) has aptly described it. Expediency is a vague term indeed, and the amendment is most mysterious. I believe it is nothing more or less than political subterfuge, introduced for political purposes only. The hon. member for Brome in this debate has established a reputation for himself as a tariff rhymester, and if I were permitted to reply in the same style I would say that he "works in a mysterious way his camouflage to perform."

In passing, every hon. member knows that we are heavily burdened with our war expenditure, but I wish to refute the statement of the hon. member for Rimouski (Mr. d'Anjou) and other hon. gentlemen opposite, that we are bankrupt through an unreasonable participation in the war. Unreasonable participation in the war! In our hour of trial they failed us. I wonder if they are going to fail us now in carrying our financial burdens. It ill becomes them at this stage to snipe and sneer at the work of the Minister of Finance.

In conclusion, let me repeat that I purpose supporting the proposals brought down by the Minister of Finance. At least we have made a start in tariff reduction, and the minister has promised that within the year a scientific investigation will be held into the tariff with a view of remedial legislation being introduced later. I shall support the Government, rather than link up with the Opposition and vote for this amendment of political subterfuge. I appeal to the hon. member for Red Deer (Mr. Clark), whose consistent and undeviating course no man in Canada dare question, whose sincerity is beyond reproach, and whose efforts to secure reform have always been steadfast, whether I am not justified in accepting these proposals of reality, rather than a mere profession of good faith on the part of the Opposition. I have heard the hon. member for Red Deer use the old homely proverb, "A bird in the hand is worth two in the bush," and I think that proverb is most applicable at this juncture. I may be criticised, Mr. Speaker, but that does not matter, for in the words of the hon. member for Humboldt (Mr. Lang), which were permeated with real sincerity, this is no time to think of one's personal political future.

We have great unrest in this country, as they have in almost every country in the world, and there is a danger of industrial disruption. We are carrying a heavy financial burden, but we are not bankrupt. Bankrupt nations do exist in the world to-day, but I am proud, as a Canadian, to say that the British Empire is not one of them. Optimism should be the key-note of every sane Canadian citizen. We can never atone for the sacrifices of this war, marked by nearly 60,000 simple crosses in France and Flanders, and demonstrated in Canada to-day by the deformed and maimed, but surely as true Canadian citizens we can shoulder our share of the burden, stand together four-square, make the needed sacrifices, and show to the world that civilian Canada is carrying on. And surely with the great national heritage entrusted to our keeping to be developed and conserved we can finally throw off the financial burdens which confront us to-day.

Mr. HERMAS DESLAURIERS (Sainte-Marie, Montreal) (Translation): Mr. Speaker, it is not my intention to shed any further light upon the present debate, for I believe the situation of the country's affairs is perfectly elucidated and clearly understood by every one, except the Government. I think, however, that it is my duty to strongly protest against this colossal budget

which, in my opinion, is nothing but a partial and official admission of a blindness without precedent in our history.

The more I consider the present Government's policy, the more I find it like that period in the history of New France under the rule of Intendant Bigot, of wretched memory, whose mission was to destroy the colony. Writing one day to his friend Verger, he said: "Take advantage, my dear Verger, of your position, trim and clip, you have full power, so that you may soon join me in France and acquire an estate close to me." Later, he gave General Wolfe the key to the Plains of Abraham, his country losing thereby her finest colony. Is not the present Government holding the same language to its friends the profiteers, the monopolists, of the brand Mackenzie, Mann, Flavelle and the like? Does it not allow them to trim and clip, saying to them: "Take advantage of your positions, you have full power, keep hoarding up that you may get titles and acquire estates close to us. And all the while waiting for the opportunity to deliver up Canada, plundered and ruined, to the Americans or others, thereby causing England to lose one of her finest colonies. It is most evident to me that such is the whole policy of the Government. Will they have the time to accomplish their work? That is the problem. From ocean to ocean, unrest, trouble and strikes are the order of the day. The Government is compelled, in the very centres which were the most sympathetic, to use those hardly cooled cannons, which helped to save civilization overseas, against the people of this country. The people are crying for bread, for work, and, just as in the days of Bigot, that bread is sent abroad, they are even sending it to those who are responsible for the death of 60,000 of our own, to those who have caused so much mourning among us, who have filled our orphanages and our poor-houses and have bred so much misery, and the Government stands pat, so that its friends may clip, trim and hoard their capital, and you think that can last very much longer? You make investigations, you legislate in order to conjure time and revolution is at our very doors! You pretend that things are worse over in Europe and you are, nevertheless, helping to create similar conditions in Canada.

With your permission, Mr. Speaker, I wish to state in this House that I do not see things in that light and that, if it does not make a radical change in its economic policy, the present Government may be deceived in its reckoning. The Government must put an end to the excessive exportation of our foodstuffs. It is high time to say to the profiteers and to the monopolists: "You have thriven enough, let the people have its turn." The Government should forbid cold-storage owners, such as Matthews-Blackwell, Swift, Davies, etc., whose plants are already crammed with provisions, from sending their agents throughout the country, here they are allowed to monopolize the foodstuffs. Whatever the Government may say to the contrary, those are the men who are oppressing the people.

The price of provisions must be fixed and severe penalties imposed upon those who break the law.

I understand how proper it is to appeal to the people to be thrifty in order to relieve the situation the Government has put us into, but, on the other hand, the Government should be the first to set the example. That is not what they are doing. Only recently, they have increased the effective forces of the North West Mounted Police. The Government, through the demobilization of the cavalry returned from overseas, found itself in possession of the equipment needed by the mounted police, saddles, horsewhips, blankets, etc. These goods, the greatest part of which were brand-new, were sold at ridiculous prices—the saddles at $4 apiece. Some time ago, a Mr. Desrosiers, who had acquired the same articles, offered them to the deputy minister Brodeur, if I am well informed, at a price of $4 for the saddles, and 50 cents for the whips, for the mounted police's use. He met with a bad reception. The Government has friends who supply them at $22 a piece. "Trim, clip, hoard up, you have full power." Is that wise and honest administration? The people will become weary, some day.

On June 22, 1918, the Government held throughout the Dominion a National registration. The law, which should be complied with, allowed $2.50 a day to its sworn employees for their work done previous to June 22, and for that day the sum of $4. I have the Government sworn statements of accounts from employees who have yet received no pay whatever. The law is the law. It stipulated such amounts were granted to them, and I was greatly astonished to hear that the salaries paid them were altogether different. The salary of those employees have simply been robbed. The Government should have kept its own engagements. In that case also, the Government seems to have said, as Intendant Bigot said: "Trim, clip, and hoard up, you have full power."

In reference to railroads, the hon. Minister of Finance told us that the Transcontinental was not a venture obtaining his full admiration. I contend that the public is interested in being told why certain sections pay more and others pay less, in order that some remedy may be found, while the others are being further developed. According to a reply made by the hon. Minister of Railways, the people of this country and their representatives have no right to be informed as to these details. I cannot agree with him. I can see no other reason for the Government's opposition to giving such information but its criminal negligence towards this national enterprise. In spite of all its adverse dispositions and its ability to bungle railroads, that work is the work of a great man and it shall not perish to-morrow, the Quebec Government will come to its relief by building at its own expense a new line which will develop the Timiskaming region.

Upon another occasion, I asked the Government whether a certain party, Miss Yvonne Lamontagne, had not received a Government bonus and if a similar bonus had not been promised other employees. The hon. Minister of the Interior replied in the negative, although that lady has actually received a $250 bonus and that the same bonus had been promised to others who did not receive it. I do not mean to question his good faith, for he personifies justice on the opposite side of this House, but he is wrongly informed and he has led the House into error. Would he only grant me a short investigation, I might call up certain witnesses who would certainly convince him. If I make such a remark, it is because I believe the minority have the right to get the facts and to know how the country's money is being spent.

I might have put more questions on the Orders of the Day, but I must state that the present Government, who disregards the rights of the people and of its representatives, have made such questions unpleasant to me. When a member asks the Government a question he is entitled to know the truth. I have, however, found out that, on several occasions, truth was sadly neglected, a fact which may hereafter compel the members to adopt a different procedure. Thus, the Minister of Labour had the information given me, when I had put questions about strikes, that everything was all right, that everything was going well, that everything went better than in the past years. When I asked him to take some kind of a stand in order to prevent the people from being compelled to resort to strikes to meet their obligations, his answer was a report of the strikes up to 1918, without mentioning the period elapsed since the armistice, during which numerous strikes closely followed one another. He replied to me that I was allowing myself to be mystified by circumstances. I do not know whether Winnipeg, Toronto, Calgary, Edmonton, have not given him in his turn sufficient subjects for mystification. Since, on the very floor of this House, we are charged with letting ourselves be mystified by circumstances, I certainly have the right to tell the Government to account for all these strikes extending from ocean to ocean. I certainly have the right to ask the Government an account of all the hardships the people are enduring, of their privations, of the thefts caused by want and hunger. I certainly have the right to call them to account for the deaths due to privations, when people could not earn enough wages to get the necessary care and food for their condition. I must call them to account for the Bolshevist spirit which is spreading, especially in the West, and of which we have a few samples in Montreal. That spirit of Bolshevism, I must say that they are the ones who have produced it by failing in their promises in every way, and even in creating organizations to show the people how Bolshevism could become a success. I refer to the famous organization paid by the Government and whose leader was Ti-Noir Desjardins. One of the latter's companions was a candidate against me, in 1917, in Saint Mary's. To-day he is affiliated, through his labour council, to the "One Big Union," which is the same as the I.W.W., a most Bolshevist organization. It is the Government who have taught them, in the province of Quebec, the way to start an organization that could overthrow authority.

Inasmuch as the working class is now suffering, I ask the Government if they are able to tell me what they have done since they have been in power to give that class an opportunity to earn living wages. They, claim to be a democratic government, I would ask them to tell me what they have atempted to do, not to settle the present conditions, not to ward off the strikes, for that would be no easy task, but to attenuate the economical crisis which is the cause of the people's sufferings. They have absolutely done nothing.

I may ask the Government to tell me what they have done towards relieving the workingman who is being crushed to-day, it would seem, under the burden of misery

and of inadequate wages. It has indeed been reported that they have created commissions. They are experts in the appointing of commissions, that much to their credit. The Government have created a Food Board, not however as they have done in the United States, in Germany, in France and in England, to prevent the speculators, the monopolists from grinding down the people, far from it, it was to give them information and give them legal protection, to befriend them. Why have they resorted to this commission system? You have seen it in Commissioner O'Connor's dismissal when that gentleman wanted to speak the truth. He was put out and his place given to another who did not tell it at all.

At one o'clock the House took recess.

The House resumed at 3 o'clock.

Mr. DESLAURIERS (translation): I was discussing, at one o'clock, the question of the cost of living. I would like to add a few words upon that subject.

The Government tells us that the high cost of living is due to the abnormal demands of Europe where abnormal conditions are prevailing. Is that a good reason, because the demands and the conditions are abnormal elsewhere, for placing Canada in the same position those countries find themselves? For my part, I do not share that opinion. Is it reasonable that butter should sell this year higher than it was a year ago, for the reason set forth by the Government, i.e., that revolution rages in Europe? If revolution is caused by the scarcity of foodstuffs, it is surely not wise for the Government to create such a scarcity in this country also, for it may produce revolution. The Government propose to spend millions upon millions particularly in the construction of good roads, I admit that is a good thing, but first of all peace should be maintained in the country. Why do they not apply those $25,000,000 to the building of cold storage plants under their own control? By so doing, they might control the farmers' produce throughout the Dominion and sell it to the consumers at reasonable prices, keeping the necessary amount for the management and the salaries of those employees who would be in charge of the plants. Why do they not act with respect to foodstuffs the same way they have done for the pulp mills? They did not hesitate in regulating the cost of pulp. Why have they done it? Because the press, largely kept in pay at the Government's service, demanded it. They granted their claims; but when the people's hunger has to be stayed, they find it impossible to do it.

I have put several questions in this House about the cold storage plants. The Government were unable to give me the names of those who have been rigorously dealt with, the penalties imposed and the places wherein such plants are located. And, meanwhile, I knew that in Quebec, in Three Rivers and in Montreal, the law was being absolutely disregarded, there being a conviction that the party in power would not start anything against the speculators. I say that this is the true reason of the high cost of living. The Government should have the laws enforced. I do not pretend that they should show the same zeal as in the prosecution of those who transgressed the Military Service Act—men who, in my mind, are innocent—but I ask them to do for those speculators only one fourth or half as much as they have done against the others. I am of opinion that the speculators should be in the penitentiaries for the harm they have done, and are still doing to the public.

Why hesitate to amend the tariff, why oppose the amendment moved by the hon. member for Brome (Mr. McMaster)? I say it is unjustifiable in the present circumstances and, for my part, I shall frankly and eagerly support that amendment. Since I have started asking in this House questions as to the strikes—a deep-rooted evil which strangles the workman—absolutely nothing has been done to stop them. It is true the effective forces of the Mounted Police have been increased. Is it to soothe the groanings of those who are starving or to protect the profiteer? Probably one and the other. Let us beware, suffering cannot be cured by ill-treatments. To promote hatred is no way to settle the social unrest prevailing throughout the country. In the name of those who, like me, are still capable of being moved and roused by the workingmen's lot, who have at heart their interests and those of every class of people, I ask the Government to act and to act quickly.

You have imposed Blood Conscription. Why should you refuse to impose Food Conscription?.

The war is over in Europe and the terrible prophecy, uttered in 1870, in Colmar, a small village near Strasburg, by an old Alsatian, has been accomplished. When the Prussian guard had tied him up, the very day he was marrying one of his sons and were torturing him to make him tell what direction the sharpshooters had taken, the old man ex-

claimed: "Frenchmen speak not!" and when they had gone, he added:

Hark ye to me yonder, victors of the hour,
Germany cursed, Germany dung!
Hark ye, sooner or later, to-morrow or ten years hence,
France shall go in your homes and marry thy children,
Thou wilt see them tumble upon the bloody soil
Insulting thy shame and defying thy sufferings,
Their heel on thy throat and their eyes in thine own,
And when thou wilt be alone to mourn over them
When thou wilt be nothing but an immense graveyard,
And thy sons sleeping united as my own,
France shall cry for me: "Blood drenches blood,
Thou hast said it, that is the law,
My sons have fallen under thine accursed hordes,
But all thine own are dead, very well, we are quits."

Mr. Speaker, you know what has happened to Germany. That is the way Providence punishes tyranny, injustice, ferocity, barbarity on this earth.

We may now repeat with the poet who put the words in General Kléber's speech: "Hail, fair Alsace, forever free to go smiling and blooming to thy old altar, the fatherland, arm in arm with thy French redeemer." We see Clémenceau covering his aggressor with his protecting cloak. Lincoln proclaimed as free citizens those who had fought against him. We, in Canada, are overburdened with a debt of two billions and over and when the people is crushed under the weight of taxation, the Government are maintaining, at minister's salaries, a whole band of parade officers who encumber this country's finances. And, meanwhile, the sick, the maimed, the widows and the orphans of this war, are most ungratefully treated.

While the Allies are cheering over their victory, the Government keeps us upon a volcano. We are still at war; filled with disgust, the people see the federal police, generously paid, stirring up the population by arresting honourable citizens guilty of infractions of the law, through the Government's own fault. I declare that all this expenditure is needless, with no other object but that of pursuing a tyrannical and nefarious policy and which can only result in trouble, revenge and hatred of the country's authority. The people you are now provoking, together with the elements that have already raised the standard of anarchy, your friends of yesterday, your present enemies, shall cry out to you, as did the old Alsatian: "Hark ye to us, yonder, victors of the hour. Hark ye, sooner or later, to-morrow, we shall have our turn." I say that the Government are responsible for the offences against the Military Service Act. It is they who have instigated them. Has it not been clearly proven, in this House, that for political motives the Government, had attempted to break down the volunteer military effort of the country? Had they not that object in view when they sent as a preacher of loyalty and duty to the citizens of this country, a man who, in 1911, had insulted the British flag by saying: "Holes had to be made in the English flag that we might breathe the air of freedom?" I do fearlessly here declare that the Government, by so doing, had no other object but to gain a pretence for imposing conscription upon a peaceful people to whom the profession of arms was repugnant.

Has it not been proven that, during their whole electoral campaign, as far as the province of Quebec was concerned, the Government, through their paid and servile press, have not for a moment ceased to calumniate and slander that province in order to stir up the English element against the French, and by such means win the elections? God knows how well they have succeeded!

Has not the War-time Elections Act in its application, demonstrated over and over again that in enforcing conscription the Government had nothing but a political object in view? All these manoeuvres have been paid for by the country. The budget of the hon. Minister of Finance should not take any one by surprise to-day; every conclusion flows from its premises. Did the Government ever believe it was a good way to have the law observed when they kept, in the barracks and in the training camps, officers who cursed every man who did not understand the orders because they were given him in a language foreign to his own? The entire population knew those facts. Was that a good means to attract the general goodwill?

Has it not been proven that the Government never did respect its provinces nor any of its duties towards the soldiers who had laid their lives in its hands. The Government seems astonished at the fact that some farmers' sons did not comply with the Act, after it had filched their votes by telling them they would be exempted on account of their being more useful here than in the army. If the Government want to have the law observed, was it not elementary that they should themselves respect it? It is not in so doing that a Government can inspire respect for the laws it enacts?

One of the Government's first obligations was that of protecting our soldiers' health. I will now produce indisputable evidence from authorized men, in order to prove to this House how little attractive it was for parents to advise their sons obedience to the law.

On April 23, 1917, having reference to the colonial troops, Captain Guest declared before the British parliament: "During the two and a half, or two and three-quarter years of war we have had admitted into the hospital of England over 70,000 cases of gonorrhea, over 20,000 cases of syphilis and over 6,000 cases of another disease somewhat similar to syphilis."

Colonel Sir Hamar Greenwood, on April 23, 1917, also stated in the British House of Commons that it was a shame for the Administration to treat our soldiers as it treated them; that it was "a perverse sort of hospitality that had welcomed Canadian troops to this Mother Country. . . . Every Canadian soldier is examined on landing. He arrives here not only a first-class specimen of a fine soldier, but as clean-limbed and as clean a man as the Creator himself would create." We had a British hospital in France, 500 cots; we were obliged to place 2,000 cots and even that did not suffice for all the contaminated. "I declare," said he, "that from 40,000 to 50,000 syphilitics went through there and that the gonorrhea cases went as high as 150,000 to 200,000." All of this was known in Canada, Mr. Speaker.

Mr. Arthur Mee, whose book (The Fiddlers) was prohibited by the Government because he stated what our troops had been forced to endure overseas, frankly declares that, as a result of the authorized selling of alcoholic liquors in Europe, we had lost more men, directly or indirectly, than through the destructive operations made use of by the Boches and by their Allies, that alcohol destroyed our soldiers' endurance and decreased their valour, that alcohol, initial principle of debauchery, had been disastrous for our troops.

If we consult the reports of the military tribunals, we find that officers, responsible for the lives of their soldiers, have been sentenced for unpardonable offences due to alcohol.

Sir Conan Doyle, an English physician of high repute, wrote the following in the London Times, of October 16, 1917, concerning the colonial troops;

> The harpies carry off lonely soldiers to their rooms, make them drunk, often with vile liquor, and inoculate them, likely as not, with diseases which, thanks to the agitation of well-meaning fools, have had free trade granted them among us. Our present policy is to shut the museums and keep open the brothels to the lad from overseas who has for the first, perhaps the last, time in his life a few clear days in the great centre of his race, and cannot carry away any recollection of its treasures of art and antiquity, but is forced into contact with what is least reputable of our metropolitan life. It will be poor return to the colonies if we return their splendid lads worse in body and soul.

All of this was known in this country.

About the same date, he further stated, in another newspaper: "If the Germans murder our men, if the Austrians slaughter them, if the Turks butcher them, all of that is but a part of what men nowadays call the game of war." But the most execrable crime is the free circulation of prostitutes plying their trade in the military areas, in London and elsewhere in the United Kingdom, by the tolerance of British law and under the eyes of the British authorities." Had a Canadian, in those days, said as much, I wonder what the Daughters of the Empire would have done to him.

Sir Henry Thornston, an English land-surveyor, expresses himself as follows: "I think it may truly be said that, oftentimes, an advance move, a splendid initiative, which might have assured a colossal victory, have failed us on account of rum or beer being distributed as an allowance to our men, beer that stupefied them, alcohol that prevented them from pointing their rifles as they should have done it."

Everywhere one can see that frightful thoughtlessness on the part of the overseas War office. Rev. Father Charron, a Canadian chaplain in England, asserts that spirituous liquors were given to intoxicated soldiers, as long as they had money to pay for their drinks.

Victor Horsley, a famous military surgeon, who was with the Mesopotamia expedition, stated in the Toronto Globe of February 8, 1917; "The most discouraging feature of these campaigns, is that the leaders of military operations are mostly whiskey drinkers, and consequently, will let the soldiers drink, here in this torrid climate; they keep on giving them rum allowances in lieu of food or sterilized water; the result is that we are continuously fighting cholera, diarrhoea and dysentery. Our notorious failures had no other cause, in my opinion, but the whiskey, affecting the intelligence and the clear vision of our leaders; they do not realize that alcohol, even taken in small doses begets a brain fever. It is a disgusting manifestation of our egotism and of our costly unfairness to the country. Could not the dis-

graceful capitulation of Kut-el-Amara be taken as a confirmation of this denunciation?

From the Lemberg police reports we gather that, even Austrian women were paid weekly to entice our soldiers under the influence of liquor. The Waterloo highways and even the streets of that town were real ambushes where our men were plundered, poisoned and contaminated, and a newspaper reported—the Times I believe,—that never before had the 120,000 distilleries, in England, made so much money and caused so much injury as during this war.

Mr. Speaker, the parents of our soldiers had heard of all these reliable statements; they knew that alcohol was the inciter to passions; they were aware of the fact that venereal diseases were highly contagious and that a few cases could contaminate every soldier in the same camp; they knew that a contaminated man who was wounded was as good as dead, in the majority of cases. The fathers and mothers of families had been informed that one officer had once stated he had lost 20 per cent of his men through venereal diseases. All these facts were a matter of notoriety and we have seen 64,000 Ontario women forward to the authorities a petition, stating they had sent their sons to fight for the country, but that they would rather know them dead than to see them return home polluted both in mind and body.

I say that had the Government arisen to the height of the occasion there would have been no defaulters, nor would the Government have had to create a Federal Public Health Department—which should rather be called the Department of Reparation. The provincial organization was adequate for the country's requirements, and the Budget would have been lightened by so much. We should not have been obliged to create and maintain a whole staff of high salaried civil employees. Through this department, the Government intends to cover their nefarious medical policy overseas, that is a well known fact.

Did not the people know that soldiers were being sent away out to Siberia, without any right, to take a hand in Russia's private quarrels?

Laws are laws and we should respect them, but the subjects are not the only ones who must comply with the laws; the law-makers should set the example. To borrow the expression used the other day by the hon. member for Brantford (Mr. Cockshutt), one of the first laws, the first one enacted by the Creator, is the law of protection.

I contend that, in view of all these abominations, in view of these abuses of power it would have been reasonable to make the Military Act an optional law as the Government has done in other cases.

All the facts I have related were communicated to me by fathers, brothers or friends of the soldiers already engaged in that scrape, willingly or otherwise. In the interest of good order, I ask the Government to unconditionally pardon them all by amnesty; to discharge the federal police, thereby lightening our budget by so much; to get rid of all those useless officers, who never smelled fire; to give assistance to all those who are still in mourning for the soldiers fallen on the fields of battle. Should the Government refuse to grant my request, I shall be forced to admit that the Unionist Government which, since 1914, has claimed a monopoly of patriotism, is entirely composed of pigmies as compared to a Lincoln or even a Clemenceau, and I will have to conclude that our premier's long sojourn in England did not help him any to induce him to follow our allied generals' example, but that he has rather been impressed by the Prussian delegates.

For us of the province of Quebec, our country is Canada first, Canada above all, Canada forever; we are attached to her by our past memories and by our hopes, by our dead and by our children, by our immovable gravestones and by our rocking cradles. Never to shrink before an expedient untruth or a beneficial servileness, to aspire to originality in sacrificing one's country on every occasion, to take advantage of one's situation to trim, clip, hoard up and persecute or to have it done by others, all that will never lead the way to our gallery of National Fame. As a last word let me say to those who govern us, as the old Alsatian I mentioned in beginning; "Hark me well, yonder, victors of the hour; sooner or later, to-morrow, the people shall have its turn."

Mr. JAMES ROBERT WILSON (Saskatoon): Mr. Speaker, I wish to add a few words to the already lengthy debate on the Budget. We have heard in this debate very many divergent and pessimistic views as to what the future of Canada will be if the fiscal policy is not changed to meet the ideas of those who give expression to these views. Some hon. members express the belief that unless this country at once changes its fiscal policy and turns in the direction of free trade we cannot make any progress.

Others express equal apprehension in case anything is done to disturb our heretofore fiscal policy by lopping off here and there some protective or revenue duty and putting our tariff on a more scientific basis, that the country will go to ruin. It seems to me that there is a middle course that might be pursued which will meet, to a great extent, the extreme views of both of these parties. I think that what we require in Canada at the present time possibly more than anything else is less sectionalism and class jealousy. What we require to achieve the national goal is united, productive effort on the part of all sections of our country, that will result in building up a nation to be proud of.

Every man who knows Canada from the Atlantic to the Pacific must realize that this is a country of immense possibilities. It offers not only opportunities to those millions who wish to come from foreign countries, imbued with the ambition to better their condition, but as well, in its wealth of natural resources, magnificent forests, minerals and valuable fisheries, it offers a varied and attractive field for both the workman and the capitalist, for the one to found a home and for the other to secure a profitable investment. There is no other country in the world to-day that offers equal advantages.

I would say then, in view of this, let there be no pessimism. Our country is established on a firm foundation, and with confidence in our ability to meet and surmount all obstacles as they come in our way, we shall not need to fear the future. To Canadians, falls the task of building up and developing the last and best West. With our knowledge of the successes and failures of our American cousins to the South in the development of similar country, and with our own experience gained during the past thirty-five years that we have been dealing with western development, there is no good or sufficient excuse if we should fail in the task.

The Canadian people have the right to ask and to expect that any Government which seeks their support shall deal with a question such as this in a statesmanlike manner. I think every one admits that it is only by the development of our natural resources that we can hope to meet our heavy obligations as a result of the war. While our financial obligations are great, the possibilities of increasing our wealth are equally great. By developing our natural resources we will distribute our financial burden over a greatly increased population and by so doing we will not feel so heavily the financial load.

What Canada needs to-day is more settlers on the land. There have been in past years too many of our young people leaving the land for the more attractive but uncertain life of the city. The Government is to be commended for its soldiers' land settlement policy. It is to be hoped that great numbers of our returned soldiers will take advantage of this policy and establish themselves on the land. As soon as we have the returned soldiers settled on the land, it will be greatly to the interest of Canada for the Government to pursue a vigorous land settlement policy by inducing agriculturists from the British Isles and the United States to settle on our vacant lands. During the past twenty-five years we have made fairly creditable progress in the development of our agricultural resources but there still remains much to be done along that line. Agriculture, being our main and basic industry, it should, and must, at all times, receive the first consideration of any Government. I wish to say right here that I think the present Government has made an honest attempt to meet the interest of the agricultural classes. I think that it has possibly done more than any other previous Government has done. We have our other great resources, such as timber, fisheries and the deposits of the mines. Of the world's known deposits of coal Canada possesses seventeen per cent, and occupies second place. Compare these resources with the coal deposits of the British isles which only amount to 5.4 per cent of the total and it is possible to appreciate Canada's position in that regard. In Western Canada also, particularly in Northern Alberta and Western Saskatchewan, there are indications of vast deposits of oil. Since the opening of the Canadian oil fields in the early sixties, there has been a continuous production of petroleum in this country, but for a number of years that production has steadily declined, and it would appear that the industry must be abandoned before many years lapse unless new discoveries are made. The eastern part of Canada, I believe, has been fairly well prospected, and I understand a great deal of exploratory work has been carried on throughout western and south-western Ontario. That part of the province may therefore be regarded as having been pretty well examined, and consequently the future of oil production in Canada lies in the possible discovery of new fields. In the Prairie

Provinces, particularly in Alberta and south-western Saskatchewan, there is a vast and promising field which remains to be prospected. Some borings have been made in Manitoba and Saskatchewan without any result, and in Alberta only small areas have been prospected. Natural gas has been discovered in the latter province in abundance, but as yet no oil flow of any great importance. In the foothills south-west of Calgary oil has been found in limited quantities. In northern Alberta, in the territory known as the Peace River country, very strong indications of oil have been found. A number of outfits are drilling there at the present time, and while some of them have struck oil the production only amounts to from fifteen to twenty barrels per day per well, which the promoters say is not commercially profitable. What I am leading up to is that the Government should take an active part in hastening the development of the great oil wealth which exists in the territory I have mentioned. I would like to see some arrangement made whereby the people as a whole should possess this supposedly great oil resource if it materializes to the extent that some persons anticipate, so that the State will secure the major portion of the profit resulting from its development. It is of vital importance that every effort should be made to strengthen the industrial position of our country by the development of all our natural resources to the best possible advantage, in order that we may be able to ensure employment to our returned men and those who are expected to follow them from the old land. To this end the Government will be expected to use every legitimate means to encourage an inflow of money as well as the immigration of people. In this way we shall contribute to the development of our natural resources in the interests of the nation of which there has been great talk in the past without however anything being done in that direction. With this object in view the Federal and Provincial Governments must give the matter their closest attention and co-operate in their efforts. By so doing they will to a certain extent blaze the way for others to follow. What I have in mind is proper governmental encouragement, through research, as to the existing possibilities and the giving of proper advice as to the conditions and development of our natural resources. I think that if an active interest is taken by our Governments in these matters, Canada will assuredly occupy a leading position in the industrial world in the very near future.

Coming to the Budget, the speech which was so ably delivered by the Finance Minister, and dealt with in a very illuminating and comprehensive way, disclosed beyond doubt our great financial obligations as a result of the war and outlined the resources with which we may hope to make those obligations good. Personally, I was well pleased and satisfied to learn that notwithstanding the great need for revenue that exists the Finance Minister had regard to the requirements of the West, and other parts of Canada, by taking off $17,000,000 in customs duties which will be made good by increases in the income tax. This, I think, should meet with the approbation of every fair-minded man in Canada. The tariff reductions provided for in the Budget will be a great benefit to the whole of Canada, and some in particular to the western part of the Dominion. I refer especially to the total repeal of the British war revenue tariff of five per cent on all British goods, the five cents per pound under the British preferential, intermediate, and general tariff on coffee, the three cents per pound under the British preferential tariff on British-grown teas, and the repeal of the intermediate and general war tariff of seven and a half per cent, making it no longer applicable to foodstuffs, linen and cotton clothing, boots and shoes, fur caps and fur clothing, hats, caps, hoods and bonnets, gloves and mitts, collars and cuffs, hides skins, leather, harness and saddlery, agricultural implements, petroleum, oils, mining machinery, and bituminous coal. The reductions in the duties on agricultural implements, including the seven and a half war tax amount to twelve and a half per cent on sixteen enumerated farm implements, namely, cultivators, harrows, horse rakes, seed drills, manure spreaders, weeders and completed parts thereof, hay-loaders, potato diggers, feed cutters, grain crushers, fanning mills, hay tedders, farm, road, or field rollers, farm wagons, post-hole diggers, snaiths, and other farm implements; likewise a reduction of ten per cent on five of the heavier implements such as ploughs and parts thereof, wind-mills, portable engines, and tractor engines for farm purposes, horse-power and threshing machines, separators and appliances thereof. Then there has been the placing on the free list of wheat and wheat flour, and potatoes, from countries which do not impose a duty on such articles produced in Canada. The net result is a

very substantial reduction on the implements used in production. The removal of the seven and a half per cent duty on crude petroleum in its natural state makes it free. This is a concession that will, or should be, appreciated by the West, as there is now located in Saskatchewan a large oil refining plant, and the consumers of oil should receive an advantage to that extent. Further, there is the reduction in freight rates on agricultural implements which has been secured from the railways by reducing the duty on coal by seven and a half per cent, thereby securing an advantageous rate on implements from eastern points in the Dominion to the Canadian West, the rates prevailing over American roads from Chicago to Western Canada being equalized by the Canadian rate. Some people have belittled the benefit this will be to Western Canada, but I consider it will be a great benefit, because that is one of the burdens that we are subject to in Western Canada on account of the long rail haul from the East. Considering that we now have the rate equalized from Toronto to Winnipeg, which is 363 miles further than from Chicago to Winnipeg, and from Toronto to Saskatoon which is 472 miles further than from Chicago to Saskatoon, those are very considerable reductions, and they appeal to me as a good stroke of statesmanship on the part of the Finance Minister to keep Canadian trade flowing through Canadian channels.

I looked for a greater reduction on farm implements, and I think the Government would have been justified in reducing them a flat 10 per cent. This would not have disturbed the revenue of the country very much, and would have been an additional attempt to meet the views of the farmers, who claim that as they must find a sale for their surplus wheat on the world's markets, they should be permitted to purchase their implements for its production in the open markets of the world. However, I quite realize, owing to the unsettled conditions existing at the present time, that if sweeping reductions were made, as suggested, by wiping out the duty on agricultural implements, goods of the same kind might be poured into Canada at so fast a rate as to deprive many thousands of our people of employment, and the disorder which this would cause at this particular time no doubt would be very considerable.

The Finance Minister has pointed out that in the present unsettled world conditions it is not possible to think of a general revision of our fiscal policy. I think that is a most reasonable view to take, for while actual fighting has ceased, war conditions still prevail, and, in fact, war still continues in many parts of the world. But we have his statement that it is his hope that if within a year conditions shall become so stabilized as to permit of a general revision of the tariff, which is owing to the war unavoidably long overdue, such a revision will be effected.

Now, while I would like to have seen another 5 per cent knocked off farm implements, still I consider the present reduction quite a concession to Western Canada. Anyhow, it is more than any other Government that I have any knowledge of has handed out in the way of tariff reduction, and in view of the existing conditions it should be accepted as a reasonable concession, and I accept it as such.

I hear rumours, Sir, that a number of western members are so dissatisfied and disappointed with the Budget that they intend to vote against it and, consequently, against the Government. That is a matter for each member to decide for himself after examining his own conscience, whether in view of present conditions the difference is great enough that, if his vote was the deciding vote, by casting it against the Government he would be justified at this juncture in forcing the Government to resign. And if the present Government was turned out of office, there is no guarantee that its successor would grant any better, or even as good a Budget as the present one.

We are faced with an enormous debt, but I do not think it should discourage us. Other countries are burdened with much greater debts without possessing the latent resources which we possess, and our need will compel us to develop them. Apparently we will require about $300,000,000 per year to take care of our obligations. Heretofore we have raised the greater part of our revenue on manufactured goods. While I fully believe in the principle of bringing Canada to the highest point of development, I do not agree with the demands from some quarters to wipe out our tariff on imported goods, particularly at the present time. I think, in view of our needs, it is time to hold on to all our present sources of revenue and to add to them as many other sources as we can.

Now, Sir, I do not wish to be misunderstood. I think our present tariff is antiquated and needs to be revised to meet our present requirements. I favour placing on the free list such articles as agricultural

implements because agriculture is our great national industry and there is
4 p.m. strong argument for such. As the farmers have to compete in the world's markets with their chief product, wheat, therefore there should be no strings on the purchase of their implements of production.

We hear a great deal about our tariff being burdensome. I think a great many people are under the impression that no goods are imported into Canada free, although as a matter of fact, taking the figures for the year ended March 31, 1917, we imported goods to the amount of $873,437,426, of which amount 47 per cent, or $411,703,817, was admitted free.

I believe that we are almost at the point where we must look to new sources of revenue, as it appears to me that we have tacked on to the present sources about all they will stand. In order that we may raise the amount of money we are going to require, I think the time is at hand when we will have to put in force a consumer's tax on manufactured articles, both home and imported, particularly articles of luxury, leaving foodstuffs and some of the cheaper and necessary articles of clothing exempt. I mean a tax similar to that which we placed on matches last session, and which, I understand, has produced a large amount of revenue. Taxes on consumed goods, or articles of luxury, are all finally paid by the consumer and generally in a manner that is convenient for him. He pays them as he has occasion to buy the goods, and as he is at liberty to buy or not to buy, as he pleases, it must be his own fault if he suffers a considerable burden from this form of taxation.

The member for Marquette, the ex-Minister of Agriculture—and I wish to say right here that I deeply regret that circumstances are such that I have to refer to him as the ex-Minister of Agriculture, for I looked upon him as being one of the most efficient and painstaking ministers of the Crown—in his address on the Budget seemed to favour the wiping out of all customs duties, and he suggested three means of raising revenue to take their place, namely, an increased income tax, an inheritance tax, and a direct tax on the unimproved value of land. He stated that it is estimated that a tax of one per cent levied on the unimproved value of land in Canada would contribute $75,000,000 to $80,000,000 to the national Treasury.

Now, Sir, I do not view this proposed land tax with favour. A land tax may be a right and proper mode of raising revenue in a country of landlords such as England, where the land is held by the wealthy, and in many cases prior to the war many landlords were for their own amusement withholding the land from production. But in Canada the conditions are entirely different. We have a few land speculators in the West, but outside of them farm lands are mostly held by farmers who live on their holdings. The Canada Year Book gives the acreage of occupied farms in the three Prairie Provinces, Manitoba, Saskatchewan and Alberta as 73,300,135 acres; the number of farms occupied as 218,563; Therefore, if there be unrest in this ocunpants as 82.23 per cent, and the percentage of land rented as 17.77. The average size of those 218,563 farms is given as 335 and a fraction acres, that is, including farms of all sizes, from 50 acres up. In respect to the other six provinces I have not had time to ascertain what percentage of the land is owned by the occupants, but I think they will average up about the same as the Prairie Provinces. The statistics of the acreage under crop for all Canada for 1918 shows 43,955,168 acres; 27,791,400 acres are in the three Prairie Provinces, and 16,163,768 in the other six provinces. The estimated acreage of the Dominion, surveyed and unsurveyed, suitable for agriculture, is given as 302,200,000 acres, and of this amount in the three Prairie Provinces are included 178,000,000 acres, and the balance of 124,200,000 acres are in the other six provinces.

That is only an estimate of the acreage that would be suitable for agriculture. The surveyed acreage of Canada is given as 178,200,000 acres, and the surveyed area is all you can reckon on at present to produce the tax, and one will readily admit that there are millions and millions of acres of our surveyed land that no one would take to pay the taxes on it. But for the purpose of showing how this land tax would work out, we will assume that all the surveyed area would pay a land tax as levied by the Federal Government to raise the $75,000,000 as suggested by the ex-Minister of Agriculture. The average value of the farm land, as given in the Canadian Year Book and furnished by correspondents, which includes buildings, is placed at $44 per acre.

A reduction of $10 per acre would possibly be a fair allowance for improvements; that would make an average of $34 per acre as the value to be placed on cultivated land, which, I think, comprises not more than one third of the surveyed area of the

178,200,000 acres. If the cultivated area is worth only an average of $34 an acre in all the nine provinces of Canada, the uncultivated area is of much less value. But for the purpose of making an estimate we will allow the same value for all the surveyed land, $34 per acre. If we levy on that land a tax of only one per cent per acre, as suggested by the ex-Minister of Agriculture, the amount of revenue produced would not amount to anything like $75,000,000; but at the rate of one and one-quarter per cent, based upon a valuation of $34 per acre, the tax would amount to forty-two and-a-half cents per acre, or $75,735,000 on the 178,200,000 acres. Of that surveyed area of 178,200,000 acres, 117,000,000 acres are in the Prairie Provinces, which on the basis suggested, would pay a tax of $49,725,000, while the other six provinces, which contain 61,200,000 acres of this surveyed area, would contribute $26,010,000. You will note, therefore, that the three Prairie Provinces, which contain about one-fifth of the population, would pay practically two-thirds of the $75,000,000. I do not think it is fair or equitable that the three Western Provinces should be obliged to carry a load which is altogether out of proportion to their population. Anyhow, our Provincial Governments and our municipalities, particularly in Western Canada, are imposing all the land tax that the land can stand, and the doubling of that tax would, to all intents and purposes, be confiscation. The national debt of Canada is only about $220 per capita. I direct your attention, Mr. Speaker, to the fact that in many municipalities, even independent of the provinces, the per capita debt is over $300. If you tax that land, therefore, as is suggested—land that is now overburdened with taxation for municipal and provincial purposes—and endeavour to raise a large revenue for federal purposes, you would be practically confiscating the amounts so raised.

I wish now to refer to the matter of Government taking some action to ensure a market for our 1919 wheat crop. Our people are alarmed, because owing to the unsettled conditions of world finance and transportation, they do not know whether or not we are going to have a market for our wheat next fall. Financial arrangements might be made for the handling of the wheat, but owing to the unsettled world conditions, these arrangements might fall through at any time. In the meantime, our wheat, being rushed on the market in Western Canada, would have to be taken care of by private firms or individuals, and as a result of this condition, coupled with the uncertainty of the market, the price might be depressed much below what the supply and prospective demand would justify. Some arrangement should be made whereby this wheat can be taken care of by government control, as heretofore. It is of the very greatest importance that the Government should look into this matter at the earliest opportunity and see what can be done. Some fear that if the Government took action by fixing a price and handling the wheat, there might be quite a loss to the Federal treasury. But I do not think there is much chance of a loss, because present indications are that there will not be any great surplus of wheat throughout the world this year; as a matter of fact, it is a question whether there will be enough to go around.

This concludes my remarks, Mr. Speaker: I am pleased to support the Budget.

Mr. F. F. PARDEE (Lambton, West): Mr. Speaker, as is usual in the Budget debate, the question of the tariff has been taken up. The President of the Council (Hon. N. W. Rowell) has told us that in his opinion the question that must be given attention at this time is not the tariff, but the unrest which prevails throughout the country. I purpose, in the few remarks which I shall make, to give my ideas as to how the non-changing of the tariff and the present unrest throughout the country are linked up.

The question, Sir, is, should the tariff be changed, and is there unrest? Unrest there undoubtedly is; there is no doubt about that. Therefore, if there be unrest in this country, it behooves us as responsible men holding responsible positions to get to the bottom of that unrest and endeavour to find out the remedy or remedies for it. In 1914, the enemy at the gate was the Hun; in 1919, the enemy at the gate is the high cost of living. In 1914, we took means to meet the enemy, and my question is: What are we doing at the present time to meet the enemy of 1919? In my opinion the only method of making food cheaper is to produce more, and if greater production is desired, the tools with which men produce must be made cheaper. Therefore, my first argument is that the tariff on farm and other implements of production should be reduced to the lowest possible rate. In the second place, all foodstuffs and clothing should be free, and in the third place, there

should be a downward revision of the tariff all round.

It seems to be a debatable matter whether the tariff should be touched this year or not, because it is a war year. If it be a war year, and if the Government in their wisdom had seen fit not to touch the tariff, I say: Well and good; but if they decided to touch the tariff, then they had a right to do so in a way that would have been of some benefit to this country at large. The two courses were open; they took one, and when they made up their mind to reduce the tariff, the very least that should have been done was to knock off the 7½ per cent all round, and fish should not have been made of the one and flesh of the other. That, to my mind, is a logical argument. Why did they not do that? There is, in my judgment, only one reason, and that is the fact that they were endeavouring to please the manufacturers. There never was a time when the manufacturers, if approached strongly by a Government determined to reduce the protective duty, were in as receptive a mood as they are to-day. My reasons for saying that are as follows: First, because the manufacturers have made huge profits in the last few years; second, because they recognize the seriousness of the industrial situation; third, because they know that if the industrial situation continues as it is at present, their investment must, of necessity, be jeopardised; fourth, because they knew that for years they have enjoyed the highest of protection, and they should, I think, be willing to-day at least to commence to stand alone; fifth, because as reasonable men, they know they have to make further sacrifices to bring back equilibrium to this coutnry.

There is another reason—and it is only common sense that the manufacturers must surely recognize as business men—namely, the rising tide of opinion throughout the Dominion of Canada that the manufacturers have had a protection far beyond the necessities of the businesses they have been carrying on. That being the case, if they still continue in their stiff-necked position of giving nothing and taking all, is it not reasonably likely to follow that greater ills will come than they have any idea of? We had in 1914 an example of a man at the head of a nation who would not bend, who refused to give, who would have all, even the world itself, who continued in that career until to-day he is the most broken thing in the world. The Kaiser never gave; he wanted all; he would not take timely and efficacious steps to ward off the evils that were to come, but he continued in his stiff-necked course. What happened to him is history. I do not mean to say that that will altogether happen to the manufacturers, but a parallel may be drawn as between that case and that of the manufacturers that, in my opinion, ought to put the manufacturers upon their best behaviour and make them willing to make some further sacrifices if they have ever made any. In a country such as this it ought not to be necessary for us to plead for harmony, harmony ought to prevail here; there ought to be the fullest co-ordination and co-operation between farmer, labourer and manufacturer. That co-operation is absolutely necessary for the successful development of the country, and it must come, because a house divided against itself cannot stand, and Canada must be made one of the nations of the world if she is not already one.

The soldier has a right to expect Canadians to be in time of peace what he has shown them to be in time of war, a nation man for man able to cope with any other nation in the world. He has a right to expect that there will be such an expansion of industry and of production as will bring back to the country that which he fought for, prosperity as a whole. But the soldier wants action; he wants questions settled; he wants matters grappled with in the same manner in running the country as he was accustomed to in France. He has a right to expect that; he is not looking for the onus to be shifted time and again to commissions—and the rest of the people are of the same opinion—but he is looking for this Government to do things on their own responsibility, to be responsible to the people themselves and not, whenever knotty questions come up, to hand them over to commissions and endeavour to shift the burden from their own shoulders.

What are some of the causes of unrest? One of the great causes is that, by reason of the inflation of prices, the dollar bill to-day is worth about fifty cents. In passing, let me say that it appears to be rather an anomalous position that we had one of the ministers of the Crown the other day saying, if I understood him aright—and I am subject to correction—that absolutely nothing is to to done to reduce the cost of living; it cannot be done, practically speaking, any more than you can raise the dead; but at the same time we have appointed by the Government, and sitting to-day in all solemnity in an endeavour to find a way of

reducing the cost of living, a committee which is to report to this House. Is that committee, and is the Bill which has already been drafted, I am informed, simply a piece of camouflage thrown out by this Government in order to give the people the idea that they are really endeavouring to do something, while at the same time one of the most responsible ministers of the Crown from his place in this House states that absolutely nothing can be done and we might as well give up the problem? If that is what the Government really thinks, I think it would be better to call a halt to the labours of the committee, and we might find some remedy altogether irrespective of the Government.

Another reason for the unrest is the profiteering that has gone on. Profiteers roam this country rampant to-day, and have roamed it rampant for many years past. They have taken their ill-gotten gains out of the pockets of the people, and I say that these huge profits should not be allowed unless provision is made for returning to the State a large and adequate percentage of those profits. The manufacturers of this country have reaped huge profits, and there has been no commensurate return to the State from those profits. These two things have added largely to the unrest. Could they do otherwise? I say that the individual or corporation that makes huge profit by reason of the fact that the laws of the State protect him in life and limb and property should return to the State for the good of the whole people everything over and above what would be considered a fair profit on his business.

We have heard it said that you cannot reduce prices. Just let me see for a moment whether that statement by the manufacturers is borne out by actual facts. Why does clothing cost so much? We had an illuminating bit of evidence before the Cost of Living Committee to-day upon this very point, and it all comes back to that much talked of concern, the Dominion Textile Company. Let me read what took place:

> When the Roumanian contract was made the yarn known as size No. 10 carded white American was quoted by the Dominion Textile Company at 71 cents a pound. There is a clause in the customs law which grants a rebate almost equal to the duty on raw material used in goods for export, in order to encourage foreign trade. Manufacturers of shirts and other garments for which this yarn is raw material, decided to take advantage of this clause for their Roumanian contracts, and sent inquiries to the spinners of it in the United States. The Dominion Textile Company thereupon dropped their price below 50 cents, and almost as suddenly raised it to 54 cents a pound, where it now is. This price of 54 cents is sufficiently low to keep the American product out of Canada, and the assumption is that it is also sufficiently high to give the company a fair margin of profit. The surplus of 17 cents a pound was squeezed out of the manufacturers who used the yarn, and consequently out of the consumers of their goods. As there are probably 5,000,000 to 6,000,000 pounds of this yarn used yearly in Canada, the difference of 17 cents a pound would result in an unjustifiable profit at the rate of a million dollars a year.
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> It is no wonder that, as the Gazette says, "all previous high records in the way of gross sales, profits and final surplus of the Dominion Textile Company are relegated into the background" by this annual statement.

It simply means this: That the very moment the Dominion Textile Company found that yarn was about to be brought in here under certain conditions, and that they would have to compete against outside firms, they dropped the price immediately to the consumers of this country to meet their competitors, but then raised them high enough to make a profit of $1,000,000 a year. Will any one argue, under these circumstances, that such corporations are entitled to a protective duty which enables them to take money out of the pockets of the consumers of this country? I say that the sooner we get down to that class of case and make that particular child of fortune stand alone unprotected, the better for the peace and prosperity of this country, and to its everlasting advantage financially.

Let me give the House this little tit-bit from the evidence of Mr. W. E. Patton before the Cost of Living Committee. I shall not read all Mr. Patton's statement, but he says that for the year January 31, 1919, the profits on his business were 72·9 per cent. Now he is protected. Will any one say that he needs that protection? Will any one say that the people of this country should be bled through the nose to give any corporation, no matter what its capital stock, a profit of 72·9 per cent? I say, no. There is one other reason why unrest is here: I refer to bank mergers. These have been going on for a very considerable time. The hon. member for North Essex (Mr. Kennedy) said last night that the hon. member for Shelburne and Queens (Mr. Fielding) had stated that a few years ago there were thirty-two banks in this country whereas to-day there were only sixteen. I say that it is not good for this country to have under so few heads the entire management of all the money of this country, for that is practically what it means. In money, as in everything else, competition counts, and banks should not be above it any more than the ordinary merchant.

I now come to the income tax, and I am as glad possibly as any hon. member of this House that it is to be increased, because I recollect making a motion in this House regarding income tax not so very many sessions ago, which the Minister of Finance and the Government considered, but received with no degree of favour whatever. However, after repeated attempts, we finally managed to get an income tax. It is not as large as it ought to be, but it is higher this year than last. I am delighted that it has been raised in some degree to what it ought to be, but it is not high enough yet. It is not the man with the small income I am after, but the big fellow, and I see no reason why we should not go on taxing the big fellow very much higher than he is taxed under the present proposals. To my mind we should consider not what a man has, nor what he gets, but what he has left after he has paid his tax, and I say that when a man has left over an income sufficient for a comfortable living he should be made to pay very roundly until such a time as the state is again in a position to lower the tax. I am very much afraid, and I submit that the figures bear me out, that there has not been a wholly sympathetic administration of the Income Tax Act. When you consider that 31,000 people in the Dominion of Canada have paid taxes on income, and that we have received only $6,500,000 from the whole broad Dominion, with all its wealthy people, I think it will be agreed that there is a cog askew somewhere in the collection department. Something is wrong; I do not believe that there has been a wholly sympathetic administration of the Act, or why have we not had greater returns? I have only this to say along that line: Speaking for myself, if the figures do not show to a very, very appreciable extent a greater percentage return than they have in the past years, I think the Government will hear something more about it.

There is one other thing in connection with the income tax which I wish to bring to the attention of the House, and that is in connection with exempting the bonds from taxation. I am not now, and never have been, in sympathy with that proposition. I see no reason whatever why the man, or the large corporation that buys a huge amount of bonds should have the right to say: "We shall not recompense the state, although we have the greatest security in the world." I saw in the last issue of the Sunday World a remarkable advertisement to this effect: "Bring in your bonds. All bonds will be taken." Why were they advertising for bonds? It was because there is to be a higher income tax, and the big men and the big corporations are endeavouring to get in under shelter and save their dollars by buying, supposedly from patriotic reasons, the bonds that the little men bought in a really patriotic spirit to help the country. I should like to see legislation enacted—and I do not know whether it would be very radical legislation—that from to-day on every bond sold shall be subject to taxation on the basis of last year's income tax.

It only means this and nothing more, that the man who practically pays no income tax has his little bond. He keeps it. There is no income tax. But, some day, if the large corporation, or the rich individual comes to him and says: "Sell me that bond," and he does sell it, from the minute that individual or corporation takes that bond, it becomes liable to income taxation. I would suggest that that is a matter into which the Government might well look and of which they might well take heed. It might be one of the ways—and it would be one of the ways—in which our loss of revenue of $17,000,000, by reason of the remission of the 7½ per cent duty, might be made up.

As the Finance Minister has said that there would be another bond issue of the Dominion of Canada, I sincerely hope and trust that the next issue will not be tax free. I want to say to the Government very frankly that if that is not done, it will meet with the approbation of nobody except tremendously rich corporations and individuals.

How would you make up your loss of revenue? I would say that you would make it up in two ways which I shall suggest. The one is a graduated income tax; another is a graduated tax on corporations. Sir, in the United States to-day, they collect from their taxes on incomes eight times the amount that they collected two or three years ago. Their income tax exceeds by millions of dollars the customs taxes and to-day in Great Britain the very same state of affairs exists. The income tax—we might just as well make up our minds to that—has come to stay. It has to be put on a scientific basis. The man who is most highly possessed of this world's goods has got his wealth through the efforts largely of other members of the community coupled with his own, and if that is so the community has a right to take a percentage of the return. Sooner or later we have to get to the state where we can

recognize the fact that the income tax is no war measure, but a permanent tax which has come to stay, to be with us always, and if that is so we have to get it on a scientific basis. If we want to make up for the loss of revenue we must have a graduated income tax.

I say to this Government, and to Governments that are to follow: "Tax what you like but for heaven's sake leave the food and raiment of the poor man alone." Taxes must be get-at-able instead of taking them out of the mouths of the people. Unrest. These are some of the causes. In so far as labour is concerned let me say that I believe that for the labourer there must be a reasonable limit of hours of work and there must be fair compensation. By fair compensation I mean that the labourer is entitled to a scientific percentage of the amount that he earns per day to put into the employer's pocket. I believe that has to come. I believe that it will come, and when it does there will be less unrest. It is said by this Government that "We cannot limit hours; it belongs to the provinces." It is said by the provinces: "We cannot limit the hours; it belongs to the Federal House." All I have to say is that the Federal and Provincial Governments in the past have come to an agreement on such matters as roads, health, and other things. Does any person mean to say that they cannot come to an agreement as to who shall limit the hours of work for the workingman? Is it that neither wants to take the responsibility? The sooner the responsibility is taken by somebody, the better and the sooner will the unrest be lessened.

Capital owes a duty to the State, labour owes a duty to the State. They must be made to recognize that fact, because the community is interested; the community has to have the community's business carried on. Therefore, I say that it does not rest wholly with Governments, but it rests with the people at large to see that these disputes are settled.

I just wish to say one word upon the farming situation in regard to the tariff and I am done. It will be admitted, and it is mere surplusage to say it, that there is not a business industry throughout the length or breadth of this land that during the growing time of the crops, and when the fall comes, is not making its contracts and its purchases always with an eye and regard to what the agricultural outlook is. If you go to a wholesaler, what will he say: I will buy when I know how agriculture is doing and how the crop is getting on this year. We hear that everywhere, it is a truism, and does not need any amplifying by me. If that is so, then I have merely this to say that to the farmer must be extended the very greatest consideration. I hold in my hand a book entitled "Wake Up, Canada!" by C. W. Peterson. This gentleman has put the case so strongly and in such a manner that I could not hope to present it more effectively, and I am going to ask the House to bear with me while I read a few things which Mr. Peterson says in so far as the farming industry is concerned. The author of the publication referred to says this:

> The Canadian farmer has now enjoyed a few years of prosperity and has been able to discharge his debts—which he always does when he can. He is able to buy more freely and eastern industry and business, consequently, are flourishing. It is curious how persistently our minds are focussed upon the present to the utter exclusion of the unpleasant past and all its lessons. . . . Shall we cease sneering at the farmer when he gives expression to his well-founded anxiety about the uncertain future, and perhaps makes reconstruction proposals that may not appear strictly orthodox? Rest assured, that the situation does not call for supercilious criticism or offensive imputations. Every thoughtful and patriotic citizen, irrespective of trade, profession or political affiliation, will be well advised to study the real difficulties confronting this country and to contribute his quota towards the solution of the many vital problems that surround agriculture, in the East as well as in the West.
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> We cannot, of course, control wind and weather and ensure favourable crop conditions. That is in other hands. But we can, if we will, do much to ensure that when the farmer has anything to sell he shall get it to market in good condition and a reasonable cost, that profitable markets shall not be artificially closed to him, that, in fact, the returns from his business shall be such that he can survive the lean years and thus keep the wheels of industry moving steadily to the everlasting advantage of every one who call Canada his home. . . . . Agriculture may well be termed "the great gamble." The farmer's occupation involves a life of unremitting toil. He must compete in the open markets of the world with farmers of other countries and climates—the black, the brown, the yellow and the white races who have been working at high pressure for centuries, and will probably go on doing so for many more generations. Take it one year with another, our farmer makes a fair living and nothing more. And, besides, he has considerable capital invested in his business, on which he draws only a very moderate return. He is at the mercy of the capriciousness of the seasons. Nothing he can do will enable him altogether to forecast results. Neither can he fix the values of his products. If the season is good in Russia or the Argentine or India, the Canadian farmer must sell his wheat at a discount. The cost of producing it does not enter into the calculation at all. He comes into the game, but other

people play the cards. . . . . .It is not a class question. It is our one, great national problem.

That, Sir, as I said before, so entirely expresses my own view in regard to the farming community that I have taken the liberty of reading it to the House for this purpose, and this purpose only, that in any legislation tariffwards that we make, the farmer is the man that must be considered, he is the man that must be considered if we desire the ultimate good of the Dominion. Sir, we are to-day bringing in a land settlement scheme. I want to ask the people of this country, and I want to ask the House, what purpose is a land settlement scheme to put soldiers on the land without you so provide that the soldiers after they get on the land can make a living. So far as the tariff, in fact the whole country, is concerned, the East needs the West and the West needs the East. The tariff and industrial conditions are not the same. Under those circumstances, as wise Canadians, we have got to recognize the fact that the tariff must be a compromise; it is utterly impossible that it should be anything else. That has got to come because, say what you may, Canada must stand as a united and not as a divided nation. I say, Sir, that there should not be dissention. There should be cohesion so that we may build up in this country a great nationality, and cohesion, industry, and work must be the watchword of good Canadians for many a year to come. Sir, the time has arrived when we as representatives of the people must look matters squarely in the face. We have got to speak of the Dominion as a whole and we must be loyal enough to that Dominion, and fearless enough to see that we shall be men enough to grapple with the many intricate problems that are now staring us in the face and endeavour to find a sane solution, or solutions, for them. I believe, Sir, that the tariff can do much towards that end. I believe that to-day the tariff, with all its attendant followings, is playing a large part in connection with the existing unrest. The position which I took in the first part of my speech I take now, and therefore it is that I shall have much pleasure in supporting the amendment of the hon. member for Brome (Mr. McMaster).

Mr. EDWARD WALTER NESBITT (Oxford North): Mr. Speaker, I am sorry to say that I was absent at a committee meeting and therefore did not hear the whole of the remarks of my hon. friend who has just taken his seat. Such of his remarks as I did hear I have no quarrel with whatever. In referring to labour, the hon. gentleman said that labour was entitled to a fair percentage of the profits derived from industry. I am interested in several businesses and I would have been very glad to divide the profits with labour, but I am afraid that if I did so labour would come out at the short end of the horn as I have for a number of years past. All manufacturing industries, by no manner of means, make a profit. Before entering upon the observations which I desire to make, I would like to say that I am in rather a peculiar position as compared with the ordinary members. I am a farmer, a manufacturer, and unfortunately one of those unhappy middlemen that every one abuses, because I am in the insurance business also. I have had a business experience extending over forty years in various lines of activity and I think, though I may be wrong in that opinion, that I know something about business matters from every standpoint. Before considering the tariff, I would like to touch for a moment on the subject of the high cost of living. I am not going to deal with it from the standpoint of the committee that is now engaged in investigating the question, because that committee have not yet progressed sufficiently far in their examination for me to mention anything that they have done or that they are likelv to do.

I am only going to touch on it from the general standpoint. After the war started the Imperial Government were very anxious to get munitions of all kinds, which were absolutely necessary for the protection of our soldiers in the field. The Imperial Government sent their agents to this country and to the United States and, through them, offered very high prices for munitions, with the result that the manufacturers offered very high prices for labour—in some cases, according to our standard before the war, almost ridiculous prices—and those high wages naturally attracted a great many men from the farms. Then a great many men from the farms volunteered for the army, more especially the workingmen, I mean the employees. Later conscription came along and took more men from the farm. The consequence was that the supply of foodstuffs fell off very, very materially during the course of the war. Besides that there were in the neighbourhood of 25,000,000 men fighting on the battlefields, all taken practically from some form of industry—not altogether from the production of foodstuffs by any manner of means; but

everything in the form of industry goes to make up the high cost of material when you take away the men working in that industry. Another thing, all the European countries were practically destroyed so far as producing foodstuffs was concerned, and they continued to demand, to the very height of their ability to pay, all the foodstuffs they could get, regardless of price. Therefore, we cannot expect to get a supply of foodstuffs adequate to bring down the cost of living in this country until things come back to normal.

I believe that the farmer during the time that foodstuffs were so high made no more money than he made during the time before the war when the price of foodstuffs was normal. I can say from my own experience—and I keep an accurate account of the results of my farming—that I know that he has not been making any more on account of the high prices that he gets for his produce than he made previous to the war.

I do not know how we can expect to bring down the price of foodstuffs in this country until things come back to a normal condition, and they cannot possibly come back to that condition, so far as farm produce is concerned, until such time as we can get more labour and cheaper labour on the farm. It is almost impossible this year to get farm hands. I know from my own experience that the farmers in our section of the country have during the past four years worked practically night and day to try to keep their farms cultivated. They have had to get their children of ten years of age and upwards, and their wives, who had never worked in the fields before, to assist them to try to get their crop in and to try to get it off. They have done everything in their power to produce foodstuffs during that time, so much so that they have got tired, that is, so far as the Ontario farmers are concerned.

My hon. friend from Marquette (Mr. Crerar) said the other day that there were a good many abandoned farms in Ontario. I do not know of any myself. But perhaps he thought that where some
5 p.m. farmers had put their farms into pasture and bought stock to graze in the spring, those farms were abandoned. I am not disputing my hon. friend's statement, no doubt he thought he was right, but so far as my experience goes, I know of no abandoned farms in the province of Ontario, but I do know that a great many farmers have stopped raising grain and keeping milch cows, for the reason that they cannot get men to do the work and therefore they have turned their farms into pasture land to a large extent.

I know of farms consisting of one hundred acres of which not more than ten or twelve acres are worked, the remaining acreage being turned into pasture for young stock, farrow-cows, and so on. As for the grain that is grown on these farms, it is not even threshed; it is cut up and used for feed for the few cows that the farmers keep through the winter for their own use. I see, therefore, no prospect of a reduction in the price of foodstuffs until a change comes over the spirit of the country and more people are willing to do the hard work on the farm at a lesser profit.

I do not often quote figures in the course of my remarks, but I was anxious to find out what the conditions would be if there were no tariff or no trade restrictions as between Canada, England, and the United States, and how that would affect the price of foodstuffs. I have prepared, from statements published in Canada by the Labour Gazette, in the United States by the Monthly Labour Review, and in England by the National Food Journal, a statement of the average retail price of foods in those countries in February, 1919. The statement is as follows:

	Canada. (Labour Gazette.)	United States. (Monthly Labour Review.)	England. (National Food Journal.)
	c.	c.	c.
Sirloin Steak—per lb.	36.2	41.2	45.6
Round steak—per lb.	32.8	38.8	44.6
Rib roast, prime—per lb.	29.6	32.6	44.6
Chuck roast,—per lb.	25.4	27.9	28.4
Pork roast—per lb.	35.7	—	44.6
Pork chops—per lb.	38.3	37.9	48.6
Bacon, breakfast—per lb.	51.6	55.3	56.8
Milk—per qt.	13.7	15.5	—
Butter, creamery—per lb.	58.6	57.2	60.8
Cheese—per lb.	33.8-35.7	40.9	40.5
Lard—per lb.	35.7	32.1	40.5
Eggs, storage—per doz.	56.6	46.8	1.10
Eggs, fresh—per doz.	64.7	50.6	1.95
Bread—per lb.	7.9	9.8	4.6
Flour—per lb.	6.8	6.7	4.6
Rolled oats—per lb.	7.7		9.1
Rice—per lb.	12.0-14.1	14.3	8.1
Beans, dry—per lb.	13.9	13.7	12.2
Potatoes—per pk.	29.7	31.0	24.9
Corn, canned—per can.	23.1	19.6	
Peas, canned—per can.	19.1	19.2	
Tomatoes, canned-per can.	21.0	17.0	
Sugar, granulated—per lb.	12.0	10.7	14.2

Mr. KEEFER: Does that statement take into consideration the large subsidies paid in respect of these commodities in England?

Mr. NESBITT: Certainly. You can see, therefore, that if all tariff restrictions were taken off as between these countries there would be no reduction of the price in Canada of the commodities which are mentioned in this list.

The Government have been asked, through petitions and that sort of thing, to prohibit the export of such goods as eggs, butter, cheese, and meat. I think that would be a great mistake, because the farmer is making no more than an ordinary profit on his production now, and if the export of these commodities was prohibited he would cease to produce them and they would get dearer instead of cheaper. The Government would be very foolish to interfere with the regular channels of supply and demand, and I hope they will not do so.

During the war a good many commissions were appointed and maintained at the expense of the country. The cost of these commissions, which has to be paid by the people in taxes, tends to increase the cost of living. I think that there were more of these commissions than were necessary, and that they involved the establishment of expensive staffs and departments that were not absolutely necessary. I venture to say that the work could have been done as well with half the service that was maintained.

Moreover, about the time the war started, the Government, owing to the failure of the Canadian Northern to pay its way, either had to take over the Canadian Northern or advance money year after year to maintain it; and they decided to take it over as a Government road. Though I was opposed to the taking over of the Canadian Northern the Government thought it wise to do so. Recently they had to take over the Grand Trunk Pacific; I saw no other course for them to adopt. But you must bear in mind the fact that when the Government took over the Canadian Northern, freight rates were immediately increased by 40 per cent —15 per cent at one jump and 25 per cent at another—thus largely contributing to the increase in the cost of living.

I am glad to say that most of the commissions have been dissolved but there is still a tendency to appoint commissions. Commissions have been appointed since the Armistice was signed, one to go to England, and one here to keep in touch with the one in England. These commissions will follow the usual practice of building up departments around themselves and employing an excess number of assistants, all of which is expensive to the country. Another commission is now to be appointed, a purchasing commission, consisting of three men at high salaries, who will also build up a department around themselves. I said the other night, when that matter was before the House, and I repeat it now, that I could supply a man, who, with one first-class stenographer and two inspectors, could do all the purchasing necessary for the Government departments, and do it well. I say that the Government are to blame in this respect; they could have cut down this expenditure. With reference to the work of the committee of the House which is examining into conditions in the Civil Service, I may remark that half the number of clerks now employed in the various departments would do the work just as well as it is done now. The Government could, therefore, very easily reduce expenditure, thereby giving an example to the people and helping to reduce the cost of living.

I have always been, and am still, a low tariff advocate. I do not believe it is necessary in the interests of the manufacturers that we should have a very high protective tariff. In the first place, I think it gets the manufacturer into a slovenly way of doing business. By intensifying his organization he could reduce his costs quite sufficiently to make up for low tariff protection. All tariffs are on protective basis; there is no doubt about that. But we must not run away with the idea that the amount of the duty on a particular article is always added to the price of that article manufactured in Canada. I know something about the way manufacturers arrive at their selling prices, and I know of none who take the tariff into consideration when they are determining the selling price of their goods.

Almost constantly you hear city people say, because of the high price of farm products, that the farmer is making a fortune. In the country and, in a good many instances, in this House, there is a feeling that all Canadian manufacturers are making fortunes; that they are all rich. I would suggest to the man in the city who thinks that the farmer is making a fortune, to buy a farm and go on to it himself and see how he comes out. On the other hand, I would suggest to the man who thinks all manufacturers are making money, to form an organization and go into some line of manufacturing, I do not care which, and see how he comes out, and then he will have experience to show him how much of a fortune the manufacturer is making in his particular line of business. That will

give him a knowledge that perhaps he does not have at the present time.

I should like to say to those who think that every manufacturer who starts in business makes a fortune, that statistics show that, out of every five men who enter the manufacturing or commercial business of this country, four fail. Some of them profit by their experience and afterwards become wealthy or well-to-do; some are too old to profit by their experience, and some are too foolish and the latter just branch out again if they have an opportunity. Experience teaches us that while a farmer works from daylight to dark, many manufacturers who have succeeded in this country work not only from daylight to dark but for several hours after dark. Many of them put in from eighteen to twenty hours a day for years before they make a success of their business and many of them go without any dividend for a number of years. That brings me to my remarks on the tariff.

A feeling has many times been expressed in this House that if the tariff were taken off agricultural implements, the cost of production would be decreased; that living expenses, at least as regards foodstuffs, would come down. I was curious to know what the effect of taking off the tariff would be, and, therefore, I went to the trouble of getting figures—and again I apologize for using figures—as to just what effect the tariff had on agricultural implements. I took the ordinary equipment of 100 acres of land in Ontario, or as I understand it, the ordinary equipment of 160 acres of land in the West, and I took the wholesale prices because the duty is paid on the wholesale and not on the retail prices. The duties quoted are exclusive of the war tax. The following is what I found:

Article.	Value.	Duty.
Binder	$200	$25.00
Mower	77	9.62
Horse-rake	45	6.75
Corn binder	200	25.00
Disc drill	113	16.95
Roller	65	13.00
Manure spreader	180	27.00
Corn cultivator	87	13.05
Disc harrow	44	6.60
Cultivator, spring tooth	64	9.60
Scuffler	12	1.80
Lumber wagon	103	20.60
Walking plough	17	2.55
Gang plough	74	11.10
Iron harrow	22	3.30
Two double harness	120	36.00
One single harness	50	15.00
Tools	50	15.00
Buggy	75	22.50
Total		$280.42

[Mr. Nesbitt.]

That is at 15 per cent, or the propcsed tariff. It is an understood fact that if a farmer takes ordinary care of his tools, the life of a tool on a farm is ten years. The duty paid is $280.42, so that if you take it over ten years, the duty paid is $28 a year. If you take the old tariff, exclusive of the war tax, the duty amounts to a total of $309.62 or $30.91 a year. If you take the tariff off entirely, there would be saved in duty at the proposed tariff, $28 a year. But we have to fill that in with something else, and as the income tax has been increased almost as much as the minister can increase it without driving people out of the country, and as the business profits war tax is certainly as high as he can raise it without driving business out of the country, there would, in any judgment, be only one recourse, and that is a land tax. To provide the amount that would be lost by the removal of the tarifl would take a land tax at municipal assessments of about two per cent or twenty mills on the dollar, and that tax on 100 acres of land in my county would amount to about $140 a year. If you take the land at a price for unimproved land of $25 to $30 throughout the country, you do not receive any benefit because the lower the assessment, the greater the rate of taxation because you have to raise a certain amount. Therefore, as regards myself as a farmer, I would prefer to pay the duty proposed on these goods to having a land tax imposed. We are all selfish to a certain extent, and I am just selfish enough to prefer paying the tariff proposed on these goods to paying a land tax, because if the land tax were only one per cent, I would be a great deal of money out of pocket. I believe that the proposed tariff will allow a very keen competition from both Great Britain and the United States. It is a fact, I must frankly say, that we get very few agricultural implements from Great Britain because the British manufacturers do not make the class of agricultural implements we require. We buy a large quantity of agricultural implements now under the old tariff from the United States, and the United States manufacturers, owing to their vast market which enables them to employ men day in and day out, for instance, drilling a hole or making a bolt, can pay the proposed tariff of 15 per cent and import goods into this country, and they will do so. It is said that our agricultural implement manufacturers can compete with the world and do export a large quantity of implements to Australia in open competition.

That is quite true. Every man who knows anything about manufacturing knows that if you are turning out every year $100,000 of goods, we will say, and you base your overhead on that amount, if you can increase your output up to $200,000 you decrease your overhead nearly by half, or at all events, by fully a third. So that when you have supplied the home market if you can get an export trade, you can afford to sell at a lower price and still make money because of the reduction in your overhead. That is a simple fact that every man in the manufacturing business in this country thoroughly understands, and which cannot be disputed.

As to the rest of the tariff, there are a number of articles on which the duty in my opinion is too high, but I will come to that a little later on.

I wish to say something on the Business Profits War Tax. This tax was imposed for the war. The reason given at the time was that there were a great many men in this country manufacturing munitions of war who were making very large profits, and it was thought that part of these profits should be devoted to paying the cost of carrying on the war. I think that was quite proper, but we must bear in mind that while this is a war year in the sense that we are paying the expenses and reaping the results of the war, the men who were turning out munitions have had to stop their factories almost entirely or pick up some article here and there which they can manufacture and put on the market. These men will make no profit this year. The ordinary business man had to come under the tax with the munitions manufacturer, because it was thought impossible for the Government to pick out men here and there who happened to be engaged in the munitions business and tax them, and let everybody else go free. So all were taxed. Now my contention is, and was at the time, that it is an unfair tax, because it works out improperly. A corporation that is over-capitalized, for instance, gets off much more lightly than the man who has a small capitalization and is borrowing all his money from the bank in the endeavour to build up a business. That man is practically in the hands of the bank, and it is absolutely necessary for him, in order to build up his business, to put into it whatever he can earn over and above six or seven per cent to the stockholders. Now while banks are very generous at times if you are engaged in a profitable business, at other times, when money is scarce, they get a little frightened and put on the screws just when the small man wants money to carry him over; so it is a dangerous thing to depend entirely on banks to carry you along in your business. The Business Profits War Tax taxes practically everything over 7 per cent; profits up to 15 per cent are taxed 25 per cent; from 15 to 20 per cent, 50 per cent; from 20 per cent upwards, 75 per cent. You might say that 25 per cent up to 15 per cent is a small amount, that a corporation incorporated for $100,000 that made 15 per cent would only pay $8,000. But that same corporation may be borrowing $120,000 from the bank to carry on its business, and not only that, but nine times out of ten when the company borrows from the bank the directors have to put up their personal credit before they can get a loan. It is the small man we want to encourage in this country, not the corporations with large capitalization, although I think they are just as fair as the ordinary company if their capitalization is actually paid-up; where it is not paid-up I do not believe in them at all. I do not believe in two or three kinds of stock and two or three kinds of debentures and all that kind of thing. I am pleading now for the ordinary manufacturer or businessman throughout the length and breadth of this land, that he may be given an opportunity of building up a reserve so that he will not be at the mercy of the bank or any one else.

I hope before these taxation proposals are disposed of, the Government will see its way clear to so re-adjust the business profits tax as to provide that on profits between seven per cent and twenty per cent, instead of seven per cent and fifteen per cent, the tax shall be twenty-five per cent, while on profits between twenty per cent and thirty per cent, instead of between fifteen and twenty per cent, the tax shall be fifty per cent. A man starting into business with $100,000 must turn that over three times a year, to make a reasonable profit he must make sales up to $300,000. If he is going to make ten per cent he must turn his capital over three or four times per year to earn that profit. You must remember that he is not making more than two and-a-half or three per cent on his turnover. That amount looks big if his capitalization is low, but it is not very big on the turnover. I would like the minister who is representing the Minister of Finance here this afternoon to call the minister's attention to the point that I am now going to refer to. Farm tractors were allowed in free last year, and of course

the material entering into their construction must also be allowed in free. The manufacturers get a drawback of ninety-nine per cent, but they sometimes have to wait for six or eight months to get that drawback. I do not see why the Customs Department should not be instructed to allow that material in free at the time it is imported, in place of making them pay the duty and compelling them to lie out of the money for from six to ten months before they get the drawback.

I am satisfied with the assurance of the minister that this is a temporary revision of the Budget. I perfectly agree with the proposition that the Minister of Finance, together with some other ministers—not a commission—I am sick and tired of commissions—should travel through the length and breadth of this country and burrow into the business establishments from every standpoint, farming, manufacturing and commercial. Then a tariff should be devised which would be a revenue-producing tariff and at the same time afford a reasonable protection for the manufacturers who require it. It should be a revenue-producing tariff. I am very much pleased with the proposition, and I would like to say to my friends opposite—I think they are all my friends yet—I have a very kindly feeling towards them anyway——

Mr. BELAND: Hear, hear.

Mr. McKENZIE: Hear, hear.

Mr. NESBITT: —that the Government in reference to this tariff proposition, have done the very best they could considering the difficulties they have had to face. The actual fighting, I hope, is done. We cannot tell but I hope it is through. But, we have results worse this year than we had previously. I do not regret, and I do not believe anybody else does, the expenditure that was made on the war. There is no doubt that a great deal of it was extravagance more or less and perhaps some of it unnecessary. But it was a peculiar time. The situation was like that in which a man with a great rush of business finds himself; he has not time to sit down and work things out. This country had to do the best it could in the war and I doubt if anybody regrets that it did the best it could. The expenditure was large and perhaps some of it was wasted. I have no doubt that some of it was wasted but at the same time there would be few of us who would have asked the Government to stay their hand. They are only ordinary people like ourselves, they did the best they could and let us give them credit for that.

Now, in reference to this tariff proposition, I believe as solemnly as I believe that I am standing here, that the Government have gone as far as they can safely go at the present time. I think the farmers will find that the arrangement in regard to freights on their implements will make a great difference. Somebody—I do not remember whom—while speaking here the other day, sort of laughed at the idea of the reduction that had been made in freight rates and said that it would be of no benefit. I think he will find that it will make a great deal of difference in shipping to the West. I have always found, in shipping to the West, that the freight charges were, to speak very plainly, practically horrible when I came to pay them. But, it is necessary because you can see that the railway companies are not making money even under the increased rates. After the increase in freight rates, we had the Government requiring the Canadian Pacific to pay over any excess profits which meant penalizing a successful corporation. I dislike penalizing a man because he makes some money I do not believe in penalizing a successful corporation. I think they are people who should be held up as an example to the rest. They should be encouraged. But the Canadian Pacific were penalized. That is a principle that I object to in so far as I am personally concerned. Although the freight rates were raised some of these roads still do not pay. You will find that the reduction brought about by the Minister of Finance in freight rates will be of material advantage to the people in the West in the shipment of their agricultural implements. I hope that when the vote comes on the tariff proposition hon. members will show their appreciation of what the Government have tried to do in the way of assisting them for this year and which will give them an opportunity to thoroughly study the tariff situation from the standpoint of the interest of the whole people and not that of any particular class.

My hon. friend from West Lambton (Mr. Pardee), in sitting down this afternoon, said that this country, to succeed, must be united. There never was a better example of unity than when Marshal Foch was made commander and put at the head of the allied troops. There never could be a greater example of unity than that. The people of this country, whether they live in Ontario, Quebec, the Maritime Provinces, or the west, have to get over their grouch

with each other. We have to unite and the people on the farm have to get it into their minds that there is not a fortune in coming to town to work by any manner of means. I claim, and I think I can prove it, that a single man to-day who is getting $35 per month and his board on the farm is better off than the man who is getting $3 a day in town and boarding himself and who is subject to all the inducements to get rid of his money that he always finds in town.

In the first place his clothes will not cost him a fraction of what they do in town—he is better off in that respect. Then the inducements to spend his money will be less; and I would like to say to you people that have lived in towns all your lives that you may sit behind a desk and worry your soul out how you are going to get money to meet your expenditures the next day when you would be a lot happier even if you were a little dirtier—if you were working as an ordinary labourer on the farm. You can always bear in mind that water is, thank heaven, free in this country, or practically so, and if you get a bit dirty during the day you can easily cleanse yourself at night and you can go to bed and sleep soundly. And the next day all you have got to do is to get up and repeat the same performance—work like a man. I have no sympathy with this agitation for shortening the hours of labour to six hours a day and all that sort of thing—not the slightest sympathy. When I was a boy I had to work from morning till night. It did me no harm, it kept me out of devilment and did me good. I do not think there is a truer adage in the world than the old one that " Satan finds mischief still for idle hands to do ". As for the man that only works six hours a day and wants the rest of the time for fun, I think that is nonsense—absolute nonsense. When I am at home and have got the time I go out to my farm and work until I can hardly crawl into my buggy at night, but after returning home, getting a wash-up and a real rest, I am just as good and a lot better the next day. I have yet to see hard work kill any body, but hard work and worry will kill everybody. The fellow that works hard really, after all, is the fellow in town that is trying to build up a business, on his own or somebody else's credit, and working from eighteen to twenty hours a day to do it until he has broken down, and he thinks it is more fun than cleaning horses and milking cows. He never did the latter job or he would know better. The farmer is not making a fortune, I will concur in that statement, but he is making a living. My hon. friend (Mr. Pardee) said the farmer had to compete with the world, but it so happens that it does not matter what he has to sell, from buckwheat to a pig, his market is always right at his door. He does not need to have commercial travellers going around the country to sell his goods; he has got his market right there, there is no possible question about it. It is too bad when the market goes down and the author quoted by the member for Lambton was quite right when he said that no business in the world is more of a gamble than farming, for the simple reason that the farmer's crops are exposed to the elements. We see that at the present day. I may tell you that in Ontario we had too much rain when we were putting in the crop, altogether too much. The crop went into wet ground, or, rather, it was not entirely wet, but it was too moist, and the consequence was that the ground baked. Now the hot sun is drying it up so that the grain is turning yellow, it has not got the moisture to keep the good solid green; and fall wheat, as to which there was a prospect of the greatest crop Ontario ever saw, is ripening too fast. I only say that to illustrate that the farmer is up against the elements every day. There is no telling what to-morrow will bring forth for him. As my hon. friend (Mr. Pardee) has said, the farmer deserves all he can get; but I have endeavoured to show, speaking absolutely from a farmer's standpoint, that I would prefer to pay the duties imposed under the Budget than to pay a land tax, and we have got to have one or the other. You cannot raise the income tax any higher without driving people out of the country, or else driving them to buy Victory Bonds. I am sorry to say a great deal of that has been done. You may have noticed when the last Victory Loan was floated a great many thousand—hundreds of thousands, I think—of people in this country bought those bonds, but many and many a man subscribed for them because he was paying for them by instalments, and before the instalments were due sold the bonds again on the open market in Montreal or Toronto. For weeks there were anywhere from $300,000 to $500,000 worth of bonds sold on the open market in Toronto every day, and the same thing occurred in Montreal. Who bought them? The men who would otherwise be paying an income tax. I have no objection to the ten per cent income tax on corporations, I think that is perfectly fair, but I do object to the business profits war tax, which is an en-

tirely different thing. I think that the corporation has as much right to pay a tax on income as an individual has. A great many corporations will doubtless object very decidedly to paying income tax, but they will have to pay it. I suppose, like every human being, they will do the best they can to evade payment.

Now, Mr. Speaker, in conclusion, I would like to appeal to members on both sides to drop class thinking and "locality" thinking, if I may use the term, even if it is provincial-wide. Let us drop all class thinking and action and join heartily together when it requires all the little brains that the Lord has put into us to successfully carry this country over the next two years. Let us join together as much as we can in producing all that is possible, not only for our own benefit, but for the benefit of the country, so as to make this Dominion a united and therefore a successful Canada.

At six o'clock the House took recess.

After Recess.

The House resumed at 8 o'clock.

Mr. H. A. FORTIER (Labelle) (Translation): Mr. Speaker, the Minister of Finance, in his explanation of the budget stated that in order to balance our finances, we must produce and save. This is undoubtedly a short but comprehensive description of the policy to be followed all over the world during the period of reconstruction in which we are entering now.

There is one thing that I profess to know in the district where I live and more particularly in the city of Hull and in the county which I have the honour to represent in this House, and that is that the people have started long ago to produce and save. They made necessity a virtue. The people had to work and they had also to dispense with many comforts, and even then while they led such a sober and laborious life they experienced much difficulty in making both ends meet. I think that these directing principles of our life: "Produce and save" are understood much better by the humble working man than by those who govern them. I think I have every good reason to doubt whether the policy of the present Government, furthers production and saving. It seems to me that their policy strangles the producer and despoils the man who saves.

Mr. Speaker, the farmer is first among the producers; he is the only essential one. He produces the bread, and the textiles with which we are clothed; consequently it is the farmer who produces two essential commodities: "bread and clothes." The real producer is the man who exacts from the soil the economic wealth. Well, of all the workers whose hands dig into the land, none more than the farmer can bring out this economic wealth which enables him to live not more comfortably, but just decently.

It is high time that those who administer the affairs of the country gave more attention to this noble worker of the soil. I need not point out the primary importance of agriculture as a factor of this country's wealth. We find the best proof of the benefits accruing from agriculture in the history of the development of this country, from the days of its origin, when our ancestors came from France to economize, colonize and settle on the shores of the St. Lawrence up to the prosperous time when nine autonomous provinces fraternally vied with each other to carry on the fruitful works of peace under the direction of a central power.

After having gone through the terrible ordeal of this great war, when every thoughtful Government should direct their patriotic efforts toward creating, extending, and improving our important agricultural industries, there is no proposal before this House in favour of the farmer. The Government, whose duty it is to carry out the work of reconstruction systematically ignores the leading producer of the country.

As an example, I will point out, as did all my hon. friends on this side of the House, that the proposal of the Government to reduce the tariff in the interest of the agricultural class is only seemingly favourable to that class. As a matter of fact it does not relieve the financial condition of our farmers, who finally, as regards the production of cereals in particular, will find themselves in the same position as they are in now. In fact, under the new system, the farmer will have no advantage in producing more than he was doing under the old system.

The reduction of the tariff on certain agricultural implements has only the semblance of generosity. What is offered to the farmers amounts only to a few dollars. However, the price of the agricultural implements has increased to such an extent that it has now become prohibitive for the small farmers. They whose means are limited deserve all my attention and admiration, because they are the majority, and their work opens districts which were so far unproductive. It is the small farmer, the pioneer who increases the acreage of production and introduces civilization in all the fertile parts

of our great country. I have another observation to make, on the same subject. The Government were voted millions for technical education. Their intention is excellent, as they wish to increase the number of skilled workers in our industries. It is true that to become a skilled worker, it is not sufficient to go through ordinary daily work, but you must also apply the theory and the professional knowledge. The Government does well to encourage the producers in the industry, but how is it that in the same budget they seem to forget the farmers who are, as I said a moment ago, the leading producers of the country and, strictly speaking, the only essential ones. In fact the Government could have appropriated a few millions in their budget to increase their number of agricultural schools in the farming districts—I mean the experimental stations which cost very little money. For instance, in my own county there is a very large rural population and there is not one experimental station. In the county where I live, there is the very interesting question of colonization which the Government should not forget and it would be absolutely necessary for those who come and settle there to have such a station. Many hon. members representing farming districts could offer the same criticism. I think that the Government are not consistent when they ask to increase production and at the same time neglect the first among producers. I have another suggestion to make. The Government states that in order to stimulate production they will adopt a policy of immigration by which they will endeavour to bring in farmers into the Dominion and more especially in the West. I approve of the plan, but here again we notice a gross inconsistence. The Government is ready to spend money to bring in foreign settlers and when they have to deal with our own farmers they do nothing but persecute them. Yes, Mr. Speaker, I say "persecute them."

Is it not persecution and revenge to send police officers in the country to take away from the soil which he cultivates the young farmer or the farm labourer and after the local courts have decided that these young men had a good reason to act as they did to drag them before the military tribunals and to dishonour them by committing them to jail or to despoil them by exacting fines of a few hundred dollars which they or their families worked hard to earn? Before showing such kindness to the foreign immigrant the Government should first of all give his attention to the sons of Canada.

May I be permitted, Mr. Speaker, to point out to this House some of the vexatious and iniquitous processes which the Government took pleasure in introducing and to favour in my county.

Emissaries of the Justice Department, possessed of a so-called list of farmers who had failed to report for military service, scoured the country places in search of deserters and succeeded in bringing a certain number of them before the police magistrate. Well here is what happened: Among those farmers, some held temporary exemption papers duly obtained by them during the amnesty period of August last, and others had formally asked for such leave of absence during that amnesty and had been promised one. These facts having been established before the court by means of affidavits and by the evidence of the interested parties, the tribunal decided upon the only thing it could do and dismissed the cases. However, the Government always controlled by a small clan of fanatical persecutors and over-anxious to chastise innocent people, as long as these were conscripts from Quebec, protested against the decisions of the court presided over by Magistrate Goyette, and consequently instructed its own police officers what to do—to indict those conscripts before another court, such as are established in different localities of our districts? No, sir, but to arrest those farmers and to take them handcuffed to the Kingston dungeons.

In the spring of 1918, yielding to my constituents' just prayers and entreaties, I have assisted several young farmers in my county in securing them the permits to which they were entitled. Later, when came the amnesty, owing to demand, Colonel Bywater, the commanding officer, to whom I had transmitted two lists of names, granted leave of absence to some and promised to send the same to those whose names were on the lists.

On May 17 last, these young farmers, although holding regular permits of leave, were arrested and taken to the Kingston black hole where they are still imprisoned while waiting their trial before a military tribunal. I demand that the Government put an end to this persecution, I demand that the Government, well knowing the real facts, restore their freedom to these farmers so injustly arrested.

What can they be guilty of when they have regularly obtained from their officer commanding the leave they were entitled to? That leave of absence, through routine

orders, has been extended from September 21 to October 30, and from the latter date to November 15, that is to say, until after the armistice.

Would they perchance be guilty for not having reported at the barracks after the armistice in order to obtain their discharge? No, Mr. Speaker, for it is established that these farmers could either report personally at headquarters or wait till they had received a form addressed to them and to be attested before a local justice of the peace. Now, the officer commanding was notified to send such a form to all and each of them. If he has not done so for the Kingston prisoners, it was no fault of these conscripts and they should not be inflicted the infamous penalty of jail on account of the military authorities' error or oversight.

The Minister of Justice, relying upon false reports sent in by over-zealous inspectors of the Dominion Police, has manifestly rebuked some just decisions given by the magistrate's court which has always held the respect, the esteem and the consideration of the public. The Government has unjustly attacked the president of that tribunal, without affording him any opportunity to state the reasons he had given from the bench and which justified him in pronouncing the judgments which have given offence to the prosecutors. I hold no brief to defend this court, I might say that it enjoys the esteem and the admiration of the public, but I cannot help publicly expressing my disapproval of the Government's proceedings which constitute a denial of justice.

Another word and I conclude—in the motto "Produce and Save," fallen from the lips of the Minister of Finance, I find a most precious meaning, and inspiration for every patriot. What I do wish, from the bottom of my heart, is that your Government be the first to be inspired with such a spirit. Its policy would thereby be improved in more than one department of public interest.

Mr. JOHN A. CAMPBELL (Nelson): Mr. Speaker, while I purpose making a few observations on certain of the Budget proposals, one of the main reasons for my taking part in this debate is to discuss briefly the problem of the development of the natural resources of Canada, or at any rate as far as those controlled by the Dominion Government are concerned, those being confined mainly to the Prairie Provinces and the territory north thereof. The hon. Minister of Finance, after setting out in his Budget speech that we were in debt to the alarming extent of $1,950,000,000, and are responsible for an annual interest charge of $115,000,000, asked the question, how we were going to look after this immense amount. He said:

> What are the resources upon which Canada must depend to carry this huge national debt and the annual charge for pensions and other services which I have mentioned?

And immediately afterwards he put the question:

> What are our resources, actual and potential?

And then he made this statement:

> We have a country of almost unlimited natural assets, vast stretches of cultivable lands, magnificent forests, regions abounding in mineral wealth, and fisheries the most valuable in the world. . . . . To develop our natural resources there is required the application of enterprise, capital and labour.

The object, I take it, Mr. Speaker, of developing these natural resources is in the first place to create wealth to pay on this national debt; and, in the second place, to provide the raw materials for national industry, which will build up the country and thus indirectly result in providing the means for paying off more of the national debt. An incidental result of such development will be to rectify the trade balances with other countries, particularly with the United States. And, by the establishment of manufacturing industries in connection with the development of our natural resources in the West, it is quite possible that there might result some solution of the tariff problem.

Every one believes, Mr. Speaker, that we have this potential wealth, and all have thought about its being brought to bear in the reduction of our immense burden of debt. But it seems to me that it is necessary to have some definite policy in regard to our natural resources so that the people of Canada can benefit directly therefrom rather than in the indirect and remote manner of the past. Throughout the whole country the cry arises for action. A short time ago Dr. McLaurin, connected with the Saskatchewan University, addressed a number of the members of this House, at the invitation of the hon. member for Victoria (Sir Sam Hughes), and he has discussed this matter before the Boards of Trade and elsewhere. He has this to say in one of his speeches:

> As far as Canada is concerned the solution of many problems confronting us to-day is greater production of mineral products and the establishment of essential industries. If Union Government fails to realize its responsibility for

inaugurating a policy for the development of Canada's natural resources and provide for the establishment of basic national industries and thereby insure economic solidarity, posterity will justly censure it with neglect of duty at this critical time in Canada's history.

Another professor, this time from the Manitoba University, now commissioner of Northern Manitoba, Dr. R. C. Wallace, has made a comprehensive study of the subject. In an address before the Greater Winnipeg Board of Trade only a short time ago he discussed this topic. Canadian Finance in reporting this address said:

Professor Wallace very properly pointed out that two objectives are all important to the Canadian people at this time.

One of these objectives is stated by Prof. Wallace thus:

To transform into actual wealth the latent wealth of the Dominion and its provinces; in other words, to pursue a policy of developing our natural resources on a scale that this country has not yet witnessed.

And the Free Press of Winnipeg concludes a recent editorial as follows:

The need for speeding up the development of mineral resources is proportioned to the need of the Dominion Government for revenue and of the Canadian people for work and wealth. But the evils of haphazard methods can and ought to be avoided.

Various boards of trade and public bodies throughout the country have discussed this question and some have gone as far as to say that it is time to create a new department of the Government, or perhaps rejuvenate or reorganize the present Mines Department which is really only an adjunct of another department and does not get the attention which it deserves. The Saskatoon Daily Star in setting out this idea a short time ago stated:

What is required is some cabinet officer whose whole time and thought would be devoted to realization of the potential wealth which the natural resources of this country confer upon it; the application of science to the job of bringing about development of our immense stores of the great prerequisites of economic strength. No branch of governmental activity in Canada has been so greatly neglected as this one, which should be considered of primary importance.

During the session, Mr. Speaker, a number of members of this House from the West have associated together in a committee to look into matters of this nature and to bring to the Government's attention the very great need of further development along the lines I have mentioned. The Canadian Chemical Journal, of Toronto, in its issue of May, 1919, referring to the work of this committee or association, winds up an article as follows:

We are the simplest minded people in the world, and are worthy to be classed with the Chinese in the way in which we have allowed our natural heritage to be juggled in the hands of governments and capital over which we had no control. We owe little to the past, and the future generations will never praise us if we do not do our share in inaugurating a scientific national policy which will not only place Canada in an independent position economically, but which should reasonably result in making Canada the seat of a British Empire.

The hon. Finance Minister has stated what some of these resources are. The agricultural products are easily of first importance. Governmental attention has been chiefly directed, and rightly so, to the increase of this vast production I said "chiefly," I might have said "practically altogether." We must recognize, and pay the same earnest and systematic attention to the better development of, our other natural resources; find out where they are located and investigate the extent thereof. It is well known that, with the exception of the three Prairie Provinces, Manitoba, Saskatchewan and Alberta, the ownership of our natural resources is vested in the provinces themselves. In these three provinces the Dominion still owns these assets, except such as have already been alienated to private parties. In his speech yesterday the hon. member for Regina (Mr. Cowan) not only referred to the promises of the Prime Minister, but quoted specific statements which were made by him in the campaign of 1911 when travelling throughout Saskatchewan, Alberta and Manitoba, regarding the handing over to these provinces of their natural resources. I do not propose to go over the same ground again, but simply wish to emphasize the fact that these resources have not yet been handed over to the provinces. Nothing has been done in this respect, although these promises were made clearly, plainly and distinctly as I understand it, quite a number of years ago.

The question now is: What is the policy of the Government with reference to the resources of these particular provinces? Are they to be handed over to be developed by the provinces, or is the Dominion going to develop them, or are they to be left, as in the present case, to look after themselves? These resources are still vested in the Dominion. The provinces will make no move because they do not own them; the Dominion Government does not take any action because of what may take place in the not-too-far-distant future as to trans-

ferring them over to the provinces. The situation is, therefore, an anomalous one. If for reasons of state, or public policy, or for any other reason the Government may have in its mind, it is the intention of the Government not to carry out the promises made to the Western provinces, then a definite statement to this effect should be made; and the Government should proceed forthwith to evolve some policy by which the country can realize the greatest advantage possible from the development of these resources.

Among these resources are forests, which are common to all the provinces, and fisheries, which are of great importance in Manitoba, and to a certain extent in the other provinces. There are copper and gold in Manitoba, coal in Saskatchewan, and oil and coal in Alberta—I mention only a few of them. Other hon. gentlemen have already taken up the matter of the natural resources of their own provinces and probably still others will yet do the same. I purpose telling in outline something of the resources of Manitoba other than those of an agricultural nature.

If I should say that Manitoba was not an agricultural province, the assertion would be looked upon as a rank heresy. The statement that a province which gives its name to the best wheat in the world is not primarily an agricultural province could not be understood. But if by an agricultural province we mean a province which is, in the main, agricultural, that is that the greatest part of its area is devoted to agricultural purposes, then Manitoba is not essentially an agricultural province, for only a comparatively small portion of the area of Manitoba is taken up agriculturally, or perhaps ever will be. The area of the province is 251,000 square miles. The arable land, including a considerable area in northern Manitoba which has not yet been touched, comprises about 50,000 square miles or about one-fifth of the whole. According to the census returns of 1916, in Manitoba there were 12,000 square miles under cultivation. Since that time a considerably increased acreage has been broken. But, as a rough estimate, let us say that there are 16,000 square miles under cultivation at the present time. That means that only one-third of the arable land or about one-fifteenth of the total area of the province is now cultivated. The remainder of the province is taken up variously. There are 20,000 square miles of lakes and rivers mostly stocked with fish and in connection with which there are extensive water-powers. A large area of the province is part of the Laurentian Shield, which contains some of the minerals that we hear so much about and which may make Manitoba one of the greatest mineral producing provinces of Canada. Of this vast area the constituency which I represent takes up nearly 200,000 square miles, running all the way from Swan River Valley to historic Churchill; from fertile wheat fields to the land of the caribou and musk ox. According to the Natural Resources Intelligence Branch of the Department of the Interior, about 70 per cent of the area of Manitoba is covered with forest growth, some of it not of any considerable commercial value, but a great deal of it valuable timber and pulpwood. In the north country practically the whole area was covered with forest twenty-five or thirty years ago, but about that time great fires took place—which goes to show what great care we should take of these natural resources in order that they may be conserved, not only for our own benefit, but for the benefit of future generations as well. At the present time, along the Hudson Bay railway only one fire ranging patrol—one man—is looking after the whole of the work. It is utterly impossible for him to give adequate attention to that work, and if the forest areas at present existing are to be conserved, more men must be put on the job and more systematic methods employed in connection therewith.

A couple of years ago a gentleman from Wisconsin—at any rate, from one of the northern states—visited northern Manitoba primarily for the purpose of looking up some mineral claims. I learned that he was an important official in the Forestry Department of the state from whence he came. I had some conversation with him on his return and he spoke very enthusiastically about the great pulpwood resources that we have in that country, remarking on their extent and the excellent prospects for their development.

The production of fisheries in Manitoba in 1917 was valued at $1,543,558; since that time I have no doubt that it has increased. Most of these fisheries are found in lakes Winnipeg, Winnipegosis and Manitoba; but the north is beginning to enter into competition with these districts, and during the last two years a large amount of fish has been taken from that part of the country. As you are probably aware, the cold-water lakes of that northern region produce fish of a quality probably not excelled any-

where. These fish are bound to find ready sale in the markets of the world in the near future. I am told by an official of the Department of Marine and Fisheries that we have up in that north country the most valuable sturgeon fisheries that are to be found in any part of North America.

The report of the Water-Power Committee of the Conjoint Board of Scientific Societies of Great Britain says that Canada has 18,000,000 horse-power for development. In the whole of the British Empire 50,000,000 or 70,000,000 horse-power is available. It is a wise economy of nature that this water-power has been distributed throughout Canada where coal and other means of developing power are not available. Manitoba has probably about 4,000,000 horse-power, of the 18,000,000 which is credited to Canada, and of that four-fifths is in Northern Manitoba. Only a very small portion of this immense water-power in Manitoba has been developed. It is well known to hon. gentlemen that by the development of water-power on the Winnipeg river, Winnipeg city compares favourably with any other place in Canada in the matter of light and power.

But it is to the minerals that I wish particularly to direct my remarks to-night. In Manitoba there are three mineral districts, one east of Winnipeg, part of it known as the Star Lake district, where there has been discovered gold, sheelite, tungsten and other minerals of that nature. Then there is the Rice Lake district, where very valuable discoveries of gold have been made. In Northern Manitoba, north of The Pas, there is a district known as the The Pas mineral belt. At this time 16,000 tons of copper sulphide ore lies at Sturgeon Landing on the boundary between Saskatchewan and Manitoba, ready for transportation. This immense pile of ore has already been hauled forty miles by team and is to be taken by barge down to The Pas, a distance of 125 miles. It will be transported from there to Trail smelter, British Columbia, a distance of 1,200 to 1,500 miles. Only marvellously rich ore would stand such treatment as this, for in the process it has to be handled five or six times, and that in a manner which is not the most economical. During the preceding two years $1,000,000 worth of copper has been taken out of the same mine. These are facts that, I think, are not generally known. Four and a half miles from that mine there is a deposit of about 20,000,000 tons of sulphide ore, containing copper, gold and silver, which, after two years of diamond drilling, has been proved to be of a value of approximately $8 a ton. What that country needs is railway facilities in order to be able to properly develop that rich mineral area. A line of 70 or 80 miles from a certain point on the Hudson Bay railway will reach that district, and it is strongly urged that measures be taken for the construction of such a railway at the earliest possible day.

Near the Hudson Bay railway, about 15 miles therefrom, there is another important mineral district known as the Hirtslake district, in which gold is actually being produced. Last summer, during a period of a few months, $27,000 worth of gold was taken out of this camp.

That is not very much in the aggregate, but it is a good deal for a start. Owing to the situation of the labour market and the "flu" epidemic which broke out in this camp in the fall, work had to be abandoned there, but it is expected that it will be taken up again this summer. Further on, at Knee lake in the Hayes river, between Norway House and the Bay on the route which was taken by the early voyageurs coming into the province, there has been found a deposit of gold in a wide belt of sheared porphyry. This is low grade, but there is an immense body of it, and I am told by those who have charge of it that they expect to get in supplies over the Hudson Bay railway and to commence active operations there. The property is owned by an English syndicate.

I mention a few of these instances as an introduction to a discussion of the general mineral situation which is truly an anomalous one. In Manitoba, there is a mining law, but Manitoba has not any mines or minerals. The Dominion owns the mines and minerals, but there is no Dominion mining statute. Then again, we have a Department of Mines, but the department bearing that name has nothing to do with mines, it looks after geological surveys, the mines are looked after by the Department of the Interior. In this connection I would point out that what is necessary if the Dominion Government is going to take the matter up in a systematic manner, is that this Government should pass a comprehensive Act covering mining matters generally and organize a general department so that this matter may be looked after properly. There are at present of course mining regulations. I might say here that the main objection to regulations is that they may be changed at any time. For instance, a few years ago a change in the regulations was made that was not generally known

until some time thereafter by those who were actively engaged in mining, the change being that the title to a mining property was changed from a free-hold to a lease-hold. I do not purpose discussing the relative merits of free-hold and lease-hold as applied to mining properties, but if we had a mining Act, this matter would have been thoroughly discussed in Parliament, and possibly the best results would have come from that, but the fact was that the change was made over night by an Order in Council. There are free-hold titles in the United States and in Ontario and British Columbia; that is, the counties adjoining the three Prairie Provinces have one kind of title, whereas, by regulations quickly passed, the Dominion provides for an entirely different title for mining claims. I urge that either these minerals be handed over to the provinces or the Dominion take the matter up definitely itself.

Recently, a scheme was evolved by the Great War Veterans' Association for prospecting mineral areas. I hold in my hand a copy of a resolution passed by that association in Winnipeg, and I will read a part of the resolution:

> Now therefore be it resolved by this the Great War Veterans' Association of Canada (Winnipeg branch) that the Federal authorities be requested to take up this matter as quickly as possible with a view of tabulating the mineral and other resources of the unexplored parts of this country, ... provision also being made to see that those discovering valuable resources obtain a fair share of the profits by way of royalty or otherwise in addition to such salaries as they shall receive as Government prospectors.

I should have read also a paragraph preceding which sets out that the scheme is that the Government should arrange to send out prospecting parties which should be made up of qualified engineers and soldiers of whom many have had to do with mining matters hitherto. In this way, certain mineral districts would be covered by prospecting parties, it would be learned what really exists there, and benefits would thereby result not only to the country but to the soldiers whom we are endeavouring to help as far as possible at the present time. This proposition has been taken up by the Mining Institute, and recently gentlemen from this institute interviewed the Prime Minister and the Minister of Mines in connection therewith, and it is hoped that action will be taken along the lines suggested. I do not intend to go into details; they might be varied considerably; but there is something about the whole scheme that certainly calls for attention and earnest consideration, and, further than that, definite action. The Winnipeg Telegram recently had a long editorial in regard to the returned soldier and mineral development. I am not going to read as much as I had originally intended to do, but I will read just one sentence:

> The two problems of developing the mineral resources of Canada and of providing returned men with the means of breaking into a remunerative and pleasant profession are intimately related.

In connection with the development of these mineral resources, I have certain suggestions to make by way of recapitulation; in the first place, as I have already said, the Government should either carry out its promise to the province or definitely state that it is going to proceed with the development of these resources itself. If these resources are handed over to the provinces then there will be certain areas in the north that the Government will still have to take care of besides giving attention to the work generally throughout the whole of Canada. And in case these resources are not handed over to the provinces I would emphasize the fact that there should be a proper mining act passed forthwith. I would recommend here that in any event the Minister of Mines take into serious consideration, with a view to immediate action, the extending of the work of the Geological Survey. I have a great deal of praise for the work which that Survey has already done. It has mapped out areas in the north and various other parts of the Dominion, resulting in discoveries being made, but owing to the few men that have been engaged in this work and the time the work takes, very little of the country, comparatively speaking, has really been gone over, and it is very important if we are to have a comprehensive development along these lines that a much more extensive survey be made. I would strongly urge that more parties be sent out and also, incidentally in this connection, that the wages of those who are in charge of those parties be materially increased. Some of those gentlemen who have been doing such good work are men who have the degrees of Ph.D. from universities and who are highly qualified for this work, and the salaries they are getting are not much more than some common labourers are receiving at the present time. I have already mentioned the idea of prospecting parties, and I shall not discuss that in detail further.

There is another idea which the Government might well consider in connection with the development of these natural re-

sources in order that it may get for the people of Canada some specific share of the results of such development. If I remember correctly, this matter was brought up before by the hon. member for Fort William and Rainy River (Mr. Manion) when he referred to the proposition of the Shell Transport Company. I do not purpose discussing this in detail at all; it would be rather out of order here, but this company made a proposition to go in with the Government on a share-and-share-alike basis, the company putting up the money. The proposition they made, when looked at in its details, may not be such as we could take up at the present time—I am not in a position to say—but the idea is worthy of consideration, and it might be worked out to the advantage of the country; that is a private corporation would do the work of exploration and development and the Government would share in the results on a fifty-fifty or perhaps still better basis.

There is a final method which the Government might adopt in matters of this kind to get results, and that is to develop the resources themselves so that the country would derive any advantage that might accrue therefrom.

Before leaving this question of natural resources, I might be permitted to mention briefly the proposition put forward by Mr. Stefansson, the Arctic explorer. You will recollect, Sir, presiding at a meeting not very long ago at which Mr. Stefansson addressed the members of this House. He pointed out that this North country has hitherto been looked upon as a barren waste, whereas, he said, the prairies of the North are similar in many ways to those of Manitoba and Dakota. I should like to quote a few of his statements in this connection. In referring to the country north of Churchill and up to and including the Arctic islands, he says:

> But the main thing is that vegetation is abundant; it is shown by the fatness of the animals that it is also nutritious.

Referring to the introduction of reindeer in Alaska, he said that in the period of between twenty-five and twenty years ago they introduced 1,280 reindeer into Alaska, and now these reindeer have developed into 170,000. Regarding reindeer meat, he says:

> It is excellent meat. Everybody who tries it likes it, and twenty years from now doubtless some of you will prefer reindeer meat to beef, while others will prefer beef to reindeer. It will be like mutton and beef to-day; opinions will vary, but it will be a standard meat.

Regarding the area over which these reindeer can be raised in Northern Canada, north of the Prairie Provinces, he says that this unoccupied territory of Canada amounts to 3,000,000 square miles.

> If you allow 2,000,000 square miles for forest and rocky areas and for lakes, you have at a conservative estimate 1,000,000 square miles of grazing land. That would support, you see, 50,000,000 reindeer probably.

With reference to the musk-ox he says:

> Just now it seems to me that the musk-ox is the most valuable animal in the world if domesticated. He needs no hay, and no barns to shelter him. He cannot be killed by blizzards, and hardly by wolves. He produces three times as much meat as the domestic sheep, and three times as much wool, and no one could tell the meat from beef. The wool is of an excellent quality, and one manufacturer is now engaged in making cloth from it.

As to the breeding of these animals, his suggestion is that a permanent experimental station be started on Melville island. He also suggests a sub-station just north of Churchill, where the musk-ox used to roam, and says:

> I think it would be the best place because we know that it is a good musk-ox country. They have inhabited the vicinity within the past hundred years. It is convenient to the Hudson Bay railway, and I have a good deal of faith in Hudson strait. Temporarily I have not much sympathy with the defeatist sort of people who can always see objections to everything. Lord Shaughnessy said—and Senator Nicholls said the same thing, and many of you could repeat it—that he could remember the time when every argument that is advanced against these schemes was advanced against Manitoba. It was said that if wheat could be raised in Manitoba, it would be too expensive, and that the climate was too disagreeable. All those arguments are being repeated, and again they will be found to be equally wrong. Of course, wheat will not grow much farther north, but this is the coming great grazing country of the world, this and the tracts in the same latitude in Siberia. If we continue to be a meat-eating and wool-using people, the vast grazing lands of the north will have great value.

I refrain from further comment, and will only say that I am glad that by Order in Council dated the 20th of May, 1919, a special commission was named, composed of Dr. J. G. Rutherford, Mr. James Stanley McLean, Mr. James Bernard Harkin, and Mr. Stefansson, to investigate thoroughly this proposition. It is to be hoped that these gentlemen will get down to business at once, and that the result of their deliberations will be favourable. Just a word in this connection, and this must not be overlooked. The effect of the development of these natural resources in this North country will be to give extra work and

tonnage for the railroads that are being projected and built in the West. We have embarked on a very extensive railway programme, and it is possible that some people wonder where the tonnage is going to come from. But I am satisfied that if the schemes that I suggest are worked out, tonnage enough for all the railways now being built and projected will come in due course.

As I did last year on a similar occasion, and as I have done with others at different times in the interval, so do I again now strongly emphasize and persistently urge the Government immediately to take into consideration in a positive and definite way the question of the proper economic development of this great heritage. I endorse the suggestion that a committee of the House be named to investigate and report, or that some other method, if such should more favourably commend itself to the Government, be forthwith adopted to deal with the subject at once and in a comprehensive manner. Now is the time when it will do the country the greatest benefit, and now is the time to get away from the old "laissez faire" policy and embark on a new course of action which will realize for the people of the state what rightfully belongs to them.

As to the Budget proposals, I wish first to express my appreciation of the very lucid manner in which the Finance Minister has set out the terms of the Budget. Whether we are fully in accord with him in these terms, or differ with him wholly, or merely in part, we can all understand the almost overwhelming difficulties confronting him, and recognize the signal ability with which the case was presented. I note with satisfaction that the income tax is to be materially increased. There has been and will be very little criticism on this score. This is the fairest and most equitable method of raising a revenue, and it has come to stay. Critics have pointed out that persons, yea, certain classes of people, have been evading payment of this tax, and that the collectors are somewhat slow. Evasions of other kinds of taxation are not unknown, and this form of collecting revenue has been pursued with marked success in other countries, and there is no reason why it cannot be done in Canada. The requirements of better methods and prompter action will no doubt be met in due course. It takes time to work out a complete new system.

I pointed out last year that I did not think the income tax was as high as it should be, and if there is any criticism I have to make of it this year, it is along the same line. I am informed that this tax is now not as high as it is in the United States, and it is certainly not as high as in the Old Country. It should certainly be as high if not higher than the former, and should approximate in some measure at least the tax in the Old Land.

It is, however, a matter of no small regret that I find myself at variance with the minister in respect to another important item in his taxation proposals, that of the customs tariff. The proposed reductions and changes are utterly inadequate to meet, or even materially relieve, the present unprecedented situation, from the standpoint of either the producer or the consumer. The supertax on British goods has been removed; that is a good thing. The 7½ per cent tax has also been removed on a number of items, and I commend that also; but there are a number of cases where the surtax of 7½ per cent remains and now becomes part of the regular tariff, so that on a number of articles we now have greater tariff than in normal times.

I have listened with careful attention to a number of speeches already delivered in this debate, and in so far as hon. members have set out to prove that either of the time-honoured dictums of Protection or Free Trade is a panacea for the ills of the body politic, the same arguments in the main have been produced as I have heard on numerous occasions for the last thirty years. In some instances there have been apt applications to present conditions; in others the applications were very wide of the mark. Not being a tariff expert, and having no illusions as to my powers of oratorical persuasion, I shall refrain from attempting to argue the subject, and from endeavouring to prove which is the true and correct policy to follow at this juncture. Besides, I am quite convinced that each member of this House has his mind fully made up. The question with some is not as to the policy which is best for the country, generally speaking, but whether under the peculiar and exceptional conditions which exist in the country, and also I might say in the Government itself, such members would be justified in waiving their opinions, or at least consenting to the postponement of the carrying out of their policy. I shall, therefore, content myself with setting out briefly the situation as I see it.

Not in the tariff proposals nor in any other part of the Budget is there any relief in sight for the great consuming class,

which composes all the people of the Dominion, not simply farmers or labouring men, but every one. Then there are the producers, those who wrest a wealth of products from nature itself. Have they received proper consideration?

It is the proud boast of this, and of all other Governments of Canada that this is an agricultural country par excellence, and already this session I have heard hon. ministers state that the future is inextricably bound up with the success of the farmer. It has been frequently pointed out on the floor of the House that one of the main objects of the Government is to make farming attractive and profitable. I regret, therefore, to say that the proposals under discussion utterly fail as a means to this end.

On the other hand, it is a pleasure to note that the surtax has been removed from item No. 460 of the Customs Tariff, which covers certain classes of mining machinery, thus placing these goods again on the free list. This is very commendable, and of immense benefit to a very important and ever-increasing industry, of which I shall have more to say a little later. But the question is, why not put farm machinery also in this class?

Again, the tariff instead of being tempered to the financially weak has in many instances the reverse effect. I might mention one case, that is the tax on tea. I had occasion last year to refer to the specific tax of ten cents a pound on tea. I pointed out then that a tax of this kind bore more heavily on the cheap tea of the poor man than on the high-class tea of the rich. No change has been made in the situation in that respect. I will not dwell upon that any further. A few other items that might be referred to in the same connection are the following:

No. 87, Canned vegetables, 30 per cent.
No. 93, Dried fruits, 25 per cent.
No. 611 A, Boots and shoes, 30 per cent. Leather, 15 per cent. Hides free.
No. 575, Cotton clothing, 35 per cent., raw cotton 7½ per cent.
No. 554, Woollen clothing, 35 per cent.; wool free.
No. 586, coal, anthracite, 7½ per cent.
No. 588, coal, bituminous, 53c a ton.

In any programme which might pretend to be a National Policy there are certain classes of items which should be entirely on the free list. These are the necessities of life—food, clothing and fuel. Clothing including boots and shoes, especially in the cheaper grades such as are used by the working classes, should be made free. Those who want to buy the more expensive articles can pay the price. No obstacle should be put in the way of the people being properly clothed, warmed and fed. I advocate this as a sound general policy for the country, but it is of especial importance now that these reductions be made. I wish to emphasize the word "now". I do not think that such reductions would solve the problem of the high cost of living, but they would help and help materially. Besides such action would be an indication that the Government is prepared to grapple with this problem by means of the only machinery of which it appears to have control, which can affect the situation in any way. I am aware that there are frequently exorbitant profits all along the line. Goods are handled too often, a profit being charged each time, but as yet no process or machinery has been evolved to cope with this; so what possible objection could there be to using the means we now have of putting a dent in the high cost of living, with the view also of working out and developing other means in the near future of reducing and controlling existing exorbitant prices.

Besides, in addition to the material effect, the moral effect of such action would be very great. A pronounced action of this kind would have a strong tendency to allay to some extent the present serious unrest. It would be doing something along the right lines, and would have far-reaching effects. If the people are convinced that a serious effort is being made to relieve the strain, and some results are produced, impatience which is now fast developing into revolt will be moderated and the situation materially improved.

Then as to farm implements and supplies, the reduction is a mere bagatelle; that is after eliminating the surtax which has been declared to be simply a war measure, but which in many respects, as I have already pointed out, now becomes part of the regular tariff. A few of the particular reductions in this connection are the following:

No. 446, cultivators, harrows, etc., 20 per cent to 15 per cent.
No. 446b, ploughs, 20 per cent to 17½ per cent.
No. 447, portable engines, etc., 20 per cent to 17½ per cent.
No. 448, hay loaders, fanning mills, etc., 25 per cent to 20 per cent.
No. 290, cement, 10c to 8c.
Coal, nil.
Lumber, nil.

The farmers' platform in this connection contains fair and reasonable demands. It

calls for the freeing of the tools of production at the same time that the raw materials which go into the making of those tools shall also be free. This, in the light of the oft-repeated statement that agriculture is a national basic industry, is a sound national policy. The other alternative in order that the farmer may not be differentiated against, is to protect him also. How? A fixed price on grain is suggested, and that the price be such as will ensure a fair profit. All the arguments advanced for the protection of manufacturers are good here. "Such action would stabilize the industry"—and remember this is the most important industry; "it would give employment to more men, and pay them better wages, and altogether ensure prosperity." Of course it is probable that some one would have to pay—the other fellow always has to pay for this kind of policy, and the consumer will surely be the goat.

I do not wish to be misunderstood. I am not in favour of making both the reductions called for by the farmers' platform, and also protecting that producer by a fixed price on wheat, or otherwise. The platform in question does not even hint at such a thing. The logical and simplest method is freedom all around, but if protection, then make it general. In that case the unfortunate consumer is in the position of the innocent bystander. He gets it from all sides.

It was the intention of the hon. member for Red Deer (Mr. Clark) to move an amendment setting out as definitely as might be, within reasonable compass, the attitude of himself and of certain western members on the tariff, and particularly as to what changes should be made at the present time, but I have been advised that such an amendment cannot be presented. It runs counter to precedent. The precedent I am informed was founded on an error, and is ridiculous on the face of it, in that it presupposes that there can be only two opinions on any Budget proposal. The House or the Speaker, or whoever has the authority, should speedily rectify this anomaly.

The only proposition that is before the House therefore, outside of the proposals of the hon. the Minister of Finance is the amendment of the hon. member for Brome (Mr. McMaster). I have read this over carefully. It is expressed in very general language. Certain criticism of this amendment has been made by my hon. friend from Red Deer and my hon. friend from Lethbridge (Mr. Buchanan). In the main, I agree with this criticism and I shall not delay matters by going over it again. The clause which was referred to specifically is the third clause. In my opinion, it does not mean anything. It should be redrafted or withdrawn altogether. There is no reference in this amendment to the income tax. I would conclude from that, that the proposals regarding the income tax were acceptable to the hon. member for Brome and that he did not think it necessary to make any reference to it whatever in his amendment.

With the first, second and fourth clauses of the amendment, I find myself quite in accord, especially with the second clause declaring:

> —that the tariff should be so framed as to free the food of the people and the machinery used in the development of the natural resources of Canada, together with the raw material entering into the manufacture thereof.

There can be no question as to the wisdom of that. Regarding the matter of reciprocity, which is referred to in the last clause of the amendment, certain hon. gentlemen have argued that in view of the fact that the claims of those who supported the reciprocity pact of 1911 have now been conceded, therefore those supporters of reciprocity should be in entire accord with the Budget proposals of the Finance Minister. I take it, Mr. Speaker, that this is a tacit acknowledgment from those who so argue that we who supported the reciprocity pact in 1911 were in the right, because apparently they themselves are now in entire harmony with the proposals in that regard which were recently submitted to the House. It may be, therefore, that in the course of another year or two we shall have these same gentlemen coming back here and telling us that we were right in the stand which we are now taking.

The Government is now embarking upon a measure of tariff reform, and I regret that it has not seen its way clear to make more substantial changes, particularly in regard to the necessities of life, and to intimate more definitely what its future programme in this respect will be; that is the general trend of the revision which it is proposed to make —whether it shall be upward or downward, whether it shall be more protectionist or lower tariff—I wish at this time to emphasize my contention that while under normal conditions it would be in the interests of the country to make the suggested changes, the fact that conditions are not normal, but very much disturbed, make it still the more imperative that additional relief along the lines mentioned be given forthwith.

I had intended, Mr. Speaker, to refer to some of the statements made during the course of the debate this afternoon, but I have already occupied longer time than I anticipated, and as there is a laudable endeavour to shorten the present discussion, I shall refrain from making any further comments.

Mr. THOMAS EDWARD SIMPSON (Algoma West): Mr. Speaker, it is not my intention to delay the House by any lengthy remarks of mine at this particular time, as I appreciate the fact that both sides are anxious to bring the debate to a close, and I join with them in that desire.

I have listened with considerable interest to the debate as it has progressed, and I have noticed that some hon. gentlemen opposite have criticised the Government for the large increase in our national debt, apparently endeavouring to convey the impression that this increase is due to extravagance on the Government's part, whereas I think it is only fair to say that practically every dollar of such increase is due directly to the enormous expenditure which Canada was called upon to make in order to bring to a successful conclusion the splendid part which we took in the war. Naturally, some mistakes have been made, but I venture to say that no government since Confederation, and no finance minister in the history of Canada have had to contend with such difficult problems, as to which, perhaps, they had no former experience, than the present Government and Finance Minister, or applied themselves to the task more faithfully.

The hon. member for Brome (Mr. McMaster), in referring to our national debt, and particularly as to where we had borrowed the money, endeavoured to make light of the fact that hon. gentlemen on this side of the House applauded the statement made by the Minister of Finance that no less a sum than $1,500,000,000, or about three-quarters of our total debt, was held by our own citizens. Well, Mr. Speaker, I submit this is an achievement of which every citizen may feel justly proud. Canada had raised an army of such numbers as the most optimistic would have considered impossible at the commencement of the war.

The men of this army had already distinguished themselves on the field of battle, and were daily adding fresh laurels to their splendid record, and giving to Canada a place among the nations of the world which she had not hitherto enjoyed. But in order to carry on this huge war effort large sums of money were required. The financial markets in which we had formerly floated our bond issues were practically closed, and the Minister of Finance decided to appeal to the citizens of our own country to provide the money necessary to carry on our war activities, with the result that every appeal met a ready response, every issue was oversubscribed, and I submit, Mr. Speaker, that we have very good reason to feel proud of the loyal and patriotic efforts of our civilian population, in this regard. Compare our financial standing with what it would be if the securities for those large bond issues were held by foreign interests. But that is not all. Consider for a moment what it means to this country to have the interest on this large sum, which will amount to upwards of $80,000,000 annually, distributed among our own citizens, stimulating industry, and assisting in no small measure to tide this country through the trying periods of reconstruction.

My hon. friend says that these bonds are held by the wealthy classes, the speculators, profiteers, etc. It may unfortunately be true that some of the bonds are finding their way into the hands of the wealthy, but an examination of the record of the last Victory Loan will disclose the fact that the number of subscribers to that loan exceeded 1,067,000, which unquestionably includes all classes of our citizens. Let me give him one concrete example which came under my own personal observation. Of the employees of the Algoma Steel Corporation at Sault Ste. Marie, over 2,500 or approximately 80 per cent of the total number, subscribed to the last Victory Loan to the extent of $750,000 or an average of $300 each.

I am told, and I think my information is fairly reliable, that the majority of these subscribers are still holding their bonds and have no desire to dispose of them. So I think that the argument advanced by my hon. friend is based on supposition rather than on fact.

The hon. member for Stanstead (Mr. Baldwin) in speaking of the amount required to be raised for pensions, seemed to think that it was very large, and that instead of adopting the pension scheme we should have adopted the policy of insuring our soldiers, taking the premiums for that insurance out of their pay. Well, there may be many good arguments in favour of insurance, but I venture to say that my hon. friend will not get very much support, either in this House or in the country, when he suggests that out of his small allowance of $1.10 a day the Canadian sol-

dier should be called on to pay a premium for life insurance to provide for his needs in case of disability, or for his dependents in case of his death. I submit, Mr. Speaker, that the people do not desire that any deduction should be made from our soldiers' pay, and that they will cheerfully and willingly contribute the amount required to provide adequate pensions for those who were disabled and for the dependents of those who fell on the field of battle.

It is not my intention to enter into a discussion of the tariff, because I do not believe there is any general demand at the present time for a tariff revision. It is true that some hon. gentlemen from the West think the time is opportune for a general tariff revision; but I believe that the majority of the people are prepared to let the matter rest until after a thorough and scientific inquiry has been made, such as the hon. Finance Minister has promised will be made as soon as conditions warrant. But there have been one or two points raised which I should like to refer to briefly.

First, much has been said with reference to the high cost of living. This condition is not peculiar to Canada, but prevails all over the world, and is naturally an aftermath of the war. It is no doubt caused by a world shortage of foodstuffs on account of the millions of men taken out of production, and it will doubtless continue to a greater or less degree until the supply again equals the demand. Here is an article in connection with the situation as it exists in England:

> Anxiety in regard to price of food and other costs of living, which ceased to be grave following the signing of the armistice has revived, and is spreading all over England.
>
> Enquiries by the Daily News show that while practically everything costs at least 100 per cent more than in peace times, many necessaries of life have advanced to more than three times their former prices.

That, Mr. Speaker, is very evident, and goes to show that the high cost of living is not confined within the boundaries of Canada. But it has been stated by some hon. gentleman that if you reduced the tariff on foodstuffs you would reduce the cost of living. That would only be a sound argument provided the prices of foodstuffs in the countries from which you would have to import were lower than the prices prevailing in our own country, and as the United States is the only country from which we might expect to get cheaper food, a comparison of prices on a few articles might be interesting. When home last Saturday I took occasion to interview one of the leading wholesale produce merchants in the city of Sault Ste. Marie, Ontario, and also one of the leading wholesale produce merchants in the city of Sault Ste Marie, Mich. As hon. gentlemen are aware, these cities are situated on the St. Mary's river, one being in Canada and the other in the United States, and both are situated very similarly as regards sources of supply, but if anything, the Michigan city has the preference in that regard. So I think a comparison of the prices prevailing in these two cities should be some indication, at least, as to whether a reduction of the tariff would materially reduce the price of foodstuffs.

Flour, which is one of the prime necessities of life, I found was quoted wholesale in the city of Sault Ste. Marie, Ont., at $5.75 per bag for No. 1, while in Sault Ste. Marie, Mich., the price was $6.75. Potatoes in Sault Ste. Marie, Ont., were quoted at $1.50 a bag; in Sault Ste. Marie, Mich., at $1.80. No. 1 creamery butter was quoted at 55 cents a pound in the Soo, Ont.; at 52 cents a pound in the Soo, Mich. Cheese was quoted at 35 cents a pound in the Ontario city, and 34 cents a pound in the Michigan city—Canadian cheese is of better quality, of course. Pure lard was quoted at 38½ cents a pound in the Ontario city, and 37½ cents a pound in the Michigan city. Eggs were 48 cents a dozen on the Ontario side and 47 cents a dozen on the Michigan side. So hon. gentlemen will observe that if the tariff were eliminated altogether, it would not materially affect the cost of living in Canada, if those prices prevail throughout the United States, and, as I have stated, I have no reason to doubt that the comparison is a fair one.

My hon. friend from Red Deer (Mr. Clark), whose speeches during the past two sessions I have listened to with a great deal of interest and profit, is a free trader first, last, and all the time. He not only would have the tariff removed with regard to foodstuffs, but he would also remove the small amount of protection afforded the iron and steel industry. I must say I cannot agree with him. Our basic industries, manufacturing our own raw material, should be encouraged and assisted until such time as they can by increased efficiency lower their cost of production to meet the markets of the world. The hon. member for Shelburne and Queen's (Mr. Fielding) in 1907, the Minister of Finance in the late Liberal Government, when the question of iron and steel bounties was under consideration, spoke as follows:

I think it will be generally admitted that if there is any industry in the country which deserves encouragement—if we are to adopt the principle of aiding any industry by protection in the form of bounties or of customs duties or in any other form—it will hardly be questioned that the iron and steel industry should receive the favourable consideration of the House. A country which possesses large resources and fails to develop them would certainly not be a progressive country.

There is, I think, an erroneous impression that the iron and steel industries are protected to a particularly large degree. I think that is a mistake. I have no doubt that some of our farming friends will be surprised if I tell them that the protection afforded to the iron and steel industry is not so great as the protection afforded to some line of agricultural products, but such is the case.

The hon. gentleman closed that part of his argument by stating that he believed that the bounties which had been advanced on iron and steel would all be returned to the treasury. He said:—

In view of the results which have been accomplished by the continuance of this policy for many years, first under one Government and then under another, even if it had cost the country a very considerable sum of money, I think a good case can be made out to justify the outlay having regard to the importance which the iron and steel industry will always bear to the development of the business of the country. But, I think it is as capable of proof as most things are capable of proof in an argument of this character, that every dollar which has been paid out of the treasury for some years past in connection with the development of the iron and steel industry has come back to the treasury from the general development of the country in connection with the establishment of these great industries.

I entirely concur with the opinion expressed at that time by the hon. gentleman, that the expansion and development of this important industry is due to the encouragement and protection afforded by both parties in the past. Let us see what this has meant to Canada. We shall never forget the early days of the war, when the Allies were short of munitions and the Germans were keeping up an almost continuous shelling of our lines—how the urgent call went forth for munitions, and what splendid efforts were made by Mr. Lloyd George to encourage the ever-increasing output; and how at that time Canada, without any previous experience in munition making, decided to assist. Many factories were soon busy running twenty-four hours a day and seven days a week turning out munitions of the highest order, with the result that Canada supplied approximately 65,000,000 shells of all kinds, representing about 1,125,000 tons of steel. It was because the steel-producing capacity of the country was immediately available that Canada was able to assist by supplying this vast quantity of munitions. If the steel industry had not been protected by the tariff and had not expanded under that protection, no shells would have gone from Canada. The prosperity enjoyed by Canada during the past few years is due to the fact that every available man and thousands of women in the country were engaged in the manufacture of shell steel and munitions at the highest wages they had ever earned.

I have some figures with regard to the four large steel companies, the Algoma Steel Corporation of Sault Ste. Marie, the Steel Company of Canada, the Dominion Iron and Steel Company, and the Nova Scotia Steel Company. In 1918 the number of employees in these four institutions was about 20,000 and the total wages paid $26,706,451, or an average of $1,403 for each person employed. The total wages paid by these companies for the three years 1916 to 1918, both inclusive, amounted to about $71,775,000. They paid in duties and war taxes during the same period approximately $7,793,000, and they paid in freights during the same period no less a sum than $25,890,000. I submit, Mr. Speaker, that an industry which has proved so vitally essential in times of war as well as in normal times, and which has contributed no small share towards the prosperity of our country, should not be subjected to any tariff changes, but should rather be encouraged to extend its scope so as to provide the iron and steel products which are now imported and which amounted in 1918 to the large sum of $186,538,000 If this was done, it would not only mean the distribution among labouring men and mechanics in Canada of millions that are now going to the United States, but would go a long way towards correcting the trade balance now standing against us and in favour of United States.

I heartily concur in the Budget proposals. This is a time when the people should unite in their efforts to meet conditions confronting us during the period of reconstruction, and I hope that all provincial or sectional differences may be cast aside and that the people of Canada will unite to cope with these difficulties.

Mr. THOMAS MacNUTT (Saltcoats): Mr. Speaker, I have no intention of unduly detaining the House, but as the Budget deals with questions upon which I have always held strong views, I desire, as briefly as possible, to give some reasons for the vote that I intend to register on this occasion.

Previous to the election of 1917, the so-called Laurier Liberal party offered, if re-

turned, a low tariff, but coupled with a method for obtaining military reinforcements which, in my opinion, would have been without results. As the carrying on of the war superseded all other issues, the low tariff offer was, for the time being, rejected by the great majority of the people, although under ordinary conditions it would, in the West, at all events, have been accepted.

As a result of the action taken by all the Allies in calling upon every available man, as well as of the great gallantry of those men, including the Canadians, the war is over so far as Canada is concerned; otherwise the military authorities would not have released the Canadian forces. While it is quite true that the Government have many serious problems to contend with which are directly consequent upon the war, it is now time to deal with domestic matters which have become disjointed as a result of the war. Two important obligations which are largely a legacy of the war should now be attended to. One is to encourage increased production with a view to reducing the cost of the necessaries of life and bringing more wealth to the country, and the other is to raise sufficient revenue from the people to pay the country's very large debts. Each of these obligations, in fact, is a complement of the other.

The question is, will the Budget attain either of these objects; or will the amendment accomplish more in this direction? In my opinion, one of the obstacles to greater production is the cost of farm and other machinery, which is much increased by the tariff. It has been stated that the duties have been materially reduced on these articles, but I can only admit that the reduction is from two and one-half to five per cent, because the seven and one-half per cent was a special tax. Such decreases could easily be made simply by putting a duty on at one session and taking it off at the next, and then claiming a decrease. It is not inappropriate to institute a comparison between the normal tariff of 1914 and the present Budget. The reductions of two and one-half and five per cent are welcome so far as they go, but they will not affect prices materially; and they are made up to the manufacturers by a decrease in freight rates to them, and to the railway companies by a special reduction of seven and one-half per cent on bituminous coal —a reduction which should have been general.

Any reduction of the cost of the necessaries of life is closely allied with the reduction of the cost of farm implements,

because to reduce the cost of the latter would reduce, to some extent, the " cost of living," as it is popularly called, to all consumers by encouraging greater production.

The question has been asked, if the tariff is abolished how is the Government to raise a revenue? I do not think there is any obligation on the part of the people to raise a revenue for the manufacturers under the shelter of a tariff, without receiving any adequate value in return. The people of Canada must provide the revenue, but it should be adjusted proportionately. For instance, that part provided by the tariff which the consumer must pay means that the man with a family pays more than the man without, and the former is less able to pay having more to provide for, and generally speaking, the former is the best citizen. The revenue should be obtained from each citizen in a business-like way according to his financial stake in the country.

Under the tariff plan, the Government receives only about one-quarter or one-third of the money paid by the people, the Canadian manufacturers getting the rest, and this is not offset by any sufficient advantages given by the manufacturers. It is claimed that $45,000,000 was received by the Government through the imposition of the 7½ per cent special war tax. This, however, represented at least double that amount received by the manufacturers, in round numbers, say, $100,000,000, which would have remained in the pockets of the consumers had this increase not been made. Supposing that the Government had by direct means collected this money, the treasury would have received $145,000,000, and the people would be no worse off; had $100,000,000 been collected instead of $45,000,000 the people would still retain $45,000,000, and the same principle would govern with regard to the tariff generally.

Revenue and protection should not be mixed up. The people owe the money necessary for the country's needs and must pay it. I wish, however, to commend the Government for accepting the principle of obtaining a part of the revenue by a direct tax on incomes and business profits. This is a recognition, even if only temporary, of direct taxation as a proper means of raising the revenue, and should be supplemented by a tax on land values, both urban and rural, and all natural resources in private hands, of course, by using proper methods of collection.

An example of the ease and economy by which a land tax can be collected is furnished by the supplementary revenue tax of one cent an acre on farm property imposed principally for the benefit of rural schools in Saskatchewan. The collection was handed over to the secretaries or other officials of the local districts and municipalities. The local improvement and municipal collectors had an extra column headed, "Supplementary Revenue" in their rolls and they collected the tax along with the general tax, forwarding it to the provincial treasury at a cost of only five per cent commission. Unorganized districts were handled by the Government direct. As we have a complete municipal system extending from the Atlantic to the Pacific, the federal tax could be collected very much along these lines, and the customs taxes gradually decreased until they were entirely eliminated, all incomes not derived from land to be assessed proportionately.

It is sometimes claimed that the tariff is not taken advantage of by the manufacturers to raise their prices but that it only gives them the home market, and that their profits are not increased by the tariff. I will give an instance that recently occurred to myself disproving this assertion. I do not care to discuss my private affairs on the floor of this House, but this is a striking instance. In 1917, I decided to purchase a small tractor which I would not require until the spring of 1918. I found, however, that the price would increase by over $200 after the 1st of November, and, therefore I purchased one for, I think, $1,500, in order to save the rise in price. After 1st November the price for the same tractor was advanced to over $1,700, but as an Order in Council was passed in January or February making small tractors free, the price was reduced to less than $1,500 which more than counterbalanced the former increased price, so that on account of the change in tariff, had I waited, I could have obtained this machine at a lower figure and saved the interest on the amount paid down between the date of purchase and say the first of April. This is an instance to show that the duty has a great influence on the cost of farm implements as well as of other articles. The tariff is protective, it increases the cost to the consumer and adds to the profits of the manufacturers, or why should they be so anxious to retain it?

I will now refer for a few minutes to the amendment. I agree with the first two clauses, but the third is objectionable. It reads:

> To take off or substantially reduce as speedily as may be expedient or just to all interests, the duties on all other necessaries of life.

I believe the time is "expedient" and "just" to take off or substantially reduce the duties on other necessaries of life now. It might not be satisfactory to all interested to do so at any time, but it would be just and certainly expedient when we consider that the unrest throughout the country is partly directly attributable to the cost of the necessaries of life which is increased by means of the tariff.

I regret that the rule of the House do not permit a sub-amendment or a second amendment, provided the first is defeated on the present motion.

A feature that is absent from both the Budget proposals and the amendment is the increase in the British preference which would do much to lower the cost to the Canadian consumer, of certain foodstuffs, clothing, hardware and other imports from Great Britain. I intend, by my vote, to register a protest against the Budget proposals, not so much for what it contains as for what it does not contain. I would have been glad to support an amendment that would cover a substantial immediate reduction on all the necessaries of life, but as such an amendment cannot be introduced under the rules of the House, I intend, Mr. Speaker, to vote for the amendment as it goes further than the Budget along what I consider is the right line.

Mr. SIMON FRASER TOLMIE (Victoria city): Mr. Speaker, I have listened with a great deal of interest to the discussions regarding the Budget speech, and particularly to the different arguments in favour of and against free trade. As one who has attended only for the second session, I must admit that the debate has been rather bewildering to me. After listening to the hon. member for Red Deer (Mr. M. Clark) and then listening afterwards to the hon. member for Brantford (Mr. Cockshutt) I feel that I shall have to learn a great deal more concerning the tariff before I am able to form a fair opinion upon it. I do not, therefore, purpose taking up any of the attention of the House discussing this particular phase of the question as it has been gone over very carefully already. I will say however, that while the discussion has taken into consideration the possible competition from the United States and from Europe it has

almost entirely overlooked that great competition which we might expect from the Asiatic side of the Pacific in the event of the tariff wall being taken down. The Asiatic countries, particularly Japan, have been making wonderful progress within recent years. Japan a few years ago did not possess a mercantile marine that amounted to anything, and the ships she did own were constructed by either British or foreign yards, and were officered by Britishers. A few years ago, however, she introduced a policy whereby her ships were subsidized on condition that they were officered by Japanese entirely, and now Japan has a splendid mercantile marine in addition to a very strong navy. It was only last summer that I had the opportunity of stepping on board the 20,000-ton Japanese steamer at Victoria, the Fushima Maru. The ship was constructed and officered and manned entirely by Japanese. Even the engine room did not boast a Scotchman, although it has been usual to find one Scotchman on board, and he was generally in the engine room. This ship was splendidly equipped for carrying freight and doing a first-class passenger service. It possessed a fine library, and the decorations were just as fine as on any European ship. In addition there was a Japanese orchastra, which to my astonishment played Scotch music. This is just an indication of what we have to expect from these very energetic people on the other side of the Pacific. An ordinary labourer over there will do his work at the rate of 50 cents a day and board himself. In addition to that they have sweat shops, employ child labour, and use women to a very great extent in their factories. This will enable them in the event of our lowering our tariff to bring to Canada a competition that we cannot possibly meet. Possibly this might be considered a little exaggeration, but I base these views on an experience of many years spent in British Columbia, where I have had the opportunity of watching the Asiatic in competition with the Canadian. I remember when we had but one Chinese store in the city of Victoria. Since that time they have occupied a large area of the city and are now scattering their stores in the outlying residential districts. They have taken up and practically captured the truck farming business, and are engaged in various lines of manufacturing. We have noticed that the Japanese are now controlling about ninety per cent of our fishing on the Fraser river and other parts of the Pacific coast. We have noticed the Asiatics travelling up into the interior of British Columbia taking up the irrigated lands on the big cattle ranches, and working their way down the Okanagan Valley and putting up a competition the Canadian cannot possibly meet. So in British Columbia we are thoroughly imbued with the feeling that before lowering the tariff the Asiatic competition should be taken into very serious consideration.

The mere fact that we differ so much in what we want regarding the tariff is but an indication of the vast extent of this great country and the varied conditions that are to be found in it, and I feel that we will have to come together and establish a better feeling between the East and the West, and that in deciding upon a tariff policy it will have to be one of compromise, so that we can meet the wishes as nearly as possible of all the people in this country.

I was very much impressed with the statement made in the Budget speech by the Minister of Finance with reference to the development of our natural resources. I think this is most important. We should immediately look into our natural resources, find what we have on hand, and then adopt the very best possible method for placing them on the market. In this connection, I think it advisable that we should secure the services of the very best experts to be obtained in the world on market matters. Our Boards of Trade, our business men, and our farmers, should be provided with the most up-to-date information in connection with market matters, so that Canadian products can be placed on the market to the very best advantage. We should also carefully study the methods adopted by our successful competitors, and in that way we might secure very valuable information. We have a very large home market here, and when looking into market matters we must not forget this: The more of our resources that are developed in British Columbia, for instance, the greater the market for the products of the farms of the prairies. Every time we develop a saw-mill outfit or a logging camp or mine, we immediately establish a new market for prairie products. We might also look forward to the further development of the market to the south of us in the United States, a market with which we are in very close touch. But I do not believe it is a safe proposition to leave all our eggs in one basket. We should develop the market across the sea in Great Britain, and then we will have a safeguard in the event of tariff regulations being placed in force in the United

States at some time that might interfere with the sale of our goods. Looking across to the other side of the Pacific, we find that there are large markets in that direction that have not been developed to any great extent. First of all, there is Australia, which will take a large amount of our lumber, fish, fruit, and so forth. Then we have Mexico, to which we can ship a certain amount of our goods. In the past we have been accustomed to export to that country paper, lumber and a certain amount of wheat, and have imported from that country hides, fruits, nuts, sulphur, and so forth. This trade can be extended to a considerable extent, but owing to the unsettled conditions prevailing in Mexico we will not make progress as rapidly as might otherwise be expected.

Then we have a market in Japan, in India, and China. Perhaps it will give the House some idea of what the United States is doing in this direction and what great value she puts on the prospects of this trade when I say that for some time past they have been educating their young men in the languages of the other side of the Pacific and teaching them about the currency that is in use there, so that the United States will be able to trade successfully with these countries. At the present time they are doing a business with these countries of something over one billion dollars a year. They think so much of this business that at the present time they are considering the construction of a new cable across the Pacific to facilitate this trade.

On making an analysis of the articles that are shipped back and forth across the Pacific we find that the balance of trade is in our favour. We export between 220 and 230 different articles, while we import only about 180. But even though we have the finest articles in the world to sell, just as long as we depend upon some other country to furnish our ships we can never hope to get a full measure of success. In 1915 we sent away fifty-two cargoes of lumber from the Pacific coast during a period of nine months, and fifty of these cargoes went from the United States. Much of it was lumber cut out of British Columbia logs which were sawn in American mills. The Americans controlled the shipping; the ships they do not own they control by charter; and we could not secure vessels under any conditions whatever to get rid of our product. By adopting a system whereby we shall establish a Canadian mercantile marine, the Government is moving in the right direction, and I wish to congratulate the Minister of Marine and Fisheries on the action he has taken in this direction. Furthermore, we shall be establishing a valuable industry when we embark upon a policy of shipbuilding. Conditions are particularly favourable for ship building on the Pacific coast. In the city of Victoria, for instance, the average temperature in winter is only 40 degrees and in summer 60 degrees.

We have an average bright sunshine throughout the year of five and a half hours per day, and a rainfall of only 27 inches annually. Shipbuilders can work outside practically every day of the year. We can launch a ship every day in the year; our harbours are always open and never closed by ice as they are in the colder parts of the country. If we establish a first-class merchant marine we will place the Canadian trade in an independent position so that we can take advantage of the markets when we are ready to sell the goods. But there is one point in connection with shipbuilding which is rather disappointing and that is that we are compelled to import our ships' plates and other materials for the building of these ships from the Atlantic coast. We have to pay on this material $27 a ton for freight alone. This is in face of the fact that on many parts of the coast of British Columbia we have very large iron deposits, first-class coal for coking purposes, and large supplies of limestone for fluxing purposes in the manufacture of iron and steel. We have water-powers for electrical smelting also. I feel that the Government at no distant date should look into this matter very thoroughly with a view to giving certain bonuses to assist in developing these iron properties out there so that we can make our own pig iron and steel plates for shipbuilding and manufacturing purposes. I cannot understand how it is good business to buy sixty per cent of our manufactured plates from the United States when we possess such immense quantities of raw material of first-class quality. I feel that if we spend a certain amount of time and money in developing that industry we will soon have it well established and we will build up homes in our own country instead of building them up in the state of Pennsylvania. I would go a little bit farther and suggest the subsidizing of ships to open up new markets if the prospects of trade are good.

With regard to the labour unrest, that is a condition that is prevailing all over the world, not peculiar to any country at

the present time. I have the greatest respect for the union labour man who organizes a union so as to get better conditions for himself to work under. I think he accomplishes a great deal of good. Workingmen to-day enjoy very much better conditions than they ever had before in the history of the country. But for the man who is in this game simply as an agitator, who is in it for the purpose of creating a disturbance and breaking the laws of the country, I have no regard whatever and I think it is a good principle to follow in this matter to see that the interests of the general public are properly protected and that the law is vigorously enforced at all costs.

I want to call the attention of the Government to the necessity of providing a certain amount of work in the Pacific coast section during the coming winter months. Under the prevailing conditions, unless certain employment is provided and Government works are taken up, I am afraid there will be a large number of men out of work next winter, conditions will be very unsatisfactory.

I would like to touch for a moment on the question of agriculture. It is rather interesting to recall the city man's view of the farmer. When the farmer has a bad crop the city man does not say anything about it, but if the farmer has a good season he is considered immediately to have developed into a profiteer. After many years experience on the farm I do not think there is a man in business anywhere who works longer hours and gets less money than does the farmer. His profits are very small in proportion to those received by other men who work very much shorter hours. The young man goes from the farm to the city simply because he can make a better and a pleasanter living than he can on the farm, and with less work. I think we should do all that is possible to stabilize agriculture and to make it more attractive and profitable. In that way we shall relieve a great deal of the congestion that now appears in the city. In the first place it is necessary to assure the farmer of a first class market. We must see that his transportation is satisfactory. We find in looking over certain parts of this country that transportation facilities are anything but satisfactory. For instance, I was told by a man the other day that he had shipped a carload of cattle from the Maritime Provinces to Montreal, and that they only averaged four miles an hour on the trip. You can imagine what shape those cattle would be in upon arriving at their destination when you realize the shrinkage that would occur, and the heavy loss that the owner would be subjected to. In our Western country we average 15 miles an hour on our shipments of live stock.

Our markets for agricultural products were perhaps never better. Taking up the dairying line for a moment, I might say that Denmark, a country that was largely engaged in supplying the British market before the war, is now using Canadian butter. Holland, another country that supplied Great Britain is not manufacturing nearly as much as she was before the war, and the chances are that when she does increase her output to the full extent a great deal of it will be sent to Germany and countries closer by. We are still bringing in butter from New Zealand in large shipments, and we have a brisk demand for our product in our own country. Our production of dairy butter can be doubled by improvement in the quality and by increase in the quantity of our live stock. At the present time the average yield of the ordinary cow is something less than 4,000 pounds of milk per year. There are many herds in this country which are now yielding an average of 10,000 pounds a year, and some cows have made records of 30,000 pounds a year. That shows that one first-class cow is worth seven of the scrub kind. The scrub cow occupies as much room in the stable and requires just as much time to take care of her as the good cow but does not yield nearly the same quantity of milk. By the improvement of our sires, improvement in the breeding of our cattle and better feeding, a very great improvement can be made. The dairy department of the Department of Agriculture has already done very excellent work along this line and from year to year a very perceptible improvement is to be seen. The other day, a Canadian cow, raised by a young Canadian, only 23 years old, was sold at the Philadelphia sale for $26,000. Her calf was sold for $7,100. What made these catttle worth the money? They were not scrub cattle. It was because they were well bred, because the cow had produced 7½ pounds of butter per day for seven days and there was a probability of her progeny going on and producing in the same manner.

In the matter of beef there is also room for improvement in breeding We find that a 1,200-pound finished steer was sold on the Montreal market last week for $192 while a steer of the poor sort, weighing only 900 pounds would bring only $117.

showing a loss of $75 on account of lack of breeding and finish.

Just consider that for one moment, and then remember that only ten per cent of the cattle going through our inspected abattoirs in this country are fit for export to the Old Country, or are in a finished condition. That is one reason why we cannot successfully compete with the Argentine on the British side. When you think of some 800,000 head going through those abattoirs annually and only ten per cent being in a finished condition, after I have shown you that the loss was $75 on that one steer, you will readily realize what a tremendous loss we are suffering in this country by sending our cattle to market in an unfinished condition. I feel that the opportunities for the live stock industry are tremendous. The more I see of the country the prouder I am of it, and the greater the opportunities appear. In the matter of sheep we have less than three million head, as compared with some forty million in Great Britain, and ninety or one hundred millions in Australia. I feel that a vigorous campaign to increase the number of sheep in this Dominion, to induce farmers to keep small flocks and to popularize lamb and mutton in the market, would have very satisfactory results.

Our hog products are now in very satisfactory shape. Our live stock commissioner who returned from Britain a short time ago, made the statement that Canadian bacon stands particularly high on the British market, and that it occupies a better position there than it has done for a number of years. But there is one point in connection with that trade that we must care for: We must see that the hog products that are sent over there are uniform in quality, and that the Britisher will be sure of getting the same quality of product next week that he does this week, and in that way we would be able to preserve that market for our future advantage. Poultry is another line of the live stock industry that will stand a great deal of development, and very excellent results have been found in those districts where a certain amount of organization has taken place—where egg circles have been formed for the sale of their products—and they are but an indication of what can be done throughout the whole of this country.

I sincerely hope that the Government will continue to press for the removal of the cattle embargo in Great Britain. I remember very well that when that embargo was first put in force it was unjustly placed on the plea that a contagious disease existed among the cattle in this country, this assumption was not correct. If this embargo could be removed it would open to us a market for our live cattle, particularly for many of our pure-bred cattle, and especially Holstein cattle which are very much in demand in that country at the present time.

Another line in agriculture that has made great progress during the war has been that of seed production, which has been particularly successful in British Columbia. It has been found that the seeds produced in Canada are equal, if not superior to, those produced in any other country of the world. I feel quite optimistic in making a survey of the whole situation. We perhaps have greater opportunities in Canada in proportion to our population than are to be found in any other country in the world. If this country is intelligently and energetically governed I feel that we should experience less hardship as a result of the war than any other country that was engaged in it. What we seem to require is energetic, enterprising, courageous government. We need to accept the principle, as I stated before, that the interests of the general public must be cared for under any conditions no matter at what cost.

Now, Mr. Speaker, I will not take up any more time but will conclude by saying that I shall have very great pleasure in supporting the Budget proposals.

Mr. WILLIAM HENRY WHITE (Victoria, Alta.): Mr. Speaker, I am sure that the hon. gentleman who has just taken his seat will pardon me if I do not in any way comment upon or attempt to reply to the first part of his speech. The conditions that he then spoke of are conditions that prevail in his own province only, and of which I have no knowledge. There was one thing which impressed me, however, and made me curious, and I think I would be justified in questioning him with regard to it. If trouble exists in British Columbia owing to yellow or Asiatic labour, what is the cause of it? I would imagine that any difficulty of that kind could be settled very easily by the employers of labour in that province. If those people do not wish to employ yellow labour the difficulty would vanish if they ceased to employ it. That was the idea which occurred to me while the hon. gentleman was speaking.

The hon. gentleman referred to the cattle industry and urged in particular that the embargo should be removed from Canadian cattle entering Great Britain. I entirely

agree with him on that point. I also concur in his view that care should be exercised in the matter of improving the live stock industry, which will some day reach great proportions in this country and is at present in our western country perhaps the most considerable of all.

I do not purpose on the present occasion to discuss the tariff question at any great length, as I expressed myself fully on the subject when a resolution was introduced here over a month ago, on which occasion I explained what my attitude was. I have risen to-night more with the object of complaining that some people who hold a higher position in federal affairs and in the West than I do, did not deem it worth while when discussing the Budget to offer any remarks upon that subject. I refer particularly to the Minister of Customs (Mr. Sifton), a gentleman who at one time had the honour of holding the exalted position of Premier of our province—a man who was looked upon as a leader in the West, and who certainly assumed the full responsibility of that position and did not care to share it with any one else. Although the minister has been charged with being a little shifty on the tariff question—which is not worth while talking about to-night, and therefore I am not going to comment on it—he did not once during his speech the other evening use the word "Budget" or refer to the province of Alberta from which he comes. That was a disappointment to the people of that province, and particularly to an organization upon which he depended more than anything else for his support while leading the Provincial Government in Alberta, at a time when the farmers' organizations of Alberta were said to be dictating the policy of the Liberal party. To-day, the hon. gentleman knows as well as I do, considerable dissatisfaction exists amongst that organization, so much so that since they have become convinced that the Union Government does not intend to do anything for them they have decided to take the responsibility on themselves of forming a party of their own to elect representatives to Parliament. They were not satisfied with the Liberal party, although they appreciate what was done by that party when they were in power. On the other hand, they had the promises of the Conservative party before that party came into office that there were to be certain changes in the tariff, but those pledges have not been kept. Then, when winning the war was the slogan of the party, they had the pledge from the leaders of the three Prairie Provinces that they stood on a free trade platform and became supporters of Union Government on its war measures. Such a pledge was given by the former Premier of Alberta, the present Minister of Customs. That pledge was also given by the Minister of Immigration and Colonization (Mr. Calder) in Saskatchewan.

It was the pledge given by the leader in the province of Manitoba, but he, at least, redeemed it. I might say that a few days ago, while in Alberta, I found nothing but dissatisfaction with the way the Government was carrying on the affairs of this country. We find the cities crowded with people, who are so dissatisfied that they are striking. Strikes have resulted because the people think they have been unjustly dealt with; profiteering has been carried to such an extent in that country that the labourers are disheartened and do not feel like working and creating more wealth for those who are getting the larger share of it.

The Minister of Customs, since coming to this House, has made two speeches. He spoke last year when the hon. member for Chambly and Vercheres (Mr. Archambault) charged the officials of the Government, or those in charge of the elections, with the most serious offences that a government could be charged with. The hon. minister rose to speak from the other side of the House, told a little story, made a little joke, and sat down. I remember he said that he was informed that three men who had voted for the Liberal party had to be put in the guard room for fear that their comrades would mob them. He did not explain why or how they came to know that the three men voted for the Liberal candidate. The Government must have had pretty good control of the ballot boxes to know how those three Liberals had voted so that they needed protection. I have no doubt the Government knew pretty well how all the ballots were marked, but they did not take much time to ascertain how those three individuals voted when they put them in the guard room the same night.

When coming through the province of Saskatchewan the other day, I found that considerable interest was taken in the actions of a gentleman who at one time was director-general of the Liberal forces in that province, and I found a good deal of amusement was caused by some references the Minister of Immigration (Mr. Calder) had made in his speech as to how he might have become a hero. Those acquainted with the hon. gentleman were surprised, and became curious to know how it was possible

that he could ever be a hero. Like myself, they had known him for a great many years, and they believed, perhaps, as I do, that a hero is a bold kind of man, the man who comes out in the open and fights. In the old days, I understand, they used to have a trumpeter to warn the people that the hero was about to do something very brave. I do not think that the hon. Minister of Immigration, although he has won, perhaps, as many victories in a political way as most men who sit in this House, ever sent out any herald to tell when he was coming or how he was coming. No one knew when he was coming, not even his victim, until it was all over. Many met political death at the hands of this man who tells us that he might have been a hero. Unfortunately for those on this side of the House there may be found pretty nearly as many Liberal scalps in his belt as those of his natural enemies, the Tories. I can understand my hon. friend in any other capacity but that of a hero.

A few years ago, I think it was in the year 1912, the most interesting election that ever took place in the Western country was fought out between two great political gladiators, one at that time Minister of Elections in Manitoba—a man well known in this House—who never had been unhorsed or "trimmed" up to that time. Tired, no doubt, of his conquests in Manitoba, he looked for wider fields to conquer, he looked for someone worthy of his steel. He found him in the neighbouring province of Saskatchewan. There was a great deal of advertising and a great deal of talk. Everyone knew how the Manitoba knight was going to fight, everyone knew the forces he had brought into the province. But the still, mysterious champion of Saskatchewan said nothing—he waited. The other came, met the mysterious champion in battle, and passed quietly away. Since that time the great Conservative leaders of this country have not had much use for the defeated champion, and I think it must have been suggested that he had better be supplanted by somebody who had shown himself his superior in political strategy. Consequently we find the hon. the Minister of Immigration, who might have been a hero, holding one of the highest positions in this Union Government. I want to say to my hon. friend that possibly he might become a hero if he would change his tactics, and I would suggest something to him. If he wants to become a hero, let him go out into Saskatchewan and contest a seat. The people will look on him then as "some" hero, "some" champion, and will admire him. But I think that even those who now admire him would never have suspected that he possessed that form of courage. Looking over a paper called the Moosejaw Times, which knows my hon. friend better than we do, I find that it makes some comments on his attitude in this House. The reason I am bringing this forward is not—

Mr. SPEAKER: Order. The hon. gentleman is not in order in introducing any newspaper article commenting on or dealing with any matter or statement made by an hon. member in this House.

Mr. W. H. WHITE: What I was going to read was rather of a complimentary nature.

Some hon. MEMBERS: Oh, oh.

Mr. SPEAKER: Order. My ruling had no reference whatever to the circumstance that the article is complimentary or otherwise. The rule is very clear.

Mr. W. H. WHITE: Well, Mr. Speaker, perhaps a reason for bringing this forward was the newspaper reports that appear in the Eastern papers. They describe the little controversy the other day between the ex-Minister of Agriculture and the Minister of Immigration as a duel between two Western leaders, and they go on to describe their attitude and their methods of fighting. It was on that account that I wanted to take my hon. friend's local paper to prove that the hon. minister, at the present time at least, has no right to be considered a political leader in that country. We Western men that are a unit on tariff and other questions take an interest in the hon. minister (Mr. Calder) and when he gets up and says that he does not believe any changes should be made in the tariff, we do not want the people of any part of Canada to believe that he is representing the sentiment of the West. The hon. minister knows as well as we do what the West is standing for. The West is standing on a low-tariff platform, the platform that the hon. gentleman himself framed in 1917, a month before he went to the elections.

That year was a busy one for my hon. friend; there was—if I am in order, Mr. Speaker—some trimming and some fast turning. The campaign of 1917 began by the presentation of a free trade platform, but the real "Big Bertha" of the campaign was a resolution placed on the Order Paper of this House by the member for North Simcoe (Mr. Currie), concerning aliens, and

particularly affecting the province in which the present Minister of Immigration was then in charge of political affairs. Many members may not know what this resolution was; some hon. gentlemen have, perhaps, never heard of it. But the Minister of Immigration knows it very well, because copies of it were printed and distributed throughout his province and the election was won chiefly through that resolution to disfranchise alien enemies. The resolution reads:

A. Any person who votes for any person, for any public office, or who takes any active part in any election for any public office by becoming a candidate, speaking, writing, canvassing or driving voters to the poll, who was or is a citizen of any country, now or at any time during the past five years at war with Great Britain or her Allies; or who was a subject of any country not allied with Great Britain or her Allies, which does not permit its citizens the rights of expatriation, or holds the doctrine of dual citizenship or who was exiled or banished from any allied country, even though such person may have been granted naturalization in Canada or Great Britain, or may have his or her name on the Voters' List; shall be deemed guilty of an offence under this Act, and on conviction before a court of competent jurisdiction shall be liable to imprisonment for a term of not less than two years, together with forfeiture of civil rights and all property to the Crown.

B. The above provisions shall not apply to any person who is serving or has served in His Majesty's Forces, or has been a naturalized British subject resident in Canada for twenty-five years. The burden of proof as to such exception shall rest upon the Voter.

C. Any person giving such information as will lead to the conviction of any such person shall be entitled to one-third of all fines and forfeitures.

Prior to the provincial election of 1917 an Act was passed in the Provincial House under which women were given the vote, many being of alien birth. Everything was staged for the election, and my hon. friends carried it; they had the advantage of the alien vote, and they had the female vote as well. But that was not all. When the aliens found that the Conservative Government was making an attempt to take away their franchise and their rights of citizenship, they naturally resented it and supported the Liberal Provincial Government. These unfortunate people were deluded. They thought the Liberal party would protect their rights. But the Conservative Government at Ottawa disfranchised them in the autumn of 1917 in order to win the federal election. First, they were offered a low tariff platform, so that a provincial election in Saskatchewan might be won; then they were disfranchised before the federal election came on so that they should not be able to vote. And now the Minister of Immigration has gone back on his friends, the farmers, and the organized grain growers, and declines to stand behind them on the platform that he himself framed. I make this statement not because I want to do injury, political or otherwise, to my hon. friend—he is well able to do that himself. I have told him how to become a hero; how to appear before the country as one of the bravest of men in political life and how to regain the confidence of the people. But the minister no longer stands in the position of western leader; his attitude in this House is no longer supported by the people of the West. He is acting on his own initiative; he has no supporters out there. I could read a resolution passed at Moosejaw by a body of farmers who condemn his action in this House and say that he is no longer entitled to their support and does not express the sentiments of the people whom he represents in that country. I have nothing to say against the minister personally; I simply want to make it clear that in the position which he takes he does not represent public opinion in the West. The position taken by the ex-Minister of Agriculture (Mr. Crerar) is one which expresses the views of the people in the West, and it was expected that each of the three western ministers would do as the member for Marquette (Mr. Crerar) did. It has been said that the Minister of Immigration and the ex-Minister of Agriculture, the two western leaders, have been matched in a duel. But there was no duel; it was simply a case of one man standing up for his principles, keeping a pledge, and the other standing on the defensive and making an excuse for not fulfilling his pledge.

The Minister of Immigration says that this is not the time to deal with the tariff; that we have bigger things to do. Why then, did the Government touch the tariff at all? Why do they make a few little reductions that do not cut any figure? Why do they merely try to satisfy certain members of the Union Government by cutting off a little here and there? If this is not a time to deal with the tariff, why did hon. gentlemen not leave it alone until the proper time should come? When the famous resolution was put through the Provincial House in Saskatchewan in March and drafted, no doubt, by the Minister of Elections at that time—we were in the midst of the war, and if this is not the time to deal with the tariff, then certainly that was not the time to deal with the subject matter of that resolution. The minister may

say that he has changed his mind. But he owes something to the western farmers. He owes his political prominence in the West and in this House to the farmers; he owes his position to them. I tell my hon. friend that many political victims have fallen without warning by the same hand and the farmers of the West have "got it" surely, but silently, and when they least expected it. Moreover, they got it in such a manner that I do not think they will ever forget it.

I wish to congratulate Manitoba and the grain growers of that province on having at least a leader in their grain growers' and farmers' organizations who has sufficient honour to keep his pledge. I can look any day upon those seats in front of us and see amongst the front benches many men who have sacrificed principles for position, but I have to turn to-day to the cross benches to see the single individual who has sacrificed his position for a principle. There is the difference between men. There have been unfavourable comments by the press supporting the Union Government, speaking about that hon. gentleman's clumsiness in debate and saying that he was not as skilful or as experienced as the Minister of Immigration and Colonization (Mr. Calder). I thank God he was not, and I hope he never will have the experience that makes a man a party politician, that leads a man to trim his sails both ways, to step into a Government on a solemn pledge given to the people that he has been amongst, and then to turn down those people. If that is what they call experience, then the ex-Minister of Agriculture (Mr. Crerar) was lacking in political tactics and experience, and he will do very well without it. The hon. gentleman has served his purpose in this House; he has served his purpose in the country; he has done something that has proved that he was one man who adhered to his principles when he went into the Union Government, when he stepped away from his party. I had never any faith in any one who did so, but I am wrong in one particular, and I am pleased to know that there was one man who conscientiously stepped out and took the position he thought he should take and who, when he considered that his work was done, stepped down and went back. He had finished his work nobly, and every western man, no matter whether he comes from Alberta, Saskatchewan or any other province, will remember with pride that there was one western leader who came down from the West, who joined forces with the Union Government, who did what he conscientiously thought was right and did it to the end, and who, when he found he could not agree any longer with the Government, stepped away from that organization. I say that we have nothing but respect and honour for him. I thank him particularly in the name of the West; I thank him on behalf of the farmers' organizations, and I thank him as a loyal citizen of this country, that when the time came he was big enough to go out and give his best efforts to his country, and that when his work was done and when he found he could no longer keep his pledge and retain his honour, would rather sacrifice the high position he held in this country than sacrifice his principles.

Mr. IRA EUGENE ARGUE (Swift Current): Mr. Speaker, I do not intend to occupy many minutes to-night discussing the Budget question. I was surprised to-night that the hon. member (Mr. W H. White) seemed to be extremely anxious about the welfare of the Minister of Immigration and Colonization (Mr. Calder). He was also very anxious about Saskatchewan, and I should like him to understand that there are fifteen representatives here from Saskatchewan, and they feel they are quite capable of speaking for that province, and I think when the vote is taken on the Budget proposal that possibly there will be as many standing behind the Minister of Immigration and Colonization as there will be supporting the amendment. The hon. member has made the assertion that he has no faith in the Liberals who crossed over to this side of the House.

Mr. W. H. WHITE (Victoria, Alberta): I beg your pardon, I made no such statement.

Mr. ARGUE: With the exception of the ex-Minister of Agriculture (Mr. Crerar).

Mr. W. H. WHITE (Victoria, Alberta): I was referring to those who had taken positions in the Government My hon. friend must not think that I had any one else in mind at all, although the seat of the ex-Minister of Agriculture was vacant.

Mr. ARGUE: I will accept the hon. member's statement, but as regards Liberalism, some of us who are standing on this side of the House, who left that side of the House, are just as true Liberals as ever sat in this House. I want to tell the hon. member that I held the Liberal nomination for two years and one-half in

my constituency, and I resigned it because I could not follow the late leader of the Liberal party. I handed in my resignation before the Union Government was formed, and I informed the Liberal Association that, so far as I was concerned, the coast was clear and they could do just as they pleased. When the nominations for the Union Government were called, mine was the only name that was put forward at the convention, and I carried the constituency with about 2,800 of a majority.

I believe I have some right to speak for the West on this Budget question, as I have lived in the West for thirty years, and I know the feelings of the Western people probably as well as most of the members from that part of the country. I want to say frankly that this Budget will not suit the West because it does not go far enough. I do not believe it goes far enough in the direction of relieving the high cost of the necessaries of life. The high cost of living is pressing very heavily on the Western Provinces, and, rightly or wrongly, we believe that during the last number of years we have been paying more than our fair share of the tariff revenue that has been raised in this country. I have seen settlers coming into the West for the last thirty years under the two different forms of government, Liberal and Conservative, and I have never seen any difference between the two Governments. We spent hundreds of thousands of dollars every year to bring immigrants into the West; we dumped them down on the prairies; we gave them 160 acres of land, and we left them to sink or swim, instead of having a fatherly care over them and helping them for two or three years to get onto their feet. We built a tariff wall around them and allowed them to be bled by every manufacturer in the country. That is the way we treated them, and one Government was not any more to blame than the other. The consequence was that hundreds, aye thousands of them, moved out before they had spent two years there, and thousands of them, when they got their papers, mortgaged everything they had, went across the line and became American citizens. For those of us who are left behind, I want to say that ninety per cent of the people who live in Saskatchewan, regardless of politics, deep down in their hearts, have the feeling that they have been unjustly dealt with as regards the tariff. We are not all free traders; we are reasonable people; but we are determined to have a revision of the tariff, and all we ask is for the eastern people to meet us on a fair, square basis. We are willing to meet them around any table; we are willing to discuss the question with the manufacturers of the East, and see if we cannot come to some satisfactory conclusion. That is the only way in which this country is ever going to be built up. When you speak to the man in the West about your home markets and building up your cities and home markets here, that does not appeal to us because eighty per cent of the products we raise on the farm go out of the country; our market is the foreign market, and when you talk about home consumption, it does not appeal to us.

Another question to which I wish to refer to-night is with reference to our wheat. I want to add one word to what has been ably put before the House with reference to the 1919 crop of wheat. In the three western provinces we have under cultivation to-day 18,000,000 acres of wheat, there being 9,250,000 acres of wheat under cultivation in Saskatchewan alone, and if we get a fair yield we should have in the neighbourhood of 360,000,000 bushels in the three western provinces. That would mean 300,000,000 bushels to ship out, and the thing that is bothering us is to find a market for that wheat, and how to get it out. In past years sixty per cent of our wheat went through American ports, but to-day those ports are closed, and in all probability will remain closed during the season. In that event, when we are pouring our wheat on the market at the rate of 3,000,000 or 5,000,000 bushels a day in the months of November and December, the price will sag down probably to 60 cents a bushel, and then when it is out of the farmers' hands and into the hands of the speculators we shall be in the same position we were in in 1915, when the great bulk of the wheat went into the market at 70 cents a bushel and the following June was sold at $3.40. Those are the conditions we are anxious about, and we want the Government to do something. I do not care whether the price is fixed, or what is done, so long as the Government controls the market in some way, in order that we can get a fair average price for our wheat.

There is one more thing I wish to say with reference to the grain growers of the West. We are working and striving to build up in Saskatchewan one of the grandest provinces in the Dominion, and there are concessions that we want. The other day a convention was held in my city, attended by something like 700 delegates. They sent me a wire asking me to keep up the fight for tariff revision. I have fought

all my life for low tariff, and I am not going to quit now. I am going to stay on this job till we get a revision of the tariff, till the load we are carrying is adjusted, and till a fair proposition is put before us so that we can carry on and make good in that country.

I am going to support the Government for three reasons. Something happened the other afternoon in this House when the hon. President of the Privy Council was describing this as a war year. He said that if the Minister of Finance had also taken that stand, and that if had not meddled with or touched the tariff at all every member of the Cabinet would have stood by his side. I noticed when he made that statement the hon. member for Marquette (Mr. Crerar) was in his seat on the cross benches and made no objection to it. We must therefore assume that the statement was correct, and if it was correct why quarrel with the Minister of Finance because he did make some reductions in the tariff? The Minister of Finance knew the sentiment of the Western members. We had expressed our wishes to him; he knew that we were asking for a revision of the tariff, and he came part way to meet us, and I am not prepared to quarrel with him because he did. Another reason why I am going to support the Government is that the Minister of Finance has promised to give us a revision of the tariff. He has promised that during recess a commission will be appointed to go from Halifax to Vancouver, and that every industry will have an opportunity of appearing before the commission and stating their views. The farmer and the labouring man, the consumer and the manufacturer, are all to appear before the commission. But there is one thing I want the Minister of Finance to do, and one thing we in the West will insist on, and that is that everything shall be free and above board, that every man who asks for assistance by way of the tariff shall be compelled to lay his books on the table and show the reason why. More than that, I want them to squeeze every drop of water out of their stock. Let there be protection or a bounty, or whatever you want to call it, on the capital invested in these industries, but not on watered stock. I believe that the commission will go a long way towards solving the problem that is troubling us to-day. The other reason why I shall support the Government is because I see no alternative. I see nothing in the amendment which recommends itself to me, and I see no reason why I should support it. I noticed the other day that when the leader of the Opposition was discussing the question he qualified his support of the amendment by saying that he would go as far as he possibly could in support of it. I am prepared to stand by the Government and give them one more opportunity to make good their promise. If they do not, then in the next session of this House we will have our fight on the tariff question..

Mr. LEVI THOMSON (Qu'Appelle): The proposals of the Budget under discussion are far from satisfactory to me. On the other hand, I am not desirous of an election or a change of Government with matters in their present position. I am told that such being my views I have no right to vote for the amendment under consideration, that I must be either for or against the Government, that if I wish the Government to retain office I must vote for all its measures whether I like them or not, whether I believe them to be right or wrong. The acceptance of that doctrine would certainly relieve a representative of an unpleasant responsibility. It would reduce our duties to that of rubber stamps, or at the outside of being ready to consult with the Government whenever the members of the Government wished to consult us. But I must confess that pleasant as that doctrine is, it does not look sound to me. If the doctrine is to be accepted, I fail to see the need for members remaining here for from three to seven months each year. All that would be needed would be for the Government to call us together for a few days during each year for consultation, or better still we might arrange that a vote be taken every five years to decide what party or what set of public men should have charge of the affairs of the country. That would do away with the great expense of holding yearly sessions.

But so long as we are elected to represent the people of the country, so long as our constituents select us to voice their views, and we are called here for the purpose of considering and discussing public measures, it seems to me we are bound by our voices and votes to give effect so far as we are able to the desires of our constituents, at least in so far as we are able to understand those desires and can conscientiously support them; and when we reach the stage where we feel that our own views and convictions are so far from being in accord with those of the majority of our constituents that we cannot properly represent them, we should resign and allow our constituents

to select representatives who can represent them.

The threat has been held out that if we insist on voting against the Government proposals or in favour of the amendment, the Government will resign. Let me read the following extract from the Toronto World:

> Premier to resign if Westerners Bolt.
>
> Commons Will hear Startling Announcement if Dissenters Persist.
>
> Special to the "Toronto World"—Ottawa, June 10th.—The political situation precipitated by the Budget speech, and threatened bolt of Western Unionist members is receiving careful consideration, and may soon receive decisive treatment from the Government. Every effort is being made to bring the dissenters into line. If, however, these efforts prove unsuccessful an announcement may be made in the House that will carry something like consternation to the insurgents. It is rumoured that before the debate closes the House will be plainly told that any considerable defection from the Government on the Budget will necessitate the resignation of the Prime Minister.
>
> Few members on either side of the House desire an election and few Unionist members would care to take the responsibility of overthrowing the Union Government. It is believed that a formal announcement by the Prime Minister that this Government will be unwilling to "carry on", unless it can command practically the united support of its followers in the House, will cause the great majority of the Western Unionists to vote against the McMaster amendment and accept the assurance of the Government that a general revision of the tariff will be made in the near future.

Talk about autocratic rule! I don't wish the Government to resign but after all there is no good reason why this should happen unless a majority of the members of this House believes that a greater reduction should have been made, and if a majority takes that view there seems no other course left but one of two—the Government should either meet the views of the majority or give way to a Government that will meet those views. It is not fair to insist that the minority must rule or that the elected representatives of the people must by their vote give the lie to their own views or those of their constituents. That is what is being demanded. But, if I rightly understand the situation the threat in the Toronto World, and the threats we hear around this House, are not made from fear of an adverse majority but in order to frighten us from taking such action as shall reduce the Government majority.

The threat is made that if things are not exactly to its liking, the Government will not "carry on" as the Toronto World puts it. I wonder what the people making those threats would have thought, were our boys in the front trenches during the war, to refuse to "carry on" unless everything were to their liking, and what would have been the result had the Allied soldiers generally adopted the policy which we are told our Government may adopt, unless it can command practically the united support of its followers. If such policy is adopted the responsibility must rest on the Government. And if there should be a majority of the members of this House who believe the reductions are not such as should have been made, the Government must take the responsibility for introducing a Budget not commanding the support of a majority. We did not introduce the Budget and I for one refuse to accept the responsibility for it.

The Minister of Immigration and Colonization (Mr. Calder), on this question said:

> The real question at issue that underlies the situation that we have at present is, as to whether or not this Parliament is desirous that this Government should continue in office and carry on.

No doubt the minister sincerely believes that is the real question at issue and that this belief justifies him in supporting the financial proposals, but I am unable to come to the same conclusion. The minister says, "Every member of the House is the keeper of his own conscience." I agree with him in that, though I cannot agree with him as to what the real question at issue is.

It seems to me we are now asked to show by our votes, which we prefer, the principles laid down in the Budget proposals before us or those enunciated in the amendment. This question is raised at a time when it can be properly raised and should be raised. The main objection raised against the previous amendment of my honourable friend from Brome (Mr. McMaster) cannot apply in this case. On the debate on that previous amendment when I objected to the time at which that amendment was brought forward I was asked by my honourable friend from Wright (Mr. Devlin) to suggest any other way by which the matter might be brought before the House. I then suggested that it might better be done when the Budget is brought down. That has been done. I cannot conscientiously support the Budget proposals and I can support the amendment though were I drawing it I would prefer the wording suggested by my honourable friend from Red Deer (Mr. Clark). But, as has been explained, an amendment to the amendment cannot be moved on this occasion; so we are limited to a choice between the Budget proposals and the amendment, and following the rule laid down by

the Minister of Immigration, that each member must be guided by the dictates of his own conscience, I must cast my vote for the amendment.

There are reasons for this that appeal very strongly to me. One is that, though I do not believe free trade is a sure cure for all our political ills, I believe it would at least alleviate many of them and I believe that the so-called protective system is the chief cause of many of those ills. It appeals to all that is selfish and cowardly in human nature, while free trade develops manliness, self-reliance and courage, all qualities sorely needed at this time. We are told that the tariff is not in issue at this time. Still the Manufacturers' Association is spending fortunes in trying to build up protectionist sentiment. Naturally, the friends of free trade have tried to keep up their end of the fight, and they feel that the representatives of agricultural constituencies should be working in their interest in this House. If we fail them now, if we let our desires for partisan, or political advantage stand in the way of desire to promote sound fiscal principles, it will mean a serious set-back to the advancement of those principles.

I understand that the Manufacturers' Association has been sending a document around to the different manufacturing concerns in the country and I propose to read the heading of it as follows:

Whereas employment must be found for our returning soldiers, in addition to the large number of employees who have been engaged in the manufacture of war munitions,

And whereas in order to furnish the maximum employment for our workmen it is necessary to stimulate the activity of industrial enterprises of every description,

And whereas values of all commodities are in process of adjustment and any changes in the present fiscal policy would tend to delay the return to normal conditions,

And whereas the present demand for tariff revision is creating uncertainty, retarding initiative and will result in serious conditions of unemployment,

And whereas Great Britain, France and other countries are restricting imports to conserve their own resources for the employment of their own people,

We, the undersigned employees of..... hereby request that, as our representative in Parliament, you will protect the interests of Canadian labour by the use of your influence in preventing, at this critical period, any change in the present fiscal policy under which the country has progressed and prospered.

There is a blank left, I suppose, for the signatures of the employees of the manufacturing institution but the particular firm and employees from whom I received this instead of attaching their signatures to it, filled up the space with the following typewritten comments:

We think industrial activity would be better stimulated by lowering the price than by raising it.

If values are in process of adjustment downwards the lowering of the tariff would assist instead of delay the return to normal conditions.

Terminate the uncertainty regarding the tariff by lowering it and take the initiative in doing so and encourage initiative in others along this most worthy line as well as increase employment and abolish unemployment.

And since Germany was the worst protected country in the world and look at the hell of one mess she is in now, let us avoid same by finding employment for our returned soldiers and war munition hands by cutting the "fit" out of the profiteer, and enlarge trade by taking smaller profits, for the employment of our own people and the opening up of the resources of our own land.

And whereas Russia is introducing a system at variance with our practice it behooves us to meet it by reducing prices and profits and increasing employments and production.

And whereas production exceed consumption in home industries right now due to the high price and consequent constriction of trade, and the most legitimate way to increase production is to enlarge consumption, and the easiest and safest and best way to enlarge consumption is to reduce prices, and whereas the price of home manufactured goods at the present time is based on the addition of the duty to the cost price, therefore if a revenue is required it would be advisable to charge on home manufactures an excise duty equal to the customs duty on imported goods of similar natures and devote the money thus acquired to establishing returned soldiers on prairie farms—otherwise the best interests of the home manufacturers would be best conserved by increasing home consumption of home manufactured goods by reducing the prices, which can be achieved by cutting out the addition of the tariff to the cost price, by reducing the tariff 10% per annum until a duty of 7½% was reached.

And whereas the views typewritten here are preferable to those printed thereon your petitioners pray you to wake up and act and get a hunch that move is required before the Bolshevists expose the manufacturers.

You will see that all our manufacturers are not protectionists.

Mr. COCKSHUTT: Who is that signed by?

Mr. L. THOMSON: I presume the hon. gentleman (Mr. Cockshutt) wants to get after these people but surely they have a right to express their own views.

It is rather amusing to hear protectionists accusing free traders of being sectional. I think it was Sam Slick who said he hated to hear an everlasting almighty sinner quoting Scripture. It seems to me quite as objectionable to hear protectionists condemning sectionalism. What is tariff protection but sectionalism?—each section trying to get all the assistance it can from the public. Free trade is just the op-

posite, it asks that all interests shall have a fair field and no favours. Surely this is not sectionalism. My hon. friend from Brantford (Mr. Cockshutt) evidently thinks tariff protection is in the same class as the protection we owe to our families. It is our duty to protect our families from things that are harmful to them, but is trading with our neighbours harmful? If it is we should shut it out. If it is good for us we should encourage it, and interference with it should not be called protection, but obstruction. The hon. gentleman condemns the "open door" and thinks we should close our doors against our neighbours. But perhaps he will ask, like one of old, "Who is my neighbour"? The Divine answer to that question is very hard on the tariff protection doctrine. My hon. friend who spoke the other evening on the question of western sentiment, claims the majority in Manitoba in 1911 against reciprocity to have been over 5,000, and that what obtained in Manitoba also obtained to a lesser extent in both the other western provinces, by which I suppose he meant Alberta and Saskatchewan. His figures as to Manitoba are, I believe, correct, except that he ignores the vote cast for independent candidates. I believe that all independent candidates in the Prairie Provinces were supporters of reciprocity, only they wanted to go further. In any case, he is all wrong as to Alberta and Saskatchewan. Even if we ignore the votes cast for independents, there was according to the Parliamentary Guide, a majority for reciprocity in Alberta of 7,533, and in Saskatchewan of 17,224. I believe my honourable friend, the Minister of Finance, made an honest effort to frame a tariff which could be accepted as a compromise by his protectionist and low tariff supporters, but he has apparently failed. And when he fails, I fear the task is hopeless. It looks as though sooner or later the people of Canada must divide into at least two parties on this issue, but when the cleavage does come, I hope it will not be on the old party lines, but that we will have the real low tariff men on one side, and protectionists on the other.

I wish briefly to notice a subject referred to in this debate, that is the question of taxation on incomes from Government bonds. If I correctly understand the way in which the exemption operates, it will cause a much more serious loss to the revenue of the country than is apparent at first glance. A citizen with sufficient money to have an income of $20,000 a year would pay under the new proposal, an income tax of $1,990. But if he invests sufficient money in Government bonds to bring him an income from that source of $10,000, his income tax will be reduced to $590, making a saving to him and a loss to the country of $1,400. So that while the poor man, not being subject to income tax, only receives 5½ per cent on his investment, the rich man would receive either by way of exemption or otherwise, nearly 6½ per cent. Under the circumstances if I am correct in my understanding of the facts of this exemption, it seems to me to be utter nonsense to suppose that the rich man will not in a very short time, get in his hands a very large portion of the Victory Bonds that are issued, for they are of much greater value to him than to the man who is exempt from taxation on income. If it is possible I think the minister should still make provision that the bonds already issued shall only be exempt from taxation in the hands of the original purchaser or his personal representatives, and I hope we will have no more issue of Government bonds exempt from taxation.

I have been told that we should not oppose the Government on any measure until not only the war is over but reconstruction has been completed, or in a fair way to completion. Speaking for myself personally, when my name was suggested as a Government candidate, I frankly told the hon. Minister of Immigration what my position would be. I told him I was prepared to give an honest support to the Government, but that I would not give a slavish support to any person or any Government. Now in view of my fixed opinion on fiscal questions, and in view of the fact that I believe the greatest possible aid to reconstruction would be the elimination or great reduction of protection, I feel that I would be giving a slavish support, not an honest support, were I to vote against the present amendment.

Mr. HOWARD H. HALLADAY (Bow River): Mr Speaker, I do not purpose to make a speech to-night, but merely to offer a few observations. The first thing I have to announce is that I am going to support the Government when the division takes place, and in the next place that I make no apologies for the stand I am taking. I have been in my day a red-hot Grit and I have not changed my views on the tariff question in any respect. The question for me to decide now is where I am going to get the benefit which I desire. I am between the devil and the deep sea in

deciding: I find the high tariff party on one side of this House, and a higher tariff party on the other side.

Mr. McCREA: Which side is the higher?

Mr. HALLADAY: The leader of the Opposition spoke of his programme, but with me performances count more than programmes. I followed him and his late leader for a number of years, and I obtained no relief. On the other hand I see a shadow of relief coming from this side of the House. The Finance Minister has made a few reductions in his Budget. They do not satisfy me. But he has gone a little further and has told us that a scientific revision of the tariff will be made next session. That is what my people want—a scientific reduction of the tariff. That is why they sent me down to plead for their interests and that is what I am going to do. If the findings of the Tariff Commission show that any industry in the country needs more protection than it is getting to-day, my people are big enough to realize the fact—they are pure Canadians and they are going to stand behind me when I vote for that proposition There are a good many topics that could be rehashed—I have heard them discussed some four or five times already—but I do not intend to take up the time of the House by any re-hashing. I have already stated my views and I believe the House thoroughly understands them.

Mr. HUGH MURRAY SHAW (Macleod): I desire but to make a brief contribution to this debate. When I accepted the Unionist nomination for my constituency, I stated that on all questions other than the prosecution of the war I intended to use my own judgment, and I propose to do so. My judgment on the present occasion is that I am justified in voting against the amendment and giving the Budget my support. I am taking that course because I have confidence in the Prime Minister and the members of his Cabinet. I believe they are honest and sincere and that they are governing, as they see, in the best interests of the people of Canada as a whole. As long as I have confidence in the Government I intend to support it.

Mr. THOMAS HAY (Selkirk): Mr. Speaker, like hon. members who have preceded me, I do not purpose taking up very much of the time of the House tonight. I feel, though, that I should declare myself at this time, and follow the dictates of my conscience, and in so doing take a stand in the interests of the country as a whole, rather than of one particular section.

I think the Minister of Finance is to be congratulated in having taken a step in the right direction in his Budget proposals. He has gone a long way, I believe, towards giving us relief, and I feel that we should appreciate what he has proposed to give to the people through a reduction of the customs tariff. The Government had no mandate from the people to tinker with the tariff. This, as has been said, is a war year, and I do not think that any one would have been disappointed if the Government had done nothing towards a reduction of the tariff. But some of the western members, including myself, pressed on the Government the necessity for a reduction. The Government have seen fit to give us that reduction, and I feel that they have done all that they could do at the present time and I purpose to give them my very hearty support. I trust that when the revision takes place next year further substantial reductions will be made. I would like to see, as some others have stated, larger reductions on certain lines, particularly on woollen and cotton goods, and on boots and shoes—things of that nature which are indispensable to the working people of this country; and it seems to me that a reduction in that direction would go a long way towards satisfying them.

I have listened with interest to many of the speeches made since this Budget was brought down. Many of the speakers attempted to deal with the unrest and to tell us what were its causes, but I do not think that any one has really struck the right key. It seems difficult to say what the cause is. We have been keyed up so long under war pressure that a reaction seems to have taken place, and it is manifesting itself in this way. I want to say, Mr. Speaker, that I believe some of the speeches made during the debate are responsible for the present unrest. Some members have been telling of the downtrodden condition of the workingmen and of the pleasures of the rich men, and things of that nature, well calculated to create further unrest. I would point out that the great strikes which are taking place all over the Dominion at the present time are not strikes because living conditions are bad or because food prices are high; they are largely sympathetic strikes. The strikers are not asking for more money or for better conditions. So that I feel in the face of these facts we cannot say that the unrest is

due to the down-trodden condition of the working men. The solution of the whole difficulty, to my mind, Mr. Speaker, lies in production, and I think it is the duty of this Government to encourage production as the only means of allaying the prevailing unrest. We must go back to normal conditions as soon as possible. The high cost of living is wholly due to the war. Previous to the war living conditions were reasonable, wages were fairly good and prices were not high. The customs tariff is not to blame for increasing the cost of living, as I see it.

Now, there is another thing which is due directly, of course, to the war—I refer to the loss of ships and of the cargoes which they were carrying. I would like to quote from an article taken from the Saturday Evening Journal with respect to the amount of shipping lost during the war:

Precise figures on the shipping losses of the Allies and the United States were given out by the Ministry of Shipping some days ago. In gross tons Great Britain's loss was 7,638,000; France's, 696,000; Italy's, 742,000; Japan's, 120,000; the United States', 341,000.

The great loss of foodstuffs as the result of the sinking of ships was due to the war. So that on the whole it is apparent that the high cost of living is due to the war conditions of the past five years, and I am satisfied that the Government can do very little at the present time to decrease that high cost. It is true that profiteers have made fortunes, but the conditions which existed made it possible. I do not think the Government is to blame for those conditions, because, as we all know, in such times we always find men ready to take advantage of abnormal conditions to enrich themselves.

Now, with respect to the tariff, I feel, as I said before, that it is not the cause of the high cost of living. With regard to a reduction of duties, I want to say that I am not a free trader, Mr. Speaker, I stand for a substantial reduction of the tariff along certain lines, but I do not think that Canada can be a free trade country at this time or for many years to come. So long as other countries protect their industries by a tariff and impose customs duties upon foreign goods, it is practically impossible for Canada, or, indeed, for any other country, to become, strictly speaking, a free trade country. In my estimation it is absolutely impracticable to have free trade in Canada until all the other nations of the world agree to have free trade.

The sentiment of many countries at this time is drifting towards protection of their own industries. I notice that in Britain there is a feeling that protection should be afforded to the industries of that country. A prominent party in the United States are advocating higher protection there, and Australia is moving along the same line. I quote the following article from the Ottawa Journal with regard to Australia's attitude in this respect:—

W. A. Watt, the acting Prime Minister of Australia, according to an Exchange Telegraph despatch from Melbourne, told the Industries Protection League, Thursday, that the Australian Government intends to introduce a tariff measure to protect industries created during the war at the approaching session of Parliament.

The acting Prime Minister said it was the intention of the Government, if Parliament approves, to pass an effective tariff.

These countries are beginning to realize that they cannot encourage their home industries without affording to those industries a sufficient measure of protection, and I think they are taking a very wise stand. I do not use this as an argument that we should have higher tariffs or more protection; I simply wish to point out that the trend of the times in the different countries of the world is towards the protection of industries.

I wish to refer to a statement made by the ex-Minister of Agriculture (Mr. Crerar) with regard to the settlement of soldiers and immigrants upon the land. During the course of his speech, referring to the returned soldier, he said:—

It is useless to put him down on a homestead and say: Now, here you are. He cannot grow grain nor raise cattle with his hands alone. He requires equipment, agricultural machinery, horses and harness to put on those horses. But when we ask him to do that work, we immediately say to him, on the other hand: You must, however, in the purchase of the equipment that goes into the production of the stuff you hope to produce from your farm, pay to the State twenty per cent of the value of the equipment you get. What does that mean? If a returned soldier or an immigrant has $2,000 and wishes to go on to the land to develop it, he first buys his equipment. If he could buy it tax free, so far as customs duties are concerned, he could buy it for $1,600, and he would have $400 as a working capital to start upon, to carry on his operations.

Let us examine this statement for a moment and see whether it is absolutely correct. What equipment would a homesteader or an immigrant, starting out on a farm, require? First of all, he would require a building in which to live and to house his family; I think we could fairly say that this is a part of his equipment. The ex-Minister of Agriculture says that he would have to pay twenty per cent on

his equipment by way of customs duties; let us see if that is the fact. The material which would go into the construction of his house—the rough lumber, the finer grades of lumber, lumber dressed on one side, and shingles, come into this country free of duty. I cannot, therefore, for the life of me see how this part of his equipment is going to cost him an extra twenty per cent. If he had to fence his farm—he would have to if he settled in the portion of Manitoba from which I come—the wire that he would need, and which would comprise a considerable part of his equipment, comes in free of duty. The binder that he would require in order to take in his crops, the mower and the ploughs which would be part of his equipment, are subject to a duty of twelve per cent. I understand that horses and cattle, if brought into this country for use on the farm, come in free of duty. I cannot see, therefore, how the ex-Minister of Agriculture can say that an immigrant or farmer starting out on a farm would be handicapped to the extent of twenty per cent.

With respect to the returned soldier and his settling upon the land, the assertion of the ex-minister is unreasonable, particularly having regard to the source from which it comes. If the returned soldier settles on the land he does so under better conditions than the ordinary immigrant does. According to a statement made by the Soldiers' Settlement Board, the returned soldier who settles on the land gets the benefit of reductions in the price of lumber, machinery, and other equipment necessary to his starting out; so that such an assertion as the ex-minister has made is very misleading indeed.

I said at the beginning of my remarks that it was not my intention to take up more than a minute or two of the time of the House; I think I have said all that is necessary for me to say. Any further remarks I might make along this line would simply be a re-hash of arguments that have already been advanced. In conclusion, I may say that I intend to give my hearty support to the Budget; I believe that the financial proposals brought down by the Finance Minister are the best that could be expected from the Government at this time.

Mr. H. O. WRIGHT (Battleford) moved the adjournment of the debate.

Motion agreed to, and debate adjourned.

On the motion of Hon. A. K. Maclean, the House adjourned at 11.48 p.m.

Wednesday, June 18, 1919.

The House met at Eleven o'clock.

SELECT STANDING COMMITTEE ON AGRICULTURE.

On the motion of Mr. R. C. Henders (Macdonald) the second report of the Select Standing Committee on Agriculture and Colonization was concurred in.

NEW PARLIAMENT BUILDING.

MOTION FOR JOINT COMMITTEE TO ALLOCATE SPACE.

Hon. F. B. CARVELL (Minister of Public Works): At a meeting of the Joint Parliamentary Committee for the Parliament Building yesterday it was decided to invite certain members of this House and the Senate to inspect the building for certain purposes. I beg therefore to move:

That a committee of four members of this House be appointed to act with a like committee from the Senate for the purpose of assisting the Joint Parliamentary Committee for the Parliament Building in the allocation of the space in the new Parliament Building between the two Houses and also allocating certain space to various members and officials of the respective Houses.

Motion agreed to.

BRITISH NATIONALITY, NATURALIZATION AND ALIENS CONSOLIDATION ACT.

Sir ROBERT BORDEN (Prime Minister), for the Solicitor General (Mr. Guthrie) moved for leave to introduce Bill No. 138, to amend and consolidate the Acts relating to British Nationality, Naturalization and Aliens. He said: The provisions of the main Act and of the amendments now being consolidated are well known to hon. members of the House. The purpose of the present Bill is:

(1) To consolidate the present Canadian Naturalization Acts of 1914, and 5 Geo. V, chapter 7.

(2) To incorporate therewith the provisions of the Imperial Act of 1914 as amended by the Imperial Act of 1918.

The main provisions in the new Bill are as follows: Provision is made for the revocation of certificates of naturalization heretofore granted in Canada.

(a) Where such certificates have been obtained by fraud, misrepresentation or concealment of material facts.

(b) where the holder of the certificate has shown himself by act or speech to be disaffected or disloyal to His Majesty;

(c) where the holder of the certificate has during the war unlawfully traded with the enemy, etc.;

(d) where such holder was not a good character at the date of grant of the certificate;

(e) where such holder has continued to reside abroad for not less than seven years and has not maintained connection with His Majesty's dominions;

(f) where such holder remains, according to the law of a state at war with His Majesty, a subject of that state;

(g) In any case where the continuance of the certificate is not conducive to the public good.

Provision is made whereby the Governor in Council may cause inquiry to be made into the above facts before making order to revoke a certificate.

I should say that these powers in Great Britain are exercised by the Home Secretary, I think. We have departed from that in this Bill by providing that such powers in this country shall be exercised by the Governor in Council upon the recommendation of the Secretary of State.

Provision is also made, in the language of the Imperial Act, for the naturalization of persons who served with the British forces in the Great War. The provision in this respect is as follows:

A period spent in the service of the Crown may, if the Secretary of State of Canada thinks fit, be treated as equivalent to a period of residence in Canada.

The language employed in that respect is precisely the same as that to be found in the Imperial Act of last year. The period of residence in this Act, as in the Act of 1914, is five years.

Mr. D. D. McKENZIE (Leader of the Opposition): I quite understand that this motion is not debatable, but I should like to state to the Prime Minister that this Bill strikes me as being of very far-reaching effect and of the greatest possible importance, and I fear it is being introduced at too late a stage in the session. If it could possibly stand over until another session I think it would be more satisfactory to Parliament and to the country.

Sir ROBERT BORDEN: The Naturalization Act of 1914 was based upon a resolution reached at the Imperial Conference of 1911. That resolution had for its purpose the fixing of uniform standards of naturalization throughout the various Dominions of the Empire, and the granting of certificates of naturalization which would be effective, not only in the country in which they were granted, as was the case previously, but throughout the whole Empire.

The Act passed by the Parliament of the United Kingdom on that occasion was adopted in Canada after a great deal of correspondence and negotiation, and I understand it has also been adopted in Newfoundland. It was to be brought before the parliaments of Australia, New Zealand, and South Africa immediately before the war, but I understand that owing to the war the measure has not been proceeded with in those countries. The purpose of this Bill is to render our Act uniform with that of the United Kingdom, and its provisions are framed with that object. I do not think we have departed in any important respect whatever from the principles embodied in the Imperial Act of last year. My hon. friend suggests delay, but I do not think that a fair examination of the Bill will support any reason which could be advanced therefor. It is extremely important that the Act should be made uniform with that of the United Kingdom, and it is also of the utmost importance that the proposals to which I have very briefly alluded, and which will be found in the provisions of the Bill, should be carried into effect in this country at the earliest opportunity.

Motion agreed to and Bill read the first time.

QUESTIONS.

(Questions answered orally are indicated by asterisks.)

TRENT CANAL—RATES OF WAGES.

Mr. BURNHAM:

Is it a fact that the Government is paying 29½ cents an hour to labourers on the Trent Canal, in the vicinity of Peterborough, while the current rate for the same district and work is unversally 45 cents per hour?

Hon. Mr. REID:

1. The rates of wages now paid on the Trent canal in the Peterborough district—for casual labour—30 cents per hour; permanent labour, $2.60 per day.

The Department of Railways and Canals has no information showing that the current rate for this district is 45 cents per hour.

The question of increase in wages is now under consideration by the department.

SOLDIERS' CIVIL RE-ESTABLISHMENT COMMISSION.

Mr. McGIBBON (Muskoka):

1. Who is the Deputy Minister of The Soldiers' Civil Re-Establishment Commission?
2. What is his salary?
3. Has he any Military record? If so, what?
4. What were his qualifications?
5. Is it a fact, that medical, legal and other officials are employed by the said Board, who have had no overseas military record? If so, what are their names, and what salary is paid to each?

Mr. HUGH CLARK:

1. Frederick Gerald Robinson.
2. $6,000 per annum.
3. No.
4. Experience previously gained as an executive officer of the Military Hospitals Commission, in which capacity he was brought into close contact with all phases of the work of the department. Mr. Robinson has been engaged in the executive direction of commercial enterprises for a number of years, giving him an intimate knowledge of conditions in all parts of Canada.
5. No administrative medical officials are employed at head office of the Department of Soldiers' Civil Re-Establishment, who have no overseas military record.

No legal officials are employed by the department.

The only other administrative officials employed at head office who have no overseas military records are: F. G. Robinson, deputy minister, salary $6,000 per annum; E. H. Scammell, assistant deputy minister and secretary, salary $4,000; Major L. L. Anthes, C.E.F., director of the Information and Service Branch, salary $2,500; W. E. Wilford, C.E.F., (ex-Pte.) chief purchasing agent, salary $3,000 per annum; J. H. W. Bower, general superintendent engineering branch, salary $3,900 per annum.

Note: Those whose names are followed by the letters C.E.F., saw service in the Canadian Expeditionary Force but not overseas.

C.P.R. STATION QUEBEC.

Mr. POWER:

1. Did the Government lend any assistance to the Canadian Pacific Railway in the building of the C.P.R. Station at Quebec?
2. If so, what form did this assistance take?

Hon. Mr. REID:

1. No.
2. Answered by No. 1.

THE WINNIPEG STRIKE—ALLEGED REMOVAL OF PRISONERS TO KINGSTON.

On the Orders of the Day:

Mr. McKENZIE: I observe in the press this morning that there is some suggestion of removing the prisoners who were arrested in Winnipeg to the city of Kingston for trial. Can the Prime Minister tell us whether this is true?

Sir ROBERT BORDEN: I have not, nor has any member of the Government, so far as I am aware, heard of any such proposal. I think it is merely a press rumour. With regard to the matter in question, however, it might be of interest to my hon. friend to know that the charge upon which the persons alluded to have been arrested is seditious conspiracy. The counsel at Winnipeg who had charge of the matter were selected with great care and were instructed that they should not take any proceedings for the arrest or prosecution of any person except under the direction and with the approval of the Minister of Labour. That instruction, I understand, has been carried out.

THE BUDGET.

The House resumed the adjourned debate on the motion of Sir Thomas White (Minister of Finance), that Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means, and the amendment of Mr. McMaster thereto (resumed from Tuesday, June 17).

Mr. H. O. WRIGHT (Battleford): Mr. Speaker, in rising in this House for the first time to make a few remarks, I feel I should almost apologize to you, Sir, and the hon. members of the House for the fact that in so doing I am breaking a precedent of long standing. In the short time I have been here I have come to regard precedent with considerable respect and reverence, and I think you will appreciate my position under the present circumstances. The precedent to which I have reference is one that was created by the hon. gentleman (Mr. Champagne), who preceded me in the representation of Battleford constituency. I believe that this is the first time that the people of that constituency have had an opportunity of having their views expressed in this House.

Before proceeding to a consideration of the subjects under discussion, I feel it my duty to make a few observations on the past record of the Government. I believe there are very few western members who have had the opportunity that I have had to observe just what has been going on at Ottawa, particularly during recess. I think it is only fair to state, in view of the prevailing criticism in the country, that it is my firm belief that the hon. gentlemen who occupy the Cabinet benches at the present time have made an honest effort to prosecute the war to a successful issue, facing difficulties which were very considerable indeed, and in the solution of which they had absolutely nothing in the way of precedent to assist them. I think I should go a

little further and express to the hon. the Prime Minister my heartfelt thanks for the stand he has taken during the latter years of his parliamentary career.

I am sure that the country owes him a great debt of gratitude because in all the trying times that he has been through, more particularly in the last two or three years, he has never wavered in one particular in his loyalty and devotion to the country, and as a loyal Canadian I appreciate that very much. With all that has been done with reference to the carrying on of the war, and bringing it to a successful conclusion, I am in hearty accord.

Before dealing with the Budget, which is agitating my mind particularly at this moment, and I think also the mind of every member of this House, I would like to refer to another matter which has been, and is at present, a subject of very great concern to the farmers of the West. I am a farmer myself, it is the only occupation I have and my only source of livelihood, and I wish to state here that the interests of the farmers are my interests. In years gone by we have had a great amount of difficulty in marketing our grain. By that I mean, we have had great difficulty in obtaining the prices for our grain that were coming to us. We have always found—those of us who were fighting financial adversity, and a great many of us are doing that to-day—that about the time we were forced to sell our grain we were absolutely at the mercy of a bunch of unscrupulous speculators who controlled the grain market. I do not think I am over-stating the case in using such strong language. These people knew perfectly well that at a certain season of the year we had to sell our grain in order to meet our liabilities, and it seemed to us, and it seems to me now, that by some means the price of grain was always forced down to catch those who were compelled to sell. The only man who had the opportunity of getting a fair return for the grain that he raised was the man who was in good financial circumstances and could hold his crop over until another year. The first relief that we obtained came when the price of grain was set by the Government. Before dilating further upon the selling price of grain, I wish to make myself clear on that point.

I am not advocating the fixing of the price of wheat as a principle—I do not believe that I could conscientiously do so. We have to choose between either protection or a measure, at any rate, of free trade. I have made my choice in that

[Mr. Wright.]

regard and it has been along the lines of no very great degree of protection. What is in the minds of us farmers of the West at the present time in regard to the wheat crop is the peculiar position we are placed in. Relief, as I have already said, came to us when the price was set and we found that we got a fair return for our crop. That enabled the farmers to go ahead in the fall and prepare their land for the next year without being compelled to rush to the market with their grain to get it marketed. The setting of the price stabilized the market and stabilized the farming industry.

Now what I would like to impress upon the Government at the present time is the danger of a return to the old conditions which are nothing short of disastrous to the farming industry in Western Canada. I cannot suggest at the present time exactly what course should be pursued, but I would draw the attention of the Government to the fact that something should be done, in view of the peculiar circumstances in which we are placed, to stabilize this industry, which is, if not the most important, one of the most important, industries of the country. In this connection I would like to read a resolution that was passed at a joint meeting of five local Grain Growers' Associations held at the town of Luseland, Saskatchewan, a month ago, bearing on this question:

> Whereas: the economic condition of Canada is very unsettled and a large portion of the 1918 wheat crop is still in the Dominion:
>
> Whereas, the farmers produced that crop at unusual expense and at the request of the Government and incurred a large expense in preparing the land for the coming wheat crop;
>
> And whereas, when the conditions were normal, grain buyers were able to so manipulate the market, that they paid a minimum price to the producer and disposed of their holdings at an excessive price to the consumer;
>
> And whereas, the present impoverished condition of the western farmer and the stern necessities of the consumer, will afford those engaged in manipulating prices an opportunity to press both the producer and consumer;
>
> And whereas, we are convinced that the Government can stabilize the price without serious financial loss and greatly to the advantage of both consumer and producer;
>
> Therefore, resolved that we respectfully request the Government to fix a minimum price for the 1919 wheat crop to correspond with the price fixed by the United States Government.

I thought I should place this resolution on record which was passed at a very large meeting of the grain growers' associations in my constituency, and which is only one of a great many resolutions on the same subject which I have received.

Now, coming to the subject of the Budget, I find myself in a very difficult posi-

tion. I represent a rather large constituency in the province of Saskatchewan. It is true that I come from the Conservative party, but that does not seem to make any difference in Saskatchewan when the matter is one affecting the tariff. It may be argued that as an old Conservative I could very easily accept the measure of reduction set forth in the Budget by the Finance Minister. But there is another phase to the question from my standpoint which is entirely personal and which is giving me great concern. For years I have travelled up and down the constituency of Battleford before I ever had any thought of being interested in politics, or before anybody else had any idea that I would be in the position in which I am to-day. I expressed certain views to my fellow citizens of that constituency, and I expressed them in no uncertain way, and I am afraid that my action at this time may be construed by these good people to mean that on the very first occasion when the sentiments I had enunciated at home were put to the test down here, that I have utterly failed. If I could make up my mind that there is any alternate course, if there was any way to enter a more vigorous protest without placing myself in a rather inconsistent position, I would have no hesitation in saying that I would have voted against the Budget proposals.

Looking over the amendment of the hon. member for Brome, I find many things in it which appeal to me very strongly. That is true in regard to the first three paragraphs of the amendment, and it is after great effort that I shall have to vote against that amendment. If I believed, or if I could see anything in the past record of hon. gentlemen opposite at this moment—if there was anything in their past record since I came into this House that would appeal to me and make me believe that the amendment was actuated by any spirit of sincerity, I would have no hesitation whatever in supporting it; but I do not believe there is one ounce of sincerity in the amendment; I do not believe that if we had a change of government to-morrow the tariff would be lowered one per cent more on any item than it has been under the Budget proposals presented by the Minister of Finance. Whatever the course that I am pursuing at the present time may lead to from a personal standpoint, I want hon. members in this House and those who are interested in my action in my own constituency, to understand that my course is actuated by thoroughly conscientious motives and that I am doing what I believe to be in the best interests of my own constituency and of the country at large. I do not wish to attribute any motives, or any desire to be considered as displaying heroism, or anything of that kind, to any hon. gentlemen from Western Canada who do not see eye to eye with me.

I would just like to add that there is only one thing that gives me a sort of flickering light of hope in the stand I have taken. The hon. member for Red Deer (Mr. Clark) during the course of his speech on the Budget made the following statement:

> I cannot quite agree with my hon. friend from Marquette (Mr. Crerar)—and this is the only disagreement I shall have with him—in describing the Budget as a protectionist Budget. I think a fairer thing would be to define it—and I think history will so define it—as a Budget tending towards free trade. I am particularly grateful for the Budget. There was a time when I was charged with being the only free trade member of this House, but to-day, Sir, I am in the proud position of seeing a Government bring down into this House a Budget which proposes to lower tariffs.

I would not for one moment have the audacity to question my hon. friend's judgment on tariff matters; I say that in all sincerity. If he can see in this Budget evidences of a definite reduction in the tariff—and we are promised by the Minister of Finance a commission to thoroughly investigate the tariff and make a report at the next session—I do not see that I can do anything under the circumstances but support the Budget.

Mr. WILLIAM D. EULER (Waterloo North): It is not my purpose to speak at any great length on the subjects that have been under debate. Like the hon. member who has just taken his seat (Mr. Wright), I also am placed in a somewhat perplexing situation, although for another reason. It is not, Sir, because I have any doubts with regard to the Budget itself. I am opposed to the Budget for the things it does, and I am still more opposed to it for the things that it does not do.

So far as the amendment is concerned, I am entirely in sympathy with a good deal of it, but I may say at the outset that its recommendations with regard to our fiscal policy, while very general in their nature, will, I believe, be interpreted—at least, in the constituency which I have the honour to represent—as going a little further than my people care to go. In its condemnation of the extravagance of the Government, of its failure to deal with the question of free food for the people, in its

criticisms of the Government for doing nothing to bring down the cost of living, I am in absolute accord with it.

I was in the House the other evening when the hon. President of the Privy Council made his speech, and if there was one thing that came with something of a shock to me, it was his apparent lack of ability to realize that this Government has a responsibility with regard to the cost of living. He stated that it was just as impossible for the Government to bring back to life the 60,000 Canadian soldiers who were slain in the war as to bring down the cost of living. That surely is an appalling confession for a minister of the Crown to make —a confession of weakness and unfitness without parallel. If that is the feeling of the Government, why was a committee appointed to investigate the causes for the increased cost of living—a committee that was supposed to make recommendations to the Government upon which action might be taken to reduce that cost of living? And yet, Sir, while the Government apparently has merely, in vulgar parlance, passed the buck to the committee, in order to evade responsibility, that committee elicited some important facts when it found that the Dominion Textile Company—

Mr. SPEAKER: Order. I regret to have to draw the attention of the hon. member to the circumstance that it is not in order to refer to transactions before a committee. The proper time to discuss those matters is when the report of the committee is brought down to the House.

Mr. EULER: I have come to the conclusion, after listening to the speech of the President of the Privy Council, that apparently the Government does not intend to take any action, no matter what that committee may find it necessary to report. But the address of the hon. minister (Mr. Rowell) the other evening seemed to me to be pretty much of an apology for the profiteers of this country. That was quite consistent with his attitude in this House during the session. He has defended the "Interests," and the most recent occasion I have in mind is his action in connection with the vote on the amendment to the Railway Act, when we find not only the President of the Council but all the ministers present voted for that monopoly known as the Toronto and Niagara Power Company. I want to say, Mr. Speaker, that the hon. minister (Mr. Rowell) will find it very difficult to explain that vote when next he visits Western Ontario or his own city.

I am free to admit that it is very difficult to bring down the cost of living, especially at this late date when conditions have become established. The committee should have been appointed long ago. But I submit, Sir, that the people did receive with dismay and resentment the statement of a responsible minister that the Government could do nothing to bring down that cost. What have the people to hope for from the Government in that regard? Are they satisfied with men who simply throw up their hands in helplessness when they are faced with conditions which they themselves assisted to create? They sit on the Government benches and say resignedly, "We can do nothing." Meekness is supposed to be a very fine Christian virtue, but I submit, Mr. Speaker, that the people are not looking for meekness from this Government; they are looking for action. Meekness does not fill the mouths of our hungry people.

It has frequently been said that British Governments have somewhat of a genius for being unprepared for difficulties that may arise, and then fortunately "muddling through." I do not think that a policy of "muddling through" is a policy for this country; and yet that is the policy this Government is following to-day.

We have heard a good deal about the strikes in Winnipeg and elsewhere. Apparently the impression is that these strikes are merely the result of an attempt on the part of the workmen of that city to secure the right of collective bargaining and the eight-hour day. But the cause of labour unrest goes much deeper than that. Whether the Winnipeg strike is lost by the strikers or whether it is won, that question must be faced by the Government. The war is no excuse. This Government has taken shelter behind the war as an excuse for a great many things. Even prior to 1914 trouble was at hand. The war simply postponed the day and intensified the outbreak when it did come. To-day our men and women are toiling as hard as they ever did, and yet they find it difficult to provide sufficient good clothing and good food for themselves and their children to say nothing of providing for the rainy day of old age, sickness or unemployment.

There is only one remedy; it has been mentioned before in this House but no definite action has been suggested in connection with it. That remedy must be based on the principle that labour should receive the value of the product of its toil, after providing for a fair return on the capital invested. That is a broad principle,

and involves a very difficult question, I admit, for a Government to cope with; but the problem must be faced. Just how this condition may be brought about I am not in a position to state. But Government undertakes to look into the books of private companies in connection with the collection of taxes; and it may be that something of that kind will have to be done in order that those who produce in Canada shall receive the reward of their labour. It may be that the remedy will lie in the bringing about of such a condition that labour shall be accorded some say in the control of industry.

It is incomprehensible that so many people, and the Government itself, fail entirely to grasp the reasons for these difficulties. I read a few days ago in the Ottawa Citizen a short account of a speech delivered in Montreal, which would be amusing if the subject with which it dealt were not so serious, and if the speaker had not betrayed such a lack of knowledge of fundamental conditions and of human nature. The address was delivered at a convention of the Daughters of the Empire, and the press reference to it was as follows:

> At the morning session a titled lady told the members how feeling among the working people against the more fortunately placed might be avoided—by smiling at workmen and remarking, "It is a hot day, or a cold day," to fit the occasion, and by driving dressed and bejewelled to a ball with the limousine lights turned off.

There is your remedy, Mr. Speaker—to have the fair ladies of this country smile upon the workingmen at their toil. When the titled ladies of this land drive down the streets in their motor cars and see down in the ditch the chap sweating at his work and thinking, perhaps, of how he can supply his wife and little ones with the necessaries of life, I wonder whether that man's mind is set at rest when he sees the charming smile of the lady who passes by in the motor car, dressed in silk and satin and adorned with costly jewels. The apparent indifference of people of this kind reminds one irresistibly of an incident in the French revolution, when the starving people of Paris surrounded the palace of the Queen and shouted for bread. Upon learning the reason the Queen said: "If they have no bread why don't they eat cake?" Sir, if a mere smile is the remedy that can be applied with effect, I wonder that the Government has not gathered together some of these ladies and sent them to Winnipeg to try the effect upon the working people there. I believe that the graciousness of these fair ladies would be just as efficacious as the wintry smile and austere methods of the Acting Minister of Justice (Hon. Mr. Meighen), who went out there supposedly to settle the dispute.

There are many other reasons for the unrest which prevails. Undoubtedly the strain of the war has made conditions almost unbearable, and when you add to that the many restrictions imposed by the Government, and which, I contend, were almost entirely unnecessary, you emphasize the difficulties under which the people are labouring. Let the Government make no mistake, the War-time Elections Act itself created a great deal of unrest. The abolition of the right of free speech and the free publication of opinion, and the power which the Government only recently has taken upon itself practically to imprison men and to keep them in prison without trial, have caused a great deal of dissatisfaction; the people do not know that they possess any liberties and what they may and may not do. Is it any wonder they are restless?

I say in all seriousness that a great deal of the unrest is caused by such a simple thing as the people being tired of Union Government. Union Government is neither one thing nor the other; it is "neither fish nor flesh, nor good red herring." There are gentlemen on the opposite side of the House who do not agree with the Government which they profess to support. The member for Brantford (Mr. W. F. Cockshutt) advocated an election, and I believe that that is a wise suggestion. He wants a straight party fight, Grit and Tory, as of old; he wants to fight the battle of protection against free trade. I care not what the issue may be. The outstanding fact will be that the Union Government will be on trial and the people will care for little else.

Let the Government give us a fair and square election. I do believe that if the Government went to the country under an honest Franchise Act, Canada would once more secure a democratic and representative Government, and some, at least, of the unrest would disappear.

I now come to the matter of the Budget itself and the tariff. I have said that in my opinion the language of the amendment may be interpreted as going a little further than is advisable under the circumstances; it goes, I think, a little too far in the direction of free trade. Free trade is a fine theory, but we must deal with conditions as they are. Free trade in Canada at the present time I consider to be absolutely

impossible. Our national debt is $2,000,000,000. To pay the interest on that debt and to carry on the affairs of this country will require an annual expenditure of $300,000,000. At least some of this money must be raised by a tariff. Unfortunately, the tariff usually strikes those who are least able to bear the burden, as may be said of other taxation methods of this Government—with which I shall not deal at this time. In the presence of the Finance Minister, I say that the tariff as now constituted seems to me to be a hodge-podge, hit-and-miss sort of contrivance, built up neither for revenue, nor, as is evident if you examine it carefully, for the advancement of industry. It is unnecessarily high in many cases, and it actually operates to hamper industry in others.

In this connection, I wish to refer for a moment to the constituency which I represent, North Waterloo. We have three large manufacturing centres. The largest of these is the city of Kitchener; we have the town of Waterloo and the village or town of Elmira. In these centres there are from 150 to 175 manufacturing establishments, employing thousands of working people whose prosperity is absolutely dependent upon their employment in these factories. It is not too much to say that these industries were built up under the tariff. I desire to make it quite clear that I have no intention consciously at any time to do anything that would endanger the prosperity of the industries in the riding which I represent, or imperil the employment of the people who work in those establishments.

I would not care to take any drastic action in the way of tariff revision the effect of which I cannot estimate without careful investigation. I believe, in many cases, the tariff is too high; that it fosters combines, the high cost of living and the oppression of the consumer. I believe in a very moderate tariff for development and revenue, and none at all for monopoly. An extremely high tariff creates monopolies; it makes for unduly large profits in which the workingmen do not share. It increases the cost of living, and because of the latter fact, it strikes right back at the workingman himself, who too often forgets that he also is a consumer. Then again, if you have too high a tariff, you receive no revenue whatever from it because all importation is stopped. I have discussed the matter with a good many manufacturers in my constituency, and while they are nearly all tariff men, they say, in every instance, that a duty of thirty-five to forty-two and-a-half per cent is altogether higher than is necessary. I am very sorry that the Minister of Finance (Sir Thomas White) did not see his way clear to wipe out entirely the seven and-a-half per cent war tax. I do not favour feeding high protective pap for long periods to industries that never will be adapted to this country. That is like trying to grow lemons in Saskatchewan or Alberta; it cannot be done profitably, but you can grow mighty fine wheat in those provinces. It may be that one day, when the federation of the world is accomplished and all boundary lines are wiped out, that the nations and the peoples of the world will no longer need to trouble themselves about tariffs. Then trade and commerce will find their natural channels, and industry and manufacturing will locate themselves in proximity to raw materials, with regard to suitable markets and to labour conditions. That would make for efficiency and should ultimately benefit both consumer and producer, but that day is not yet. In the meantime, I believe the tariff can be improved, and improved downward in many respects, but I want to see the question dealt with intelligently after careful investigation. Let a careful survey of the whole situation be made, and then let action be taken with full knowledge of the facts. A commission such as the Minister of Finance has proposed should comprise members of all classes in this country and not merely the moneyed interests. On that board, in addition to the minister himself, there should be at least one representative of agriculture, one of labour, one of industry, and the ordinary consumer should not be forgotten. Then, whenever and wherever combines or monopolies or inordinate profits are discovered, the tariff ought to be adjusted without fear or favour according to the facts.

In the riding which I represent we have a large city population, with many people engaged in our factories, and a smaller farming population. I should like to make the point that, just as the prosperity of the farmers in my constituency is closely bound up with that of the industrial population in the towns in that constituency, so in the final analysis, if I understand the situation properly, is the interest of the western farmer and that of the eastern manufacturer dependent the one upon the other. In a country of diversified interests, it is absolutely necessary that there should be some give and take, and some compromise.

I said some time ago that the tariff is framed in this country so as to hamper in-

dustry. That must be so when customs duties are charged on raw materials entering into manufactured products. In the constituency of North Waterloo, which specializes in many lines, we have something like twenty-five furniture manufacturing establishments. As many hon. members may not know, fine lumber and the veneers used in the making of furniture are largely imported from the United States. That lumber includes oak, walnut, mahogany, gumwood and others. For example, just to show the disability under which the Canadian furniture manufacturer would work against a United States manufacturer if there were no tariff, the United States manufacturer pays $135 for 1,000 feet of oak. The Canadian manufacturer pays the same invoice price, but to that he must add the exchange which would be against him just now on the basis of 3 per cent, an amount of $4.05. He must pay freight amounting to $15, and then on top of that the Minister of Finance makes him pay $10.12 in the form of a war tax. That makes a total of $29.17 extra, or something like 21 per cent on the invoice price of his goods. I do not see what possible justification there can be, when no special Canadian industry would be prejudiced by the removal of that tax, why it should still be maintained.

According to the new Budget proposals, agricultural implements coming into the country will now pay a duty of from 15 to 17½ per cent, not a very high duty; indeed, not higher than the reciprocity pact of 1911 called for. The actual protection is really less than that, because a duty is also charged on certain parts which go into the manufacture of agricultural implements. That at least is the case in the industries in the riding which I represent.

In my city, that of Kitchener, there is a very humble article of manufacture, that of buttons, upon which article, however, a great responsibility very often depends.

12 noon.

All the buttons manufactured in Canada are, I think, produced in the city of Kitchener or the town of Waterloo. The raw material from which buttons are manufactured is the nuts of southern countries; it is not produced in Canada, and yet upon that raw material there is the 7½ per cent duty to pay. The point I want to make is this, that the addition of that unnecessary duty, as I call it, adds to the cost of the necessaries of life. The consumer has to pay more because of the tariff without any corresponding benefit to the manufacturer. Button making machinery is very expensive, and is absolutely necessary for the economical production of buttons. It is not made in Canada. Yet upon button making machinery, there is a heavy duty which is all the more trying in face of the keen competition in buttons that is now provided by the Japanese manufacturer who has the advantage of cheap labour.

I see no reason whatever why the tariff on raw materials and food should not be removed, because if that were done, the consumer would be assisted and industry could not be injured.

I have spoken, Mr. Speaker, at greater length than I intended. My friends, I regret, may not altogether appreciate the reasons why I cannot support the amendment. But it goes further than I would care to go without very careful investigation. I believe that in taking this stand I am following the wishes of my consituents, and that is my first care. I shall vote, therefore, against the amendment for two main reasons: First, in view of the large amount of revenue that we must raise in this country in the coming years, I think it is absolutely essential for us to have a moderate tariff. Secondly, I should not like to lend myself to the taking of any action that might interfere with the prosperity of any legitimate industry in my constituency or any where else in Canada without proper investigation. After that investigation has been made, and wherever it is found that the tariff may be reduced with fairness to all concerned, I shall be glad to support any movement in that direction.

I trust that my action in this regard will not for one moment be understood as expressing support of the Government; it is not intended in that way at all. I shall also vote against the Budget, which I trust I shall have an opportunity of doing, for the reasons I have given, and for the chief reason that I have no confidence in the Government which has brought it down.

Mr. JOHN FLAWS REID (Mackenzie): Mr. Speaker, I rise to state my position on the Budget proposals and the amendment. My position is rather a peculiar one, in that I am opposed both to the Budget and to the amendment. Unfortunately, the rules of the House do not permit the western democrats to introduce as our fiscal policy the platform of the Canadian Council of Agriculture. I wish, however, to give credit to the Minister of Finance for the very advanced step which he has taken in introducing direct taxation in the form of income tax. That is a plank from the

platform of the Canadian Council of Agriculture, and as a member of that body I give him credit for it. I think, however, that he should have made the grades a little more drastic. I notice that the income tax schedules of the United States, if I have read them aright, are very much higher than ours. In Canada on an income of $3,000, the taxation as laid down in the Budget would be $20, whereas on the same income in the United States the tax would be $60. I shall not read all the schedules, but will give four more, to show the House how our taxation compares with theirs. In Canada on an income of $6,000 the tax is $140, in the United States $250; on an income of $20,000 in Canada the tax is $1,382, in the United States $2,630; on an $75,000 income in Canada the tax is $11,007, in the United States $21,350; on a $500,000 income in Canada the tax is $195,407, in the United States $323,000. Therefore, on incomes totalling up this sum the taxation in Canada amounts to $285,822, whereas in the United States it amounts to $493,770, making a difference in favour of the United States system of $207,948.

Sir THOMAS WHITE: May I ask if my hon. friend is not reading the income tax schedules of the United States for 1918?

Mr. J. F. REID: That is correct. I do not wish to make any false statement, and I thank the minister for pointing that out. Some hon. members on this side of the House, in speaking in favour of the Budget, claim that it makes sweeping reductions in the customs tariff. I have diligently and religiously tried to find where these sweeping reductions are, but have been unable to do so. I am afraid that hon. members who have found these sweeping reductions have confused the war tax with the customs tariff. To my mind, the two are entirely different. I do find, however, a slight reduction, and I contend that it is a very slight reduction. On ploughs, for instance, there is a reduction of 2½ per cent. On portable engines, threshing machine separators, including baggers, weighers, and self-feeders, there is another reduction of 2½ per cent. On farm wagons I find a reduction of 5 per cent; on fanning mills, hay loaders, potato diggers, a reduction of 5 per cent. On cement I find another sweeping reduction of 2 cents per bag. On tillage tools, such as cultivators, harrows, horse rakes, seed drills, manure spreaders and weeders there is a reduction of 5 per cent. Like the Minister of Immigration and Colonization (Mr. Calder), I would have been a great deal better pleased if the Minister of Finance had not touched the customs tariff at all.

The reduction is so inconsiderable that it will certainly not be acceptable to the people of the West, who will regard it as nothing but a palliative to satisfy them for the time being. I say this in all sincerity, and I am of the opinion that it would have been just as easy for the Minister of Finance when he was making a reduction of 2½ per cent to make it 5 per cent, and when he was making a reduction of 5 per cent to make it 10 per cent. Had he done this, there would have been a greater probability of the Western people being favourably impressed with his proposals.

The hon. member for Brantford (Mr. Cockshutt) is very much aggrieved because, as he says, his constituency has been discriminated against to a greater extent than any other constituency in Canada. It is a matter of common knowledge among those who have travelled in the West that the name of the hon. member for Brantford is a household word in that section of Canada. You will see his name prominently stamped on a plow at practically every section corner in Saskatchewan, and altogether it is one of the most familiar names in the West. The hon. member claims that he has been seriously hurt by this drastic cut in the tariff, but I cannot agree with him after a calculation of the advantages which his company will enjoy in the reduced freight rates on western shipments of agricultural implements, for this incubus which he fears his company will have to shoulder to its ruin amounts to nothing more than between ten and fifteen cents on a fourteen-inch gang plough, which sells for $120. This is the drastic cut which the hon. member for Brantford is raving about. He then proceeds to censure the Finance Minister (Sir Thomas White) for his omission of the word "protection" from his Budget speech. Speaking for myself, I am very glad that the Minister of Finance thought fit to eliminate the word "protection," and I trust he will never deem it necessary to resort to its use again. I am convinced that when the hon. member for Brantford comes to his senses and realizes, on a careful and calm calculation, that he is penalized only to the tune of, say, 15 cents on a 14-inch gang plow selling for $120, he will bless the Minister of Finance for not having dealt with him more severely than he did. The same hon. member goes on to find fault with the Government for ruining the country for bringing in 15,500 tractors duty free. By that transaction, he

alleges, the federal treasury lost about three million eight hundred thousand dollars. I believe that this figure is practically correct. but if the hon. gentleman will carefully consider the results that will accrue from the introduction of those tractors and will make a calculation based on the figures which I am about to give the House he will be disposed to revise his opinion on this question. Granted that the federal treasury lost $3,800,000, what is the advantage that counterbalances this loss? Let us suppose that each tractor worked for twenty-five days and ploughed two acres a day—which is an exceedingly conservative estimate—this would represent fifty acres a month, and we should have an increased acreage in Western Canada of 750,000 acres. The average wheat yield of the province of Saskatchewan for a period of ten years has been eighteen bushels to the acre, and multiplying that by the number of acres I have mentioned, it would give us 13,950,000 bushels of wheat. Suppose this wheat sold at $2 a bushel, it would mean that the Dominion of Canada would be richer to the extent of $27,900,000. This would all be exportable surplus, because this special effort that was made when the tractors were introduced was the result of the greater production scheme. All this surplus would be for shipment abroad, and, as I say, it would represent to Canada the sum of $27,900,000. But suppose each tractor broke four acres per day for twenty-five days, the total amount I have given would be doubled. Therefore, I am of the opinion that Canada will be benefited, as a result of the introduction of these tractors, to the extent of $55,800,000. In these circumstances I think the Government deserve a great deal of praise for this move, which was wise and eminently business-like; and if this sort of thing were done to a greater extent Canada, Western Canada especially, would develop much more rapidly than it has done in the past.

I shall refer to some remarks of the hon. member for Fraser Valley (Mr. Stacey), who told us that at one time he was a Liberal. I am aware of that fact. The hon. member has lived in each of the three prairie provinces; at that time he was what might be termed an advanced Liberal. He has gone over the mountains and is now engaged in the fruit industry in British Columbia, and I find that he enjoys a special privilege as a fruit grower in Canada. He was not content with the duty of 40 cents a barrel on apples, but was one of a few who petitioned the late Government to increase that duty to 90 cents, and to-day he is enjoying the special privilege of receiving 30 cents per box additional on the apples which he grows in the Fraser River Valley. He enjoys that special privilege by reason of the tariff wall that is raised against apples coming into this country, and before I change my opinion on the tariff the hon. member for Fraser Valley will have to convince me that he does not add that extra 30 cents to every box of apples he ships from British Columbia. I want to tell the hon. member, and I am sorry he is not in the House—

Mr. STACEY: Here he is.

Mr. J. F. REID: I am very glad that he is, and perhaps it is better that he should hear my remarks than read them to-morrow in Hansard. I want to tell him that his action is preventing many a poor child in the three Prairie Provinces from eating apples. The child's acquaintance with this delicious fruit is not a very tangible one, for it sees nothing but painted apples. It asks its mother for some apples and the mother says: "We cannot buy you apples, my dear, because they are now dearer by 30 cents on the box." I am of the opinion that when the hon. member for Fraser Valley goes home and closes his door, and in the quiet seclusion of his room contemplates his past actions, he will confess that he is really the cause of poor children of the Prairie Provinces being deprived of apples because of the 30 cents extra that he must have. The hon. member must have his last pound of flesh, no matter who goes without apples.

The hon. member for South Waterloo is, I understand, a very extensive manufacturer of boots and shoes, and I believe is very wealthy. Unlike myself, he had a great deal of fault to find with the Minister of Finance for introducing the income tax system. Now it is quite evident that my surmise as to the hon. gentleman's financial position must be correct, because that system only taxes those who have the wherewithal to pay. Therefore, the hon. gentleman must be wealthy, because he says that it is going to tax him more heavily than the customs taxation must be doing. That is natural, of course, because in the application of the customs tariff to my good friend from South Waterloo before the federal treasury receives one dollar from my good friend from South Waterloo, he, as a manufacturer, has put $3 in his pocket.

I was not in the House when the President of the Privy Council spoke the other

day, but his remarks on a certain subject were brought to my attention. I am not sure of the fact, but it might have been the case, that while the minister was defending the Dominion Textile Company on the floor of this House, the special Committee appointed to inquire into the cost of living was sitting in a room upstairs, and this is what we discovered: The shares of the Dominion Textile Company, to begin with, are 83⅓ per cent water, but to make the point still more explicit let me put it in the form of dollars and cents. A share in that company represents $20 in cash and $100 in water, and on this watered stock, as I have said, amounting to 83⅓ per cent water, they have paid 31.2 per cent dividends. They have done that after providing for reserve, depreciation, the payment of the war tax, and so on. Further, Mr. Speaker, we discovered something else. I presume it would only seem a trifle to a manufacturer, but to me it assumed the appearance of a mountain, in fact it recalls the gigantic outlines of the Rocky Mountains—we discovered that the Dominion Textile Company had packed away a million dollars somewhere, I do not know where, it did not show on the balance sheet or any of the accounts which the company presented to this Committee of inquiry. Think of it, Mr. Speaker, a million dollars packed away, and I am of the opinion that the Federal Government would not receive any war tax on that money—in fact it required a very great deal of persuasion, and a little more than persuasion, before we extracted that information from the gentleman representing the Dominion Textile Company. The information is now public property, it has been widely advertised in the press, and I am not disclosing any secret when I make the announcement. I ask: Is this Government justified in protecting such companies to the tune of thirty or thirty-five per cent? I agree that the Dominion Textile Company, and some other companies to which I am going to refer, require protection, but not a protective tariff. Now this is what the President of the Privy Council had to say the other day about the Dominion Textile Company, and I will read only a portion of his remarks:

> Yesterday, by a strange coincidence, Sir Charles Gordon, President of that Company—

——meaning the Dominion Textile Company, and I notice that the president of that company is a knight; he has been knighted——

[Mr. J. F. Reid.]

> —happened to be in my office, before my hon. friend had spoken. Some question came up about this announcement in the paper showing their large profits, and Sir Charles told me that more than 50 per cent of the profit was made owing to the increase in value of raw cotton and other raw material they had on hand during the year. In other words, they had bought at a fortunate time; they had exercised good judgment in buying; the price of raw materials had gone up, and that resulted in more than one-half of the total profits they made.

He goes on to say further:

> I am not mentioning that except for this point, namely, that if we are to adjust the tariff, having regard to preserving so far as is feasible, consistently with the public interest, existing manufacturing organizations, we must carefully look into the facts before we reach conclusions. That is my sole reason for mentioning this matter. If it is suggested that they earned these large profits because there was a tariff on those goods, I point out to my hon. friends that in to-day's Montreal Gazette, by another coincidence, is a list of the dividends paid by the British cotton companies during this past year, and it shows that the majority of the cotton companies in Free Trade England made on their capital stock a much larger profit than did the Dominion Textile Company in Canada. It is not necessary for me to trouble the House with the details which I have here, but the profits made on the capital stock run up to 90 per cent. That is no argument against free trade. It only shows that owing to war conditions—

Now, Mr. Speaker, as many hon. members of this House know, there is no watered stock in any of the English companies, and in Great Britain the profits referred to are made under free trade conditions. In the case of the Dominion Textile Company, I have already told you of the amount of water that is in their stock and how they tucked away this nice little nest egg of a million dollars, and then they cry out for protection under a protective tariff. Let me also refer to the Paton Manufacturing Company, a very wealthy concern. They also made a very snug war profit of seventy-two per cent, and are likewise enjoying a protection of thirty or thirty-five per cent. I contend, Mr. Speaker, that it is time that companies such as these should be put absolutely on the free list. I am also informed that the Dominion Canners, Limited, a company putting up foodstuffs, last year made a profit of 81 per cent. I think these facts are sufficient to convince any government that our Canadian manufacturers occupy a strong position. I am glad of that fact but I am firmly of the belief that by virtue of that strong position they are able to compete with any other manufacturing concerns in the world to-day.

The hon. member for Regina (Mr. Cowan) made out a very sweeping case against the

Canadian manufacturers—I presume he meant the manufacturers of agricultural implements. He claimed that in the city of Regina there were acres, and acres, and acres,—I think he repeated the word three times—of ground that were covered with implements imported mostly from the United States. These are not my words, I do not claim to be responsible for them, I am repeating the expressions used by the hon. gentleman (Mr. Cowan). In his address here the hon. gentleman stated quite plainly that agents of the American manufacturing concerns were higher paid and therefore more anxious to secure trade, while on the other hand the agents of the Canadian manufacturers were paid a lower remuneration, and as the prices of the machinery of the Canadian manufacturers went up, the commission which they paid to their agents went down. The hon. gentleman said further that if something were not done the American manufacturers would ultimately completely possess the markets of western Canada.

Now, Mr. Speaker, as I see it the only thing that can possibly be done to save the situation for the Canadian manufacturers is to put their implements on the free list and give them a fair field in Western Canada against the products of American manufacturers. Speaking for myself, I have lived in Western Canada for thirty-seven years, and Canadian-made machinery is good enough for me; it is as good as any machinery used on the prairies to-day. But our Canadian-made manufactures are discounted in the eyes of the farmers by the very fact that they are afraid of open competition. Our farmers know very well that Canadian manufacturers of implements do compete in the markets of the world. Therefore we say in all fairness: Why are they not ready to compete here at home? Why should we be penalized and have to pay more for our implements than farmers of the British Isles and of the rest of Europe and of Australia and New Zealand?

Now, Mr. Speaker, I come to the question of immigration. I am very glad that we have a western minister in charge of this department. The hon. minister told us that he had lived for thirty-seven years in the three western provinces, and therefore knows the West. I believe that he knows the West very well, and I just want to give him this word of warning: that before he brings immigrants into Western Canada to put them on the land he will have to alter the conditions for agriculturists or those immigrants will not and cannot stay there. I have seen many immigrants come into Western Canada from the United States and, after a short interval, sell out and go back to the United States.

It is up to this Government to make an inquiry, and to make it speedily, to find out what are the reasons underlying the troubles that confront immigrants who settle on the land and compel them to go back to where they came from. I was speaking to a farmer from the State of Minnesota who had settled up on the Grand Trunk Pacific line near a little town called Bradwell. I asked him: "How are you satisfied with conditions here? How do you like our soil and our climate?" He declared to me that the climate was equally as good as that of Minnesota, and he admitted that our soil was more productive. But he said, "I am selling out. I am going back to the State of Minnesota. I still have my farm there, and I can do better there than I can here in Western Canada." I said, "Will you explain?" He replied, "In the first place, I have a better market over there, and everything I have to buy in Western Canada is dearer by far than what I pay for the same goods at home. These are the two principal reasons why I am going back there."

I am convinced, Mr. Speaker, that this Government should make an inquiry and make it quickly. We want our idle land in Western Canada occupied, and if we are to pay off our national debt—and we should pay it off as speedily as possible—it has got to be done by an exportable surplus, and the easiest place to get that surplus to-day is from the prairies of Western Canada. To repeat myself, unless conditions are altered, people are not going to stay on the prairies. Just let me use a phrase coined by the hon. member for Lost Mountain (Mr. Johnston). He said, "People as a rule don't run away from a good thing." I hope the Government will take notice of the suggestions I have made along these lines.

I wish to say a word in passing in regard to a statement made by the hon. member for Frontenac (Mr. Edwards). He declared that on account of Montreal being a very large customs port of entry Eastern Canada paid proportionately a great deal more of customs tariff than did Western Canada. I want to put him right as to that. Montreal certainly is a very large customs port of entry. Goods coming into Canada from the Old Country are practically all entered at that port. But surely

the hon. member for Frontenac knows that all the goods so entered are not for Eastern Canada; goods which come from the Old Country for Western Canada are also entered at the port of Montreal. The duty, of course, in the first place is paid at Montreal, but it is transferred and the consumer of the goods ultimately pays it. I do not think it was fair for the hon. gentleman to put his statement in that form. Perhaps he did not intend to do so. Even if the merchants in Montreal purchase these goods outright with the expectation of selling them, because they have paid the customs duty in the first place, does the hon. member mean to say that the western consumer does not pay it ultimately?

Then the hon. member tried to make out a case against the United Grain Growers Limited—which he called the Grain Growers Grain Company. He asserted that this farmer's company was making extra profits by having hundreds of thousands of bushels of overage. The word "overage" is used in the grain business, and simply means that when you ship out the grain from the terminal elevator, you may find that you have a hundred thousand bushels more than you shipped in. We will let it go at that. Does not the hon. member for Frontenac know—and I am informed he is an old parliamentarian, and no one will deny the fact that he is an intelligent man—does he not know that we have the Canadian Grain Act? That Act controls the grain trade, and it does not matter who own the terminal elevators, they are not allowed to weigh into their elevators any grain whatsoever, whether it is their own grain or grain on consignment; it is weighed by the Dominion Government officials under the direct supervision of the Department of Trade and Commerce; and if there is any overage, that is not the fault of any grain company. Furthermore, when the grain is shipped out of the terminal elevator, the weighing is also done under the direct supervision of the Government weigh master. The grain is also inspected by Government inspectors, and the rate of dockage is fixed by them; the grain companies have no say whatsoever in regard to grade or dockage or weight. I am surprised that an hon. member of the intelligence of my good friend from Frontenac should exhibit to this House such utter ignorance of a very important Act which was enacted while he was a member, but evidently he knew nothing about it.

Now, Mr. Speaker, I wish to make one more reference to a statement of the hon. member for Brantford (Mr. Cockshutt). I

[Mr. J. F. Reid.]

am sorry I have to go back, but this is too good to miss. The hon. member for Brantford, speaking in his constituency, made this statement:

> "That $758 represented the investment in implements on the average farm in the Prairie Provinces." After making this assertion, he added that "this meant a little less than $25 a year for ten years in duties collected," and the further remark that "the tariff, therefore, was far from being a life and death matter with the farmers."

Now here is a list of the smallest equipment with which it is possible to make anything like a real attempt to operate a half-section farm in any one of the Prairie Provinces, with the present price of each implement, and the price in 1914:

	1914 Prices	Present Prices
Binder	$165.00	$260.00
Mower	60.00	82.65
Rake	36.00	54.45
Gang plough	93.25	130.00
Sulky	50.00	80.00
Walking plough	18.50	27.50
Set lever harrows	34.40	50.60
Set wooden drag harrows	24.75	30.00
Cart	28.50	40.00
Seed drill	137.00	206.85
Float (home-made)	6.00	10.00
Wagon	95.00	150.00
Set sleighs	41.00	47.00
Jumper	29.50	30.00

That is the rig which the farmer uses when he takes his dear wife out for a ride on the prairie—the best he can afford under the protective tariff.

Buggy	110.00	138.00
Tools	5.00	10.00
Fanning mill (32-inch)	35.50	45.00
Cultivator	72.00	100.00
Hay rack	9.00	16.50

Any farmer from Western Canada who is a member of this House will know very well that many more articles are required on a half-section farm. The cost, then, in 1914 of the implements which I have mentioned was $1,050.40, and their cost to-day is $1,508.55. I would like to know where the hon. member for Brantford got his information and on what kind of half-section farm the implements he would use would cost him $578.

The hon. gentleman further told us that he was a farmer, and that he had often been out West.

Mr. COCKSHUTT: The figure I gave was taken from Provincial Government returns, and is the average given for Saskatchewan. Certainly a jumper and a carriage are not considered agricultural implements, in the ordinary sense of the term.

Mr. J. F. REID: If the hon. gentleman was actually a farmer he would consider that a jumper and a buggy were agricul-

tural implements and necessary on the farm. Moreover, before the hon. gentleman states definitely that the agricultural implements necessary on a half-section farm on the Western prairies would cost only $758, he should make absolutely sure he is telling the truth. I hope that he will tell his constituents on a future occasion that in order to operate a half-section farm successfully the farmer must have implements costing $1,508.55. If he wishes me to supply him with the figures, I shall be glad to do so.

The other evening the member for Brantford invited some of his friends to visit his favourite woodpile, which, I have no doubt is out on his farm. He told us that in his farming operations it cost him $1.25 to make a dollar. I am of the opinion that one of the leakages in connection with the farming operations of my good friend is due to the fact that he is still using a bucksaw. If he will buy a little gasoline, of course my good friend would not like to do that he would have to pay duty on the engine—of course, he will have to pay duty on it—and get a circular saw, he can make money by going about the towns and sawing wood; but he cannot do it by using a bucksaw.

Mr. Speaker, I wish to mention something to which I referred during the course of my remarks in the debate on the Address from the Throne. It is desirable that provision should be made for the insurance at the public expense of unpensioned men who have become undesirable insurance risks while on active military service. I know a number of men, not particularly in my own constituency, who have returned from the front and who are not considered by the Medical Board or by the Board of Pension Commissioners to be eligible for a pension, and who cannot secure life insurance with the old-line life insurance companies. It is the duty of the Government to see that the lives of these men are insured. If the Government would open a life insurance bureau for returned soldiers and not only accept risks considered undesirable by the ordinary life insurance companies, but also issue policies on other soldiers who have returned from the front, the scheme could be made a paying one and a good business proposition, and a duty the state owes the returned men I speak of. Mr. Speaker, I am sorry that the Union Government did not bring down a Budget which the western members could accept in full. In my remarks during the debate on the Address, I gave the Government fair warning of what my attitude would be, and, having stated my opinion, I am compelled, on principle—not playing politics, for that is a game I do not know—to vote against the Budget. I shall, therefore, vote for the amendment, which I do not like; but I must do so because the rules of the House will not permit of our introducing as a sub-amendment the platform of the organized farmers.

At one o'clock the House took recess.

The House resumed at three o'clock.

Mr. JOHN H. BURNHAM (Peterborough West): Mr. Speaker, I should like to say, in starting my twenty minute speech, if I may call it such, that one cannot very well be too complimentary to the Budget or of the Minister of Finance (Sir Thomas White). Either as Minister of Finance or as framer of the Budget, or as Acting Prime Minister during the absence of the Prime Minister, he has shown not only that he was capable of carrying on the country's affairs with consummate ease during that period, but that he is alert, sagacious, responsive, kindly, sympathetic and prescient. All those things we need in Canada to-day and they represent, as he represents, Canada at her very best.

I am going to touch upon a few things out of the ordinary routine. I think we might well pay that great Dominion, Australia, the compliment of asking her to send us our next Governor General, and I think we could not pay her a greater compliment than by responding to her invitation to send her our present Prime Minister as her next Governor General. By this interchange of our public men, the outlying districts of the Dominions of the Empire would show their appreciation of each other and they would have accomplished a vast deal for the unity of the British Empire.

The next question on the programme is this question: Where are we? Well, just for the moment, we are nowhere. We have the extraordinary fact that the President of the Council (Mr. Rowell) says that, so far as he is concerned, he is not going to discuss protection and free trade, and that, of course is the whole burden of the Budget, the commercial expression of Canada's idea of business at the present time. It is absolutely the most important thing before Canada to-day. It concerns her vitally, and must be either agreed with or differed from. This business of quietly waving it to one side, I really do not think a patriotic Canadian, such as I aspire to be, can possibly condone in even so great and admirable a man as the President of the

Council; nor can we grant to the Minister of Public Works (Mr. Carvell) that ill-defined and nebulous position of sitting on the fence which he has taken to himself when he says that he has nothing to say about the Budget, but that he will reserve to himself the right to criticise. In common English parlance, that is hostility to the Budget. We have then the Minister of Immigration and Colonization (Mr. Calder) coming out flat-footed against the Budget. He says: No, to it, and that he has found the Liberals of Ontario are really conspiring with the Conservatives to be protectionists. That is true; so they are. They have experienced protection in Ontario, and after many years of it they have been enabled to lend the West money with which to buy seed wheat. But my point is this: That this is a post-war Budget which does away with many of the war taxes, because the war is over and our men are coming back as rapidly as possible. Our excellent Minister of Militia (Mr. Mewburn) is bringing them back with all speed, because the necessity of continuing them overseas is not apparent; he wants to get them back into peace conditions upon the land or elsewhere as soon as possible. The Budget is in no sense a war Budget; it is a post-war Budget; it is a peace Budget, and therefore, for these ministers to refuse to endorse the principle of the Budget while they are voting for it, or for them to sit on the fence is, I say with all reverence and respect, an absurdity. The country is entitled to something better. The country does not want either her Government or her representatives to camouflage their principles by saying: These are our principles, but not now. They are like the Irishman who asked his lieutenant to write home to his wife, and who said: "Dear Bridget, I am sending you ten francs, but not this week." We do not want that expression of Canada's principles or business or politics or governmental methods. We want men who know what they think and who are prepared to act up to their opinions with all speed, because this country is in no condition to temporise in this matter. I think myself, that these excellent gentlemen who at the call of duty in time of war, on the one issue, namely, that of defending the Empire, came to the rescue of the situation, should have been liberated before this from their obligations. They are placed, by the continuance of the Government in office in the extraordinary position of having to assert their principles and yet to deny them. They are between the two principles of loyalty and disloyalty to the Government. They are, I think, put in a most uncomfortable state of mind. If they were free, they might go home, if they dared, or they might express themselves more freely, or they might have a policy of their own in the House and thus free themselves from whatever odium is attached to them otherwise. But, being still bound by an obligation to the Government, they are in a position which is at once sad and laughable. I would send all these men to the Senate or other high positions, of which there are plenty. God knows, we have commissions enough. The Government seems unable to find out anything or to know anything except when it is borne in upon it by agitation, and then a commission in five minutes finds out what the high cost of living is due to, something that has agitated the whole country for weeks, if not years. It will be understood that so far as the continuance of the Union Government goes, it is absolutely impossible, and it has established that fact itself. What about the Union Parliament? Before going on to speak about a Unionist party let me say that if the present members of the Cabinet who go out are succeeded by other Liberals, those other Liberals must do the same to remain Liberals, namely, they must have Liberal principles and then not act upon them. That is an impossibility; you cannot continue a Union Government which is not at one. In England, the Unionists were Unionists, because in both their foreign and domestic policies they were at one. Had they been at one in either and not in the other, Union Government would have been impossible. Here, we were at one in our foreign policy and are at sixes and sevens in our domestic policy. I am a moderate protectionist. I believe in the national policy, which has been found not wanting, but which has proved its value. I believe at the present time that the country needs our most earnest consideration. I believe I know what the country expects of us; in fact, I know she is impatient at this moment to know why it is we do not adopt forthwith the policy which she herself has endorsed upon many occasions. To debate the question of free trade and protection now, to temporise; some to stand on the fence; some to say no, and some yes, and others, we do not know where they stand—that is no way to establish confidence in the country, or in the Government, or in this House. A Unionist party is an impossibility, because the Unionist party was founded upon something that in the case of the Union

Government was an issue on which all were united, but the Unionist party finds itself now, since the war is over, in the position of differing in its opinions. Well, God knows, the Liberals and the Conservatives of this country have furnished the solidity and respectability of Canada long enough to have opinions which are respected. But if people desire to be indefinite or to sit upon the fence, to be what is called independent, why they are welcome to be so. Every man is entitled in a free country to his opinions or to have none, and under these considerations the cross benches are the place for those people who cannot agree with the Opposition or with the Conservatives. But a Unionist party is impossible, and for my part I can see no earthly way of going on with the policy of protection to which we are pledged and which we must have, and yet have a Unionist party composed of many men who are free traders.

The thing is impossible. Let me say that the holding of 140,000,000 acres of tillable land in the three provinces of the West for speculative purposes is an absurdity. Surely it is not necessary to emphasize that fact. People must be crazy who will tie up these vast tracts of land and enhance the value of it by every effort known to them, by hard work upon railways, by expenditure of money on immigration, all for the benefit of whom? For those who sit idly by and profit by the result. This state of affairs will continue only so long as the people refuse to exercise their common sense. It will cease the minute they do exercise it. Of course, we realize that the people who are tilling the surrounding land know that if these lands held for speculative purposes were thrown open, their own lands would go down in value. So the man who does not work and the man who does are both in the same boat. Anxiety makes strange bedfellows. The principle is wrong, it is rotten. The principle of free trade is like the principle of gravitation. Free trade in the minds of some people or in their methods is an insistence that people shall be free, no matter what the consequences may be. If we were bound by the like analogy in respect to the force of gravity I would not raise my hand or foot, nor would there be one possible exertion of energy in the whole world in violation of that law.

The whole question of free trade versus protection is summed up in a very few words. One is a restriction of the freedom of the people, and the other is not. England is the most highly protected country in the whole world. It is not long since she made a law that people holding patents in Britain must manufacture in Britain or lose their patent rights there. That was a prohibitory tariff if you like. It is not a thousand years since she had navigation laws, nor a thousand years since she had a scheme by which you could import wheat at a very low freight rate into Great Britain, and flour at a very much higher rate. Why? Because they wanted to grind their own wheat and give employment to their own people. They have subsidized every line of steamers sailing from Great Britain. They take pretty good care of their money too, because exchange is the key that unlocks the secrets of the commercial world. I do not suppose there is any more intelligent or courteous advocate of free trade in this House or the country than the hon. member for Red Deer (Mr. Clark). He knows that free trade must have for its motto "laissez faire" or "laissez aller," that is, let things take care of themselves, let people do what they can or will, let them be unrestricted. Now that lack of restriction must refer to labour as well as to production. It must refer to every form of manufacture and every other consideration that enters into commercial life. You must have perfect freedom to import. I see the hon. member for Red Deer moving his distinguished head in the affirmative. I want to ask him if he considers that the West has the right now or at any other time to import all the Chinese labour it wishes free of restriction?

Mr. M. CLARK: My hon. friend has asked me a question that has nothing whatever to do with the Budget. I shall reserve my thoughts on immigration until we are discussing immigration. I am listening with interest to my hon. friend, but I do not propose to be catechised or put into a box by the hon. gentleman.

Mr. BURNHAM: I quite agree that my hon. friend would be put into a box. As my twenty minutes are up, I shall keep the agreement with the whip, and I fancy the House will be quite satisfied.

Mr. ARCHIBALD B. McCOIG (Kent, Ontario): The answer of my hon. friend from Red Deer (Mr. Clark) to the question of the hon. member for Peterborough (Mr. Burnham) was apparently so shocking that the hon. member for Peterborough sat down in his seat without any further remarks. I cannot agree with all that my hon. friend from Peterborough has said, and I feel

satisfied that if he had visited more of the consumers in his riding he would agree with me that the uppermost question in the minds of the people of Peterborough and of every other centre is the high cost of living, and he might then have been disposed to give every assistance possible to an endeavour to bring down the high cost of living. There is no better authority on this subject, I believe, than the Minister of Labour. In the Senate the other day he is reported as having made this statement:

> That there is a shortage of food in the world, that Canadian prices are regulated by demand abroad, that there is no great surplus of food supply in Canada, that the duty of Canada is food production for the benefit of itself and the world, that the Government may present a programme to regulate the cost of living, and that industrial unrest can be traced to the cost of living, were stated to the Senate to-day by the Hon Mr. Robertson, Minister of Labour.

I also notice in the Canadian Food Bulletin, issued by the Canada Food Board, the following statement by the Prime Minister of this country:

> The food crisis is grave and urgent beyond possibility of exaggeration.

We have also the remarkable statement of the President of the Privy Council (Mr. Rowell) the other evening, that it was as impossible to reduce the high cost of living as it was to raise the dead lying on the battlefields of Flanders.

These statements by the Prime Minister and two other ministers of the Crown show that the Government were aware of this problem facing the country, and they had known for some time that the Minister of Agriculture (Mr. Crerar) intended to retire from the Government. The activities of the Department of Agriculture, so far as the Minister of Agriculture is concerned, have been practically nil during the past year. He has not taken the interest he should have taken in encouraging greater production in this country. When this great problem of the cost of living is facing the consumers of Canada we find that a deputy minister of the Department of Agriculture, has only been permanently appointed after the position had been vacant eleven months and the same is true of other permanent officials of that department. This only goes to prove my statement that the Department of Agriculture, which should have been of great service in encouraging greater production, has been very inactive during the past year. I maintain without fear of contradiction that the Department of Agriculture should have been more active during 1918, in view of the shortage of food in Canada, than was the Militia Department in 1914 when the war broke out. If it had rendered the assistance which it should have done, and the members of the Government had done their part, we would not be in the position we are in to-day so far as the shortage in production is concerned.

I have in my hand a comparative statement of the swine statistics for the Toronto market for the years 1917-18-19. There were marketed in the city of Toronto, in 1917, 216,730 hogs; in 1918, 167,574; and during the first five months of 1919, 152,331. This will prove that there was a shortage in hog production during those months of over 5,000. We are told that it is impossible for us to do anything to decrease the high cost of living, but it is obvious that there is one important thing that the Government could do in the matter. I think the Government is in duty bound to bring to the attention of the people such facts as that which I have just mentioned and strongly urge upon them the great necessity of increased production, for there is no prospect of materially reducing the cost of living unless there is greater production, and a vigorous campaign should be instituted to this end. The department has failed miserably in this respect; they should have had responsible officials conducting a campaign of this kind. What do we hear from the producers of hogs? Why, they say that they have no confidence in the Government because they will not compel the pork packers to give them a fair price for their hogs when they are ready for the market. That is the trouble. These people say that the pork packers are simply gambling in meat products and will not give them a square deal, and the effect of such a condition as this is palpable. Then we might consider the cattle situation. I believe that if the Department of Agriculture had kept themselves in touch with conditions as they really exist, and if the Government had held out some inducements to the farmers throughout the country to raise their heifers to maturity for breeding purposes instead of killing them when they were young, there would have been a material increase in the quantity of cattle produced and the situation would be far different. The same thing holds true all along the line. Absolutely nothing has been done to encourage the producers to greater efforts. In connection with the general unrest that prevails at the present time, and particularly in view of the dissatisfaction that exists on the part of the pork producers

at the treatment they receive at the hands of the packers, we put a question in the committee the other day and elicited the information that in the matter of prices there is no stated agreement between packers, but the opinion was expressed that things were so arranged that prices always went down about the time the majority of hog raisers had their hogs to sell, particularly in the fall of the year when they had their necessary obligations to meet. Now, that is one of the difficulties which the Government will have to face, and if the high cost of living is to be reduced it must be seen that the hog producers are justly dealt with. Compare the treatment accorded the hog producers with the manner in which the Dominion Sugar Company deals with the producers of sugar beets for their factories in Chatham and Wallaceburg. They enter into a contract with the producers of sugar beets to raise a specified quantity of beets and they say: If sugar is worth $8 a hundred we will give you $9 a ton for your beets; if sugar advanced another dollar on the markets in Montreal we shall increase that grant to you by one dollar extra for every ton of beets you deliver to the factories. What is the result of this arrangement? It has produced satisfaction and engendered a feeling of confidence on the part of the sub-sugar beet producers, and this year they are in the proud position of having hundreds of acres more subscribed for than the factory registered. If the pork producers had the same confidence in the packers, the Government would not to-day be charged with responsibility for the great shortage there is in meat products. I stand to-day exactly where I stood two years ago on the question of the nationalization of our cold storage systems. I believe that all these systems should be nationalized, and should be under Government control. This is my attitude in regard to this question and for that reason I am opposed to the appointment of any commission to regulate the cost of living in this country. It would mean a further expenditure of thousands of dollars to do nothing but hear complaints. We have too many commissions in Canada and at too great an expense to the country, and I repeat that our cold storage systems should be under Government control. The people could be given such food stuffs as might be placed in these cold storages, plus a fair revenue for keeping them until such time as they were necessary for consumption. I would go further and advocate, in connection with such concerns as pork packers, creameries and manufacturers of such other lines of goods as are staple necessities the appointment of Government prosecutors instead of more judges and commissions. We should have Government prosecutors and in every case in which unfair profits were extracted from the consumers the offenders should be brought before the superior courts in the various provinces and prosecuted and the unfair profits taken from them. Not very long ago we heard a great deal about the conscription of man power in the country. Well, has there been anything before this House more glaring than the statement from previous speakers that the Textile Company of Montreal made 31 per cent, and the announcement in yesterday's paper that the Paton Manufacturing Company had made 72 per cent? What was said before the committee in reply to a question that was asked one man? I will read from the paper.

Mr. SPEAKER: Order. The hon. member cannot evade the rule by reading from a newspaper. Evidence taken before a Committee of the House cannot be read.

Mr. McCOIG: I am willing to wait for the statement from the committee, so far as that is concerned. But when these things are recurring not in one particular line of business but in others, and enormous profits are being rolled up by corporations, may I not call the attention of hon. gentlemen opposite to the fact that we conscripted our man power and sent them overseas and are failing to conscript the enormous wealth that is being amassed by these concerns. There was a solemn promise by different hon. gentlemen who took a stand in favour of the Military Service Act that they would see that wealth would be conscripted. That was their pledge to the people, and what has been done in that regard? Can you imagine, Sir, the unrest, dissatisfaction, and discouragement that will be felt by the men on their return from overseas when, with the few paltry dollars that they will have in their pockets they go into stores and find that a suit of clothes costs three times as much as when they went overseas to defend the very institutions that have waxed rich while they suffered in Europe? In view of the unrest that prevails I say it is the duty of Parliament to see that a square deal is given these men to whom we pledged our hearty support in this House of Commons when they went overseas. The Minister of Finance made the statement that he was going to save seventeen million odd dollars by reductions in the tariff on agri-

cultural implements and other things. Well, I do not believe that he was serious when he made that statement. The hon. minister knows that the duty levied against agricultural implements during the past few years has been so prohibitive as to preclude the introduction of a sufficient number of them to assist to any great extent in increased production and thereby tend to the reduction of the high cost of living. He knows, as well as he is aware of the fact that he is Minister of Finance, that we have had very few implements coming into this country to assist in greater production on account of the high tariff, and consequently there was less production than there would be if the tariff were sufficiently reasonable to allow these implements to come in.

Now what has happened? We have a prohibitive tariff against the machinery necessary to produce more foodstuffs in this country and what has it meant? It has meant, Sir, that every article that is required on the farm, such as harrows, have doubled in price. Land rollers have doubled in price; manure spreaders have doubled in price; grain drills have doubled in price; all kinds of cultivators have doubled in price; disc harrows have doubled in price. The only machinery that has not doubled in price are grain binders and mowing machines upon which the tariff is lower. But there has been an advance on binders of $100 and possibly $40 on mowing machines. The only machine coming in free of duty when the tariff was raised to the high protective point was cream separators referred to by the member for Marquette (Mr. Crerar) the other day. But when the hon. gentleman made that reference, with all his eloquence he forgot the most important part of the argument, that cream separators are made to-day by Canadian manufacturers who are competing with the American manufacturers in all parts of the world. Let me add this further: When cream separators were on the free list and when the tariff went up on all other articles to which I have referred and was doubled in price, the cream separator remained at practically the same price from 1914 until 1919.

I want to call the attention of the Government and the Minister of Finance to the fact that if we are to reduce the high cost of living and to produce more foodstuffs to the advantage of both the farmer and the consumer, these matters must be given more consideration than they have received in the past.

[Mr. McCoig.]

Now let me take up the article of tractors. The hon. member for Brantford (Mr. Cockshutt) stated the other night that the Government did a wrong thing when it brought tractors into this country free of duty. In my opinion the action of the Government in importing tractors and selling them at wholesale rates was justified, and I believe it had the effect of increasing production in this country at that time. The hon. member for Brantford has stated that such action was inadvisable, but as the mover of the first resolution introduced into Parliament for the free admission of tractors, I want to say that I stated then and I repeat now that the object of bringing in those tractors free of duty was to assist in increased production. At that time I was quite satisfied, as Hansard will show, to amend my resolution so as to include 8-16 and 12-20 horse-power tractors which were not made in Canada but were absolutely the kind, weight, and size of tractors the most essential to the producers of food stuffs, especially in Ontario. Now, Sir, what has happened? We had the hon. member for Brantford stating the other night that he was not satisfied with that size of tractor, that they were not made in this country, and that they were tractors of larger size that were—the 15-30 horse-power tractor. The 15-30 horse-power tractor is the one that was referred to by the hon. gentleman. But that is a tractor of too large a size to be used for production in the province of Ontario, but it would do for other work than farm work. The hon. gentleman made the statement on the occasion referred to that there was an undervaluation of these tractors, and that they were being admitted to this country at a valuation of $1,400 and were being sold to the consumers of Canada at a greatly enhanced price. That is apparently true. We find that in the city of Ottawa the Advance Rumely Company have employed a gentleman of the name of Mr. John Bain to act as their agent. That gentleman went to the Minister of Customs, whom I am sorry is not in his seat, and obtained from the Commissioner of Customs permission to bring in 14-28 horse-power tractors to the number of 400. I am of the opinion—the Minister of Customs can correct me if I am wrong—that no person expects a 14-28 horse-power tractor to be brought in free of duty, because it is the size that is produced by our Canadian manufacturers. However, Mr. Bain obtained consent to bring in 400 of these tractors, and when he found out how easy it was to do that he got the same permision extended to 16-32

horse-power tractors, which is a much larger and much more expensive machine selling in the neighbourhood of from $2,400 to $2,500. He brought those tractors in at a valuation of $1,400 and sold them to the farmers of the West at from $2,200 to $2,500, making a spread of $1,000. That was what the producers of foodstuffs had to pay for machines that were brought in for the purpose of helping to reduce the high cost of living for the people of Canada. Mr. Bain was so successful in getting these tractors into the country at a reduced rate, that he also obtained the Ottawa agency for another concern, the International Harvester Company, and it is reported brought in several hundred machines which were sold to the farmers of the West at a price of $2,200. He brought in tractors that were valued at $1,400 and sold them to the users of such machinery at $2,200.

Sir THOMAS WHITE: Do I understand my hon. friend to be complaining that the $2,200 tractors came in free?

Mr. McCOIG: What I am referring to is that tractors were brought in at a valuation of $1,400 and sold to the farmers at $2,200 and $2,400, a spread of $800 in the one case, and $1,000 in the other. My contention is that the farmers should have got the advantage of the low priced tractor as they did in the case of the 8-16 and the 10-20 tractors. In the case of the 10-20 tractors the duty was refunded to the farmers, because the Government saw the wisdom of having that duty removed. But in this case the Canadian manufacturer was deprived of the sale of the 15-30 tractor, the treasury of Canada was beaten out of their duty, and the producers of foodstuffs were obliged to pay a much higher price than they should have paid. That is what I am objecting to. I am not in favour of high protection to manufacturers of agricultural implements. I stand here to-day to advocate the cause of the consumers of this country as well as the producer. The policy under which the producers get the needed facilities to produce foodstuffs that are so badly required by the plain people of this country is the policy which meets with my approval and will result in more support to the Government if they will only adopt it.

Now so far as this question of tractors is concerned, let me make myself perfectly clear. If there was nothing wrong going on in connection with the importation of these machines, why did the Advance Rumely Company have to employ Mr. John Bain to intercede with the Commissioner of Customs, and why did the International Harvester Company have to do the same thing? When the Customs Department found out that, to use a slang expression, "the fat was in the fire," when they found out that they were discovered, an order went out from the Commissioner of Customs stating that if the size of tractor in question was being used for anything else than the production of foodstuffs duty would have to be collected amounting to between $400 and $500. I bring the minister's attention to these facts because in all probability he does not know what is going on in some departments of the Government. The President of the Privy Council has found fault with the ex-Minister of Agriculture (Mr. Crerar) in connection with food production, but if he had looked around among their colleagues he would have found stronger reasons for complaint in that quarter than he did in the case of the hon. member for Marquette who voluntarily withdrew from the Government and threw up a large salary in order to act as his conscience dictated and in what he considered the best interests of Canada.

I wish to draw the attention of the Government to this fact, because, Sir, if ever there was a time when I believe that the Government should exert every effort to pacify the dissatisfaction that exists throughout the land, if ever there was a time when we needed a campaign to produce more foodstuffs so that the people will not be held up as they are being held up at present, it is now. And I want to say with all seriousness that it is for that purpose I am making these statements, and I am glad that the Minister of Finance is in his seat, because I hope he will endeavour to take what action he can to give to the consumers of this country as cheap foodstuffs as possible, and extract from the corporations, trusts, and combines of this land the unfair profits which they made when our boys were overseas fighting for the defence of the country and of the industries from which they have rolled up such great riches. I would ask him to do now what we were told the Government intended to do before the last election—extract from the profiteers those unfair profits, conscript them and bring them into the treasury, and so have a contented people instead of the dissatisfaction which is existing from one end of Canada to the other.

Sir THOMAS WHITE (Minister of Finance): Mr. Speaker, the amendment moved

by the hon. member for Brome (Mr. McMaster) gives me the opportunity of saying a few words further on the matters dealt with in the Budget and the debate which has ensued thereon. I have listened with some interest and attention to the hon. member who has preceded me (Mr. McCoig). He has a remarkable faculty of working himself up into a fairly well simulated state of excitement when dealing with matters which he desires to place prominently before the country. There is one aspect of his speech which rather pleased me; he appears now to be in favour of conscription.

Mr. McCOIG: Mr. Speaker, may I inform the hon. gentleman that I supported conscription?

Sir THOMAS WHITE: Yes, there were two or three ways of supporting conscription. My hon. friend supported it in one sense, and in another he did not. The support of conscription was the principle which divided the parties of this country at the last general election. The support of conscription was the basis upon which this Union party was founded, and upon which it will endure. My hon. friend has spoken as if the Government had taken no action whatever in obtaining a share of the profits made during the war. I have under my hand a statement, Mr. Speaker, which shows that the Government under the Business Profits War Tax has levied assessments totalling no less than $79,000,000 during the three and a half years that the tax has been in operation. During the first three years some $66,000,000 was collected in cash on assessments aggregating $72,000,000, and since that time some $7,000,000 more of business profits assessments have been made. And I desire to say this, too, because the matter is frequently overlooked in this country, that there is not in operation in any other country to-day a more severe business profits tax than our own.

Mr. McCOIG: Maybe there is no other country where the corporations got so much money out of the people as they did in Canada.

Mr. SPEAKER: Order.

Sir THOMAS WHITE: I do not agree at all with my hon. friend. All over the world, during the war—in free trade England, in Canada, and in United States, and in all the other producing countries—large profits have been made by productive enterprises. That was inevitable. The British Government imposed a business profits war tax; so did this country; so did United States. And, so far as I know, this is the only country that is continuing its business profits war tax in its fullness this year, because I regard this as a war year. I want this House and the people of this country to know that we have imposed as severe a business profits war tax as any other country in the world, and that we are continuing it this year. Evidence is being continually given before the committee which is sitting on this question of profits. A large share of these profits come into the Dominion treasury. When my hon. friend accuses the Government of being derelict in collecting the business profits assessments, all I have to say is that he does not understand the situation, because I would not like to accuse him of misrepresentation.

My hon. friend, I have no doubt, will support the amendment. I think he can conscientiously support it, because I understood him when he was on his feet in one breath to blame the Government on the one hand for not reducing the duties on agricultural implements, and in the next breath to blame the Government, on the other hand, for admitting agricultural implements free of duty. That is the type of argument the hon. member put forward.

Some hon. MEMBERS: No, no.

Sir THOMAS WHITE: I think there is no doubt about it, Mr. Speaker.

Some hon. MEMBERS: No. Ask him.

Sir THOMAS WHITE: The hon. member stated that the Government had admitted free of duty tractors valued at $2,200 when the Order in Council provided that only tractors valued at $1,400 should be so admitted. If my hon. friend had called the attention of the Government to that as a mistake in administration, that would have been one thing. But he is supporting an amendment to-day which calls for the abolition practically of the duty on agricultural implements, and at the same time he is blaming the Government for admitting free of duty agricultural implements of greater value than $1,400.

Mr. McCOIG: I must correct my hon. friend.

Mr. SPEAKER: Order. The hon. gentleman has spoken.

Mr. McCOIG: But I am misrepresented, Mr. Speaker. I think I have a perfect right to correct the hon. gentleman.

Mr. SPEAKER: Order.

Mr. McCOIG: Of course, the hon. Minister—

Mr. SPEAKER: Order. The hon. member is not in order in making a second speech. If he is being misrepresented on a matter of fact that is one thing; but on a matter of argument it is quite another thing.

Sir THOMAS WHITE: I understand my hon. friend to say that he is drawing attention only to a mistake in departmental administration, and I accept his statement.

Mr. McCOIG: Mr. Speaker, I do not say it is a mistake; I say it is a wrong.

Sir THOMAS WHITE: I may say to my hon. friend that personally I have no knowledge of any laxity of administration with regard to the admission of tractors. But I cannot understand his working himself up into such a frenzy on the one hand, contending that agricultural implements should be admitted into this country free of duty, and on the other hand taking exception to agricultural implements of a certain price being so admitted.

Mr. McCOIG: May I ask the hon. gentleman a question?

Mr. SPEAKER: Order. The Finance Minister has the floor. If the hon. member desires to ask a question, he may do so with the permission of the Minister of Finance.

Sir THOMAS WHITE: I would be very glad for my hon. friend to do so.

Mr. McCOIG: May I ask the hon. minister if the Advance Rumely Company and International Harvester Company were allowed to bring in $2,200 and $2,400 tractors invoiced at $1,400, why were not other companies allowed the same privilege?

Sir THOMAS WHITE: I say to my hon. friend that I have no knowledge that that was done. If any companies were allowed to bring in agricultural implements free of duty, contrary to the law, I would be the first to condemn the departmental administration which permitted it. But that is a very different matter from making an allegation against the Government, because I understood my hon. friend to say that upon attention being called to it a correction was made. In other words, what my hon. friend is dealing with is not a matter of policy but a matter of alleged laxity in departmental administration. Let us get that very plainly. I might ask my hon. friend also whether he is the agent of any agricultural implement company?

Mr. McCOIG: I am ready to reply to that question. I am the representative of the International Harvester Company in Chatham. When in Parliament I am a representative of the people of Canada.

Sir THOMAS WHITE: It is sometimes difficult to reconcile the two relations.

Mr. McCOIG: Well, you should know.

Sir THOMAS WHITE: Mr. Speaker, I had proposed to intervene in this debate for the purpose of dealing with a number of matters which have been discussed, relating principally to the financial administration of the country. On the whole, the debate has been conducted in a very moderate tone, and, with some exceptions, has been entirely free from political animus. I think it has been generally realized by the members of the House that the responsibilities of a Finance Minister during a war of the magnitude of that through which we have just passed are great indeed. War is insatiable in its demands upon the man power, the money, and the other material resources of the country. During a war the Government and the Minister of Finance, as its adviser, have really comparatively small control over the finances, because of the enormous demands made upon them—demands which cannot be gainsaid and which must be met promptly. In the Department of Finance it is not possible to equivocate or to evade responsibility; no excuse can be taken; the money must be found, whether it is $10,000,000, $50,000,000, $100,000,000 or $500,000,000. There is no place in which the war expresses itself so markedly from time to time as it does in the treasury of a country at war.

Among the aspects of our finance which have been subject to criticism in this House is that of the national debt of Canada. I endeavoured to make a fair, frank, and absolutely honest statement to this House and to the people as to the present financial position of the country, and as I estimated the position would be at the end of the present fiscal year when demobilization would be complete. The national debt of Canada, will be, in round figures, $2,000,000,000 at the end of the present fiscal year. It has been suggested by one or more in the House that
4 p.m. the Government is to a certain extent responsible for the size of this national debt and for the extensive borrowing that we have done. I am sure that is not the opinion of the majority of those present in this Chamber. It was

argued by one hon. member,—I am not sure that it was not the leader of the Opposition (Mr. McKenzie)—that the Government's bad financing and extravagance before the war had something to do with the size of the national debt. Well, I am rather conscientious regarding the manner in which I discharge my duties; I feel a heavy sense of responsibility to this country for our administration during the war, and I should like to be placed right before this House, before the country, and before posterity.

Without intention to weary the House with figures, I should like to point out—I am quoting now from the public accounts of Canada—that the net national debt of the Dominion for the fiscal year ended March 31, 1911, was $340,000,000. That was in the year in which the Conservative Government took power and in which I became Finance Minister. On March 31, 1914, the net national debt of Canada was $335,000,000, that is to say, $5,000,000 less than it was three years before. I have no fault whatever to find with my predecessor; I am not raising that question. I do not say that the net national debt of Canada before the war was excessive. I could criticise certain large expenditures which had been made, but I do not propose to do so. All that I desire in this connection is that the House shall know that the growth of the national debt of Canada is due not to maladministration before August, 1914, but to the war.

I am going to make another statement. Of all the nations that have been engaged in the war from the beginning, this country is in the most favoured position so far as the amount of national debt per capita is concerned. Just let me establish that; I simply want the House and the country to have the facts. Our net national debt on March 31, next, will be $2,000,000,000; let us say, $250 per capita. What is the situation with regard to Great Britain, who poured forth her blood and her treasure without counting the cost and whose effort was by far the mightiest of all the powers engaged? $35,000,000,000 would be a conservative estimate of the national debt of Britain to-day. Great Britain, as a result of the war, owes United States twice the amount of the net national debt of Canada. The debt of France is immense, away beyond the debt of Canada in proportion to population. And what shall we say of the debt of Italy and of the other Allies, of Germany and of Austria? They are beyond estimate; nations have become bankrupt through the war. When we come to United States, which was in the war only a year and a half, we find that her national debt is $25,000,000,000. I desire the House and the country to have these facts, not only because of the criticism of our national debt, but in order that we may be heartened by the fact that having come through this war of four years and having played a great and mighty part in it, we are in such a favourable position to face the future. How much do you think the net national debt of New Zealand is? That gallant little country has a net national debt—I cabled for the information the other day—of $900 per capita as compared with our $250. The Australian national debt as of June 30, 1918, has reached an amount fifteen times in excess of what it had been at the commencement of the war, having risen from $20 per capita to $310 per capita—and that was over a year ago. What will the Australian debt be at the end of demobilization as compared with ours?

Now, we put forth a great effort in this war, and we paid a considerable part of our debt from taxation, as I pointed out in the Budget speech. Canada was a borrowing country before the war, and if when the war broke out in 1914 Canada had at once resorted to heavy taxation, I think the effect would have been most unfortunate upon our effort in the war. I do not mean to say that the people would have been discouraged; you cannot discourage the Canadian people. But from the standpoint of finance, if, in view of the condition of the industries of this country in 1914 we had then resorted to a policy of heavy taxation, I do not believe we should have come through as well financially as we did.

There has been a good deal of talk about the money made in this country. It is true that a good deal of money has been made in Canada; a great deal of money was made in United States and Great Britain during the war. But that money was made by practically all classes, except the soldiers. The farmers made a considerable amount of money; manufacturers, traders—all people engaged in business during the war, in Canada, United States and England, made considerable sums of money by way of profits.

It is the duty of the Government—and the Government did its duty in that regard—to collect a fair amount of excess profits made during the war; but if Great Britain and United States and Canada and other countries had not been able to produce and sell their goods at fair prices, then they would not have been able to sustain the burden of the war as they did. So much

for the matter of the national debt, and I think I have made it clear that, as regards financial administration and as regards the position of Canada amongst the nations of the world that have been engaged in the war, we have every reason to regard what we have done and the present situation as entirely satisfactory.

I come to the question of inflation. Some hon. members say the Dominion Government has inflated its currency. Inflation is always the result of war; Europe to-day has inflation on a scale that has never existed before,—issues of immense volumes of notes of Governments, all more or less depreciated. Our position with regard to inflation is like our position with regard to national debt—one of the most favourable in the world, and I am going to establish that, because I want this on record for the members of this House and for future members and for the people of Canada who in future may desire to know our situation at the conclusion of the war. The Dominion note circulation, as I pointed out in my Budget speech, amounted to about $300,000,000 in round figures as of March 31, 1919. Of that amount $116,000,000 was secured by gold and $144,000,000 by securities. Our gold is thus 38 per cent of the total issue of $300,000,000, and 75 per cent of the $153,000,000 against which no securities other than gold are held. What is the position in other countries? What is the position in Great Britain? The outstanding notes of the British Government—and I have ascertained this by cable—are £344,000,000 against which they have £28,500,000 of gold, or 8 per cent. The Bank of England has a gold reserve of 82 per cent against its circulation, so that the relationship of gold to total currency in Great Britain is 25 per cent, and the relationship of gold to currency in Canada is 38 per cent. Will anybody charge this Government with unsound financing? Is there any country in the world that has more severely, more strictly, adhered to the gold standard than Great Britain; and if we finish this war with 38 per cent of gold to note circulation, and the balance secured by securities, can we fairly be charged with unsound financial administration with regard to our note issues? I am the first to pay my tribute to Great Britain and to say that she put forth a greater proportionate effort in the war. There is no doubt about that, but if the British people are not disturbed and apprehensive with regard to their note circulation situation, is there any ground for apprehension as to ours? What do we find in United States? United States was in the war only a little over a year and a half—and all these comparisons as to what Canada has done financially as compared with United States, or as to what Canada has done as compared with other countries, are in a sense unsound—for the reason that you have to take into consideration all the circumstances connected with the positions of the nations in question. In United States we find that the Federal Reserve Banks had at June 6, 1919, notes outstanding to the extent of $2,700,000,000, and that gold was held against that to the amount of $1,139,000,000, or a little over 40 per cent of United States note circulation represented by gold as security.

Another matter to which reference has been made and as to which there has been some criticism of the Minister of Finance and the Government, was that exchange between Canada and United States is against Canada. What is the reason for that? The rate of exchange is against us because of the fact that we are to-day finding credits in Canada for the purchase of our wheat which used to be purchased by funds from outside of Canada. I have found up to date, for the purchase of wheat of last year's crop, no less a sum than $135,000,000, and I expect to have to find $35,000,000 more. There is criticism of the Government for finding credits for manufactured goods. The great credits have gone—and I am glad they have gone—into the financing of our western wheat crop this past year. The Government felt it was its first duty to provide this money, but if, as a matter of fact, that wheat was going forward and finding payment in New York or London, does anybody suppose that exchange between Canada and United States would be against us? Exchange between Canada and Great Britain is favourable to Canada to-day; exchange between Canada and United States is unfavourable to Canada for the reason that I have given.

It is true that if we imported less from United States, exchange would be benefited, but the essential fact connected with our exchange is not so much the depreciation of our dollar as that we must find credits for the purchase of our wheat and other commodities, which ordinarily find money outside and thus redress our exchange.

Now I come to another matter connected with finance—the issuance of securities, including Victory Loans. I listened with much interest to criticisms of hon. members with

regard to finance during the war, and I must say that on the whole they have been fairly reasonable, but when listening to some of the charges made against the Administration in respect to our finance, I could not help reflecting that the parties making those charges had but a very dim perception indeed of the immense responsibilities devolving upon us and the task which was ours in this country of finding hundreds, yes billions, as we did, of dollars for the conduct of this war. I am sorry I was not in the House last year when certain criticisms were levelled against me with regard to our Victory Loan financing, but as the matter has been brought up again this year I desire the ear of the House for a moment while I speak of the financing of this country during the war, of the responsibilities which devolved upon us and the way in which they were met, and, I submit, most creditably met, by this Administration.

Before the war, Canada had never had a loan of $5,000,000 floated within its borders. The great money centres of the world were London, Paris and New York. If money was wanted in this country for railway or other development, loans were floated in London or United States, and similarly with regard to the borrowings of the Federal Government and of the provincial and municipal governments. This country was not an investing country at all. The people of Canada deposited their money in the banks, and that money was let out for the purposes of trade and commerce. On the one side of the balance sheet were the deposits of the people, and on the other side the discounts and investments into which they had gone. Anything more unfair than to contrast the financing of this country with the financing, say, of United States or Great Britain during the war, can hardly be imagined. Our task was to raise not $5,000,000, but every year hundreds of millions of dollars. We had to raise more, Mr. Speaker, than the amount required for our own war expenditure, because we had to finance Great Britain in the purchase of foodstuffs raised by the people of this country. We had to finance the salmon of the Pacific coast; we had to finance the shipbuilding on the Pacific coast; we had to assist in financing the grain raised in the Canadian Northwest; we had to finance the munitions, the shipbuilding, the bacon and other food products of Central Canada, and similarly right on down to the Atlantic coast. We had to provide millions—tens and hundreds of millions of dollars—for that purpose. These were the burdens devolving upon the Minister of Finance and the Government during the war, and I put them forward strongly because I believe that this House and the country has not appreciated the magnitude, relatively speaking, of the task that devolved upon us in raising the money we did. Some hon. gentlemen not long ago said: You should not borrow. Well, if you can carry on a war without borrowing I know I should be glad to do it. Not borrow? Why, Great Britain to-day has put on a loan of five billion dollars and as much more as she can get. United States has floated a Victory Loan since the war, and she will need more money still because this is a war year.

Now we come to the question of the issues of securities, and the prices obtained for them. Canada is situated right alongside United States. Our people invest in their markets, and they invest in ours. There is a very close connection, indeed, between the relative values of securities. What had we to contend with during the war? Great Britain at the outset of the war, in addition to sending hundreds of millions of dollars of gold to United States and selling three or four thousand million dollars' worth of securities upon the New York exchange, pledged her credit to the hilt in that country in order to obtain the money necessary to enable her to purchase on this continent the munitions, explosives, and other supplies required by herself and the Allies. To do that, she had to make continuous issues in New York, and she put them out one after the other right to the limit before United States came into the war. The Anglo-French loan, a five per cent loan, was put out, I think, in 1916, at 98. It went steadily down on the market until it reached as low as 89. In other words, British-French securities, that is, securities backed by the joint credit of Great Britain and France, were selling in the darkest days of the war, at the time when we had to sell our first Victory Loan here, at a price to make them yield 7 or 8 per cent, and several hon. members who have criticised our loans in this House know it, and know it very well, as I know. The people of this country were buying Anglo-French and other securities in New York to yield 6 and 7 and 8 per cent, and when we put our loans on, I do not say that that was a decisive factor, but it was undoubtedly a factor in the situation.

The criticisms that have been made of the cost of our loans as compared with those of United States have often been

answered. Let us consider for a moment. Here is a country as large as United States —larger geographically than United States. United States has a dense population, with great centres like New York and Chicago, where you can get subscriptions of $50,000,000 and even $100,000,000 as compared with the maximum of $5,000,000 or possibly $10,000,000 that we would get in this country. We had to cover this whole country from the Atlantic to the Pacific with our organization, and I say—not boastingly, but as a matter of fact that cannot be contradicted—that of all the loans that were floated during the war by any of the belligerents the last Victory Loan of Canada was by far the greatest success. How do I prove that? I think I will prove it to the satisfaction of every hon. member in this House. We raised $690,000,000 which we needed for obligations incurred, which we needed to support the men at the front and to finance Great Britain in respect of her purchases here. The population of United States is fourteen times as great as that of Canada, and her wealth at least twenty-five times as great, and I think more. A Victory Loan of $690,000,000 in Canada would have as its equivalent in United States a loan of at least 15 billion dollars. Was there ever such a loan as 15 billion dollars floated in United States?

Mr. JACOBS: The rate of interest was different.

Sir THOMAS WHITE: I will come to that; I will deal with all these matters. I said that the equivalent in United States would be a loan of at least 15 billion dollars. The same can be said with regard to Great Britain, where the wealth is so much greater in proportion to the population as compared with this country. My hon. friend has contrasted the expense of the American loan with ours, But I want to ask my hon. friend from North Essex (Mr. Kennedy) whether he is sure he got all the cost of the American loan. I do not think he did. I want to say to the hon. member who mentioned Detroit and some other American cities in comparison with our result, that if I had put on a purely voluntary loan in this country and organized it in the way they did in United States I would have got just the same amount relatively as they got and no more. I want to point out to him the difference between the two loans, and I have the figures here in such form that every one will see the situation at a glance and will understand that this country, under the system we adopted in order to secure the money which we were obliged to have, put forth a very much greater proportionate effort, and that our system was very much more effectual, than that of United States. Last year when I was in Los Angeles, a city about the size of Toronto or possibly larger and with greater wealth, they were talking there, and I could quite understand it, of the great success they had had in subscribing $30,000,000 to the Liberty Loan, and I rejoiced that they had subscribed it. But the city of Toronto, about the same size, in connection with our Victory Loan just about the same time turned in $80,000,000, and in the last Victory Loan the city of Toronto alone turned in $140,000,000. There never was a more effectual organization got together in the history of the world than that which we had in this country in connection with the Victory Loan, and I desire to thank every hon. member of the House and every man in the country, Liberal and Conservative alike, who helped me and helped the Government in connection with this loan, and I asked all their help. I asked the press, no matter what their political affiliations were, and the press responded.

With regard to the press—there has been some talk in the House about our expenditures for advertising in the Canadian newspapers. I wish to say that there never was a body of men anywhere who gave themselves more devotedly to effect the success of any undertaking than did the journalists of Canada in connection with our Victory Loans.

Some hon. MEMBERS: Hear, hear.

Sir THOMAS WHITE: The advertising in the newspapers was placed absolutely fairly through the Canadian Press Association. I did not place it, and there was no percentage in connection with it. The cost of advertising represented only a tithe—indeed, not a tithe—of the advertising value given by the press throughout this country in promoting the success of the Victory Loan. It was not only the advertising that we paid for that was of value, but the editorial goodwill and effort of the press, which was beyond price, and I want to pay my tribute to the press for their splendid support in connection with the Victory Loan. I called together the French-Canadian press in the city of Montreal and talked with them about the Victory Loan, and I found them a fine lot of fellows.

Mr. JACOBS: Were you surprised?

Sir THOMAS WHITE: Not at all. We had a beautiful evening and they rallied to the support of the Government and promoted the success of the Victory Loan in Quebec, and we got a very much greater result than the year before. The point I want to make is that we had all elements of the community working for us.

Now we come to the question of brokers and canvassers. I called together, before the Victory Loan campaign of last fall, all the people who had acted in an executive capacity in connection with the preceding loan. They represented some of the best men in the country from the Atlantic to the Pacific. There were some brokers, but the majority of those men present were business and professional men who had taken an interest in the loan the year before. We considered every aspect of the question whether in a country like Canada we could put on a purely voluntary loan, and they said, "Yes, you can"—and I quite agreed with them—"but you will get only about half the amount of money you will obtain if you put it on in that way." We had to have the money. The war was making its enormous demands upon the country; we had a vast army overseas, and the credits that we required had to be provided from day to day. We simply had to have the money—seven hundred million dollars, if we could get it. We could have got half the amount if we had a voluntary organization such as they had in United States. Let us make some comparisons. Toronto raised $321 per capita as compared with the following amounts raised in larger American cities: St. Louis (with a larger population), $115 per head; Boston, $202 a head; Detroit, $129 a head; Cleveland, $225 a head; Buffalo, $144 a head. Now, if I had to get the money—as I did get it—am I to be diverted from my purpose in a time of war because, in a country as vast as Canada, I have to engage canvassers to go and work night and day for three or four weeks for the two or three hundred dollars apiece which they received? Are we to be diverted from our course for such a reason? I think not. The main purpose was to get the money. The country raised the money, and the machinery that we devised was the best that could have been devised for the purpose. I could show the House telegram after telegram, letter after letter, from the Canadian Northwest and other parts of Canada pointing out that they could not get people, owing among other things to the shortage of help, to undertake the work for the commission that was offered. After all is said and done, what is five million dollars, the cost of the loan, in comparison with six hundred and ninety million dollars? What percentage is that? It is less than three-quarters of one per cent, and there never was a loan floated by the Canadian Government before the war that did not cost two per cent. I do not say that that is a fair comparison. I am only pointing out the fact that loans cost money to float and you must have regard to the extent of your country. You must have regard to the financial resources and the extent to which help is available. Between voluntary help and other help we got of a professional character, in addition to that of the canvassers, we put through one of the greatest loans that were ever floated in the world. Indeed, I believe it was the greatest, and it was put through at a time when the money had to be provided. Winnipeg raised $159 per capita and Montreal $195 per capita. Compare Winnipeg's per capita of $159 with the results in seven American cities, all larger: St. Louis, $115, Detroit $129, Buffalo $144, Los Angeles $152, St. Paul (right across the border) $64, Seattle $124, Portland $94. Further, in the midst of our campaign we had to contend with influenza all over this country. I went west and when I got to Vancouver I had to cancel all eastern engagements because of the epidemic which was prevailing throughout the country, and yet we did it.

Now we come to the question of financial houses. Great Britain and Australia allow commission to financial houses in connection with their loans. Great Britain allows $\frac{1}{2}$, and that $\frac{1}{2}$ is much larger than $\frac{1}{4}$ or $\frac{3}{8}$ here, by reason of the size of Britain's subscriptions. Why do they allow commissions to financial houses? Because it is the business of these houses to advise people as to their investments. Figures have been put forward in this House to show that some firms received $50,000. The hon. member who gave the figures knows that there are financial houses in the country whose running expenses amount to $250,000 and $300,000 a year. Does the hon. gentleman know that last year we started in with the financial houses in August to get ready for the loan in October, and that they worked week after week and month after month and did not finish their work for months after the loan was concluded? As I say, I cannot pay too high a tribute to every one who had to do with the success of that loan. How did we determine their

remuneration? One of the best financial men in Canada is Mr. Thomas Bradshaw, and I desire to thank him for the services he has rendered me gratuitously during the war from a high sense of patriotic duty. Mr. Thomas Bradshaw, Finance Commissioner of Toronto, is one of the ablest officials in Canada and is well known to many members of this House, and an absolutely disinterested man. There is no man who speaks with greater authority upon matters of municipal and governmental finance than Mr. Bradshaw. In order that the Dominion treasury might be absolutely protected, I chose him to review the remuneration paid to financial houses in this country for the first Victory Loan of 1917, and last year I constituted a committee consisting of Mr. Thomas Bradshaw, Mr. R. J. Dilworth, one of the leading accountants of the city of Toronto, and Mr. John W. Ross, of Montreal, and no better committee could have been formed than of these men. I asked them to pronounce upon the amount of remuneration that should be paid to these houses. The arrangement that I had with the latter was: "You get your operating expenses to the extent that you are engaged in this work." These three men went over the accounts of the last Victory Loan and they determined, from an examination of books and documents, the amount which should be paid to the firms for giving their time, and their professional services to the loan.

Mr. Bradshaw wrote me a letter on April 13, 1918, in which he stated:

> The basis of remuneration to the various firms and individuals, whose services had been engaged, received careful consideration. No commission whatever was paid to them. An endeavour was made to determine emolument according to services rendered, results produced, and responsibility undertaken.

That was in connection with the loan of 1917, but in connection with last year's loan we got it down to the basis of their operating expenses, and I do not know any fairer way of dealing with it. The result is we got the organized ability and the great placing power of all the financial firms, of all the securities firms, in Canada as well as the voluntary organization which was built up throughout the country. Mr. Bradshaw points out in connection with the first Victory Loan campaign:

> The time occupied in preparing for the campaign was more than twice that of any previous one. The duration of the offering was also greater than preceding flotations, and even after the time of receiving subscriptions, the members of practically all the committees were engaged for several months in making adjustments. Investment houses were practically prohibited from engaging in any other business during the last three months of the year. Prior to the offering, those engaged were fully occupied in organizing districts in selecting, training, and supervising the thousands of canvassers who took part.

Why, we had an army of 12,000 men working for us throughout the whole of Canada in connection with the last Victory Loan. A country which is larger in area than United States had to be covered, and the results obtained justified absolutely the machinery we employed.

Now, Mr. Speaker, I come to what the hon. member said about rates of interest. He asked what about United States, what about Great Britain? Does the hon. gentleman not know that American securities sold, before the war, on a one and-a-half and two per cent basis? Does he not know that in Great Britain securities were sold on a three and-a-quarter or a three and-a-half per cent basis? Have they been able to maintain that? What rate did we pay in Canada? We had to pay over a four per cent rate when the London market was open and we were on the trustee list there. What has Great Britain had to pay for interest? The British Chancellor of the Exchequer has been subjected to a fierce attack by some newspapers because he is putting out a fifty-year loan at five per cent. The Chancellor of the Exchequer is floating a $5,000,000,000 loan and he has got to get the money. It is right to face your interest rates and to get your money. That is what he is doing. A loan for fifty years at five per cent for Great Britain, and before the war the interest rate was three and-a-quarter or three and-a-half per cent! In United States, interest rates have gone up from a basis of less than two per cent to four and-a-quarter per cent. Suppose United States had started in at the beginning of the war and had put out loan after loan as we put them out during four years? What rate of interest would she have been paying in 1918? Is it fair to compare this little country, that never borrowed, or was not able to borrow $5,000,000 within its own borders, with the great opulent United States which experienced two and-a-half years of the most unexampled prosperity before it entered the war, and then to compare our rate of interest at the end of the war with the rate of interest that that great nation is paying? Do we grasp in this House the magnitude of the effort we have made in this war? We raised 500,000 men, and if United States had been in the war from the beginning and put up man for man with us

in proportion to population—and I have the greatest admiration for the efforts which she made for the time she was in the war—it would have meant an army of seven millions of Americans. And if United States had been in the war for four years and had raised proportionately the money that this country has raised in proportion to her wealth, which is at least twenty-five and I think more times as great as that of Canada, the United States' debt to-day instead of $25,000,000,000 would have been fifty, sixty, or seventy billion dollars at least. Now, I find no fault with United States; it made a splendid effort in the war—a wonderful effort. Bearing in mind the way that country enforced conscription, called its men to the colours and placed them overseas, and the splendid work performed over there I yield to no man in admiration for what United States has done. The only reason I put forward this comparison, is to show how unfair it is to contrast the rates of interest which this country had to pay, or the loans which it had to put out, with the rates of interest at which United States, and Great Britain were able to float their loans. We had to do the best we could, and if there is any criticism coming to this Government on the financial side, it is the criticism based on what an hon. gentleman advanced the other day—a principle to which neither I nor any man on this side of the House subscribe—that Canada had an unreasonable participation in this war. Whatever we did financially, and we did not count the money cost, we did because we were at war, because this country being in the war the people of Canada required the Government to put forth the utmost effort as to man power and as to money power. We did that, and if there is any criticism coming to the Government for its financing during the war, that criticism is due to the fact that we participated to the extent that we did in the war, and for no other sound reason.

Now as to tax exempt bonds. One would think there had never been any tax exempt bonds in the world before. The United States securities prior to the war were tax exempt. A very considerable part of issues which have been put out since, amounting to billions of dollars, are partially tax exempt. The state and the municipal securities of the United States were tax exempt. I had an estimate made up some time last fall which shows that some $13,000,000,000 of American securities, to some degree at least, were exempt. Now I say this: A sharply graded income tax is to a certain extent inconsistent with tax exemption. When you put out tax exempt issues you justify it on two grounds in war time; no one would ever think of putting it out in ordinary times. In the first place, your rates of interest are going up and you have to offer special inducements to the people of the country in order to get the greatest possible return. Now it is easy to say "you should not have made your bonds tax exempt." I want to say to the House, and I think I know because I discussed this question with financial institutions and with other people who know the investment situation very well, that if the last Victory Loan issue had not been tax exempt we should not have obtained anything like the amount of money we did obtain, or we should have had to pay a much higher rate of interest, and I will show you how that works out.

In United States a tax exempt bond will sell on a 1 per cent interest basis lower than a taxable bond. Supposing we had paid 6 per cent instead of 5½ per cent last year, supposing we had paid only one-half of one per cent more during the war, how much would we have had to pay in annual interest on $1,500,000,000? About $7,000,000 or $8,000,000. Now, it may be that it would have been worth while to pay that in order not to have any discontent by reason of the fact that parties can buy tax exempt bonds and get certain exemption from income taxation in respect of them. But from the purely financial standpoint I have not any hesitation in saying that if you regard what you would have had to pay in additional interest, and take that excess amount of interest and apply it on the whole volume of your securities outstanding, so far as our national Budgets are concerned they will be in a better position than they would be if the bonds had been floated at a higher rate of interest and subject to taxation.

One of the ablest public men and one of the most practical minded men in this country said to me after the last Victory loan, "You will incur some criticism by reason of your bonds being non-taxable, but I wish to say to you that although income taxation anomalies will arise, you would have got just one-half the amount of money you did if your bonds had been taxable, because there would be no certainty about the rate of interest." I do not say that the people of this country would not have subscribed, but we wanted all the available money in the country for

the war. Financial institutions and wealthy individuals would say, "We will subscribe, and subscribe well, for bonds, no matter what the interest rate is." But at the same time they would take a large part of their money and invest it in other securities which would yield a higher interest. And there was no difficulty during the war in getting a higher interest—my hon. friend from Essex (Mr. Kennedy) well knows that you could get 7 and 8 per cent upon the highest class of securities, and our people bought them freely in New York. So it got down to this question: In order to get money for carrying on the war, which was everything to the people of this country, are you going to make your bonds attractive and devise machinery which will make your loans a success—because you could not afford to have anything else but a success?

The answer is that the Government was in the war to the hilt, and we did whatever things had to be done in order to meet the situation and provide the money that would back our men up at the front and bring them back victorious and keep the credits going that would enable this country to continue the war. That is what we did, and that is what we stand on before this House and the country and what we will stand on before posterity.

Why, Mr. Speaker, I was in continual competition in New York with the high rate of interest paid by Great Britain and the other allied countries. We put out issues in New York in 1915, and in the spring of 1917, and these securities of ours were selling down there at one time to yield 7 or 8 per cent. I want this House to know that there were pretty heavy duties and responsibilities upon this Government in connection with its finance during the war, and I am sure that most members do appreciate that fact.

Now I want to take up a few other matters. It has been stated that we should have issued our securities so that we could call them in. Well, that is not a bad principle in ordinary times. But does anybody in this House think that the Dominion Government is likely, within a few years, to be able to call in any considerable portion of the hundreds of millions of our securities outstanding? Why, we have got to raise a big Victory Loan this fall. The best feature of our finance, and the feature which has commended itself to the greatest financiers in New York and in London, is that our debt is so well funded, and the country will have time to recover, to find the interest and to take care of the bonds as they mature. As I said during my Budget speech, if any Minister of Finance had to face the condition of our debt falling due within five years, I do not know what he would do; but it is spread over the next fifteen or twenty years, and well-spread. I pointed out a little while ago that Great Britain is putting out a 5 per cent loan that she cannot call in for fifty years. The British Government are facing the situation, for the same reason that we faced it; we faced it in order to get the money.

Hon. gentlemen have said, "Why, your bonds are at a premium." Well, I do not know how hon. members feel about it, but I am glad that our bonds are at a premium. I want to say that there are two million holders in this country of our war loans. If some people are buying on the exchanges to-day, they are paying a premium to the people who put up the money in the first instance. But does any hon. gentleman imagine because the bonds are at a slight premium on the market that it is any criticism of the rate at which we issued them? Give me $25,000,000 worth of bonds, and I will sell them below par in Toronto and Montreal. Anybody who knows anything about finance knows that when you come to consider putting out a Dominion loan in London you cannot put it out at the nominal market quotation, you have got to put it out two or three points below. When our securities were at par in England, and we wanted £5,000,000, we did not put the loan out at par, we had to put it out at 97 or 98, two or three points below. Our problem was to sell $700,000,000 of securities in this country, and afterwards we devised machinery that commanded the admiration of Washington and London for stabilizing our securities during the war, and holding them up so that people, and especially the small subscribers, could sell their securities at par, at the price they paid the Government. It was a great achievement. It is a lot better that the people of this country—and all the people practically were participants in the loans—should be able to realize their bonds, if they want to, at par, than have to sell them at four or five points discount and blame the Government for not having treated them fairly. Treat the people fairly in regard to interest rates, give them a fair deal, and they will stand by you. You may ask the people once to take your bonds below the market price, you may ask them twice, and even three times, but there comes

a time when they will say, "We have lost a good deal of money on those bonds and we do not think we will invest in them again." Whereas, if your bonds stand at par or at a premium, why, they say, "Oh, well, here comes the Dominion Government again. Those bonds are good, and here is my money, Mr. Finance Minister, for your bonds." That is pretty good business. Treat the people fairly in regard to interest rates as well as everything else, and they will stand by you. Sometimes they will stand by you if you do not treat them fairly, but I do not believe that is a good position for a Government to take.

There is some talk about income taxation. Hon. gentlemen this morning stated that our income tax was less than that in United States. I desire to say that income tax of United States for 1918 was on a higher basis than for 1919. In other words, when the war came to an end they decreased the income tax, and I believe that our income tax to-day is on just about the same basis as that of United States. We aimed to make it precisely the same, and I believe it is; at least, I am so advised. Now, there is a reason for that. This country, Mr. Speaker, is inviting people to come in as immigrants and as business men. We can only meet our national debt by developing this country. We want immigration of the right kind to fill the great spaces in the West and to touch agriculture into activity which will result in great national wealth,

We desire that capital shall come in here for the development of our mineral, timber and other resources. If you have too heavy an income tax or business profits tax you will, of a certainty, debar many people from coming into Canada.

On account of our political system being that of a federation, we have three sets of income tax. You have a municipal income tax in many provinces—for example, in Ontario; you have provincial income tax as well as municipal income tax in some provinces—for example, in British Columbia; and you have super-added to that a federal income tax. Now, the Provincial Governments are considering ways and means, just as we are. At the conference of provincial representatives that was held here last fall, if there was anything that impressed me it was the representations of Provincial Governments as to the difficulty of arranging their Budgets. They would like to have the Dominion Government increase the subsidies paid to the provinces; and the representations made to me by representatives of the provinces who attended that conference were, without exception: "Do not invade our field of taxation more than you can help. If you increase your income tax to a very high figure, then we cannot raise the revenues which we need for all the purposes of our provinces, including education." Many of them besought me not to touch the inheritance tax, because they wanted it for their own purposes. It has been pointed out to me by many people that if the Dominion Government greatly increases the income tax or adds to the taxation already imposed upon estates by the provinces—and it may have to be done—the flow of money to charitable and educational institutions will be stopped. If, therefore, we are wise, we must have regard to provincial and municipal requirements. If any one thinks that income taxation in this country is not high, let him take the municipal tax of British Columbia, add to that the sharply graduated income tax of that province, and add to that again the federal income tax; he will surely be satisfied, though he be the most extreme advocate of income taxation in this House, that in Canada there is a good deal of income taxation at the present time.

One word with regard to income tax collection. How long did it take United States to get a perfect system of income tax collection. It took Great Britain many years, as the member for Red Deer (Dr. Michael Clark) well knows. Great Britain has an almost perfect system, but it took seventy-five years to develop it. United States has had income tax for ten or eleven years. For the first four or five years they were not able to perfect their organization; even now their organization is not as adequate as that of England. Here we have a country stretching from Halifax to Prince Rupert, comprising cities, towns, villages, and country-side, which our income tax administration must cover. We have organizations in all the provinces. I do not want to magnify the difficulties, but I want to tell the House briefly of some of the problems with which are confronted. As of June 16, 1919 we made 46,000 approved assessments, aggregating $11,000,000. Of these assessments, 38,000 are paid and about 5,000, or 12 per cent, of the assessments are overdue. That touches one of the features of income tax that, I think, might be dwelt upon a little. A member of this House, who was an extreme anti-tariff man, came into my office one day—he is not a member now. I said to him, rather jokingly, "I can make you a tariff man in a week." He said "how?" and I replied, "By making you Minister of Finance." I took him over to

the register where every day is recorded the amounts that come in from the customs houses of Canada. Now, I am not putting up a plea for a high tariff; I am simply mentioning the difference between the modes of collecting these two taxes. The collection of income tax is, in the first place, inquisitorial; it goes into the affairs of every one so far as that can be done—although it is pretty difficult to go into them. Hon. gentlemen may think that it is easy to arrive at the amount of income assessment, let us say, of a farmer. Well, in some cases it is, but very many difficulties have to be taken into consideration. For instance, what was the amount of his grain and other products last year? What is the keep of himself and his family worth? What is his farm worth and what interest should be allowed upon it as capital? What about depreciation, and all these other things? Is it, then, an easy task? I do not say that because it is not easy the Government is to be excused for not efficiently administering the Income Tax Act, but I do say that it will take two or three years, as it has in every other country, to get anything like a perfect organization of the income tax administration. That is not unreasonable; it is bound to be so. We have an organization extending from the Atlantic to the Pacific; that organization is continually being added to, and will, I believe, continue to get more efficient. I realize the soundness of the principle underlying income tax—that those who have shall pay in proportion to their means. What I am dwelling upon now is the difficulty experienced by every country in getting an efficient system of income tax administration. I assure the House that we have done the best we could in that connection and that I look forward to continued improvement.

Mr. LEMIEUX: What about large families?

Sir THOMAS WHITE: There is an allowance now in the income tax legislation of, I think, $200 each for children under sixteen years of age.

I have made some inquiries about land tax, the alleged merits of which have been put forward in the House. I remember reading years ago with the greatest pleasure Mr. Henry George's exposition of the theory of land taxation. He pointed out—what I knew, because I had charge of assessments in Toronto—the absolute impossibility of getting at income tax assessment and personal property assessment as it should be got at. He pointed out that the assessment should be upon the land, because the land could be seen. I am not endorsing the theory; I am merely informing the House what his views were with regard to income and personal property taxation and pointing out that Mr. George contended that land taxation was the only taxation that should be resorted to. I have given the matter a good deal of consideration and have discussed it with provincial treasurers and representatives of Provincial Governments. It was impressed upon me that to impose a federal land tax on top of the municipal and provincial land taxes would create a rather serious situation, especially in the West. I do not know how serious it would be, but I do not find any widespread public opinion in favour of a land tax. I am speaking now of a tax upon all land, in cities, towns, and villages, and throughout the country. I am told that some provinces of the West have a wild lands tax.

Land taxation lies immediately at hand so far as the municipality in the province is concerned. I do not mean to commit myself here to the principle that the Dominion Government will not at any time resort to an estate tax or to a land tax. I am simply dealing with the present situation and pointing out that we have carefully canvassed these matters, and I am giving some of the reasons why it does not appear advisable for the present at least to introduce such taxation as has been mentioned.

Mr. LEMIEUX: Has the minister any idea what a land tax would yield?

Sir THOMAS WHITE: I estimated it once and I was disappointed. I think at as high a rate as four mills—I am speaking only from memory—it would not exceed $20,000,000, which, of course, is a substantial amount, but nevertheless I was surprised at the comparatively small amount, as it seemed to me, that would be raised by a four-mill rate.

We have been attacked with regard to our expenditures since the war and with regard to credits that we have extended. The Government have felt a very heavy sense of responsibility with regard to expenditures which we are making this year, and if we felt we could have refrained from making the expenditures we have made, we should have been glad. I pointed out to the House on one or two occasions during the session the situation with which we were confronted immediately after the

signing of the armistice—hundreds of thousands of people about to be thrown out of work in our cities, soldiers returning to the extent of over 300,000 in a period of a few months—and they are coming back by tens of thousands now. That is the situation with which the Government was confronted, and we have not hesitated to spend money, nor have the British authorities. If you look at the expenditure of Great Britain, you will find this is a war year in that country. The British authorities are paying out tens of millions of dollars to men in unemployment; their expenses are colossal; they are facing the situation that resulted by reason of the profound dislocation caused by the war. Society has been torn almost to pieces; men were taken from their ordinary pursuits which were filled by others; they were taken for the war, for transportation, and all the other services connected with the war; many were placed in other industries, and society must painfully restore those men to their callings. That cannot be done in a week or a month or six months or a year. The nations of the world are to-day on a war basis as regards expenditure, and in order to keep society together in this trying period after the war we are pouring out tens of millions of dollars on shipbuilding. Why are we providing a $50,000,000 credit for the purchase of timber in British Columbia. British Columbia could not have sold her timber, and thousands of men would have been out of employment but for the $50,000,000 credit which we established for Great Britain last fall. The same is true with regard to our programme of railway extensions and all the credits we have extended abroad. I cannot forecast what the future holds, nor can any body else, but the great problem that this continent must face this next year is how to enable Europe to buy the goods which we have of agricultural and other production. That is the question that is perplexing the statesmen at Washington and the financiers in New York and us in Canada. We are going to have a great crop in the West, and we are going to have other products to the extent of probably hundreds of millions of dollars to sell, and so have the United States, only on a much vaster scale. How is Europe going to buy those? We will furnish all the credits we can and the United States Government is extending tens of millions of dollars of credit for purchases in that country. The financiers of New York are joining up with the Government to devise ways and means to help out the situation by private enterprise, and that is what we must do in this country. The sooner that private enterprise can do this, the better, and nobody will be more pleased that I shall; but if private enterprise cannot do it without governmental assistance, without joint action, then I think the Government must co-operate. This war has torn Europe to pieces. How are we going to feed Germany and Austria, our enemies as well as our Allies? If the war is going to end, how are they going to buy the millions of dollars of produce they require from this continent? How are they going to get the money in Canada and United States to buy it? Credits will have to be established. How they will be established, whether solely by Government, or jointly by Government and private interests, I do not know, but the question is one which we cannot lightly put aside. Whether we like it or not, the question will be put up to us. I have been too long in this House listening to debates to appear to instruct the House, but I have often thought that none of us, members of the Government as well as the members generally, realizes what would happen if certain action that we have taken had not been taken. Supposing, last fall, when financial arrangements for the purchase of our wheat broke down, we had said: Well, the Government cannot find $170,000,000—and I never expected in the world to have to find it—required to buy our wheat and flour; supposing the Government had taken the advice of some hon. members and said: We will not provide it; we will leave the matter to private enterprise. Well, we would soon hear about it. The wheat would all back up; the mills would stop; commerce would at once be affected throughout the country. So long as the money is provided everything goes forward beautifully. Nobody cares particularly how the money is provided; but if that money were not provided, we would have a very serious situation in this country. As to what credits we should give, I am not prepared to say, because nobody can forecast what lies ahead this next year. I know that the world will meet the situation; I know this continent will devise ways and means necessary. If you have a town in which there are two or three solvent people who have goods other people want in order to live, and if you have a number of other people around who have no money or very little and who need those goods or they will starve, or be in want, or be cold, what happens? Credit must be given, and in the same manner this continent will have to give credit to

Europe, although I do not know what form that credit will take. I ask hon. members, in connection with any criticism they have of anything the Government is doing within reason, to bear in mind that this is an exceptional time, in this, that we must provide work in this country to the full extent of our capacity, and that we must, as a Government, or through financial agencies, find the money necessary to market our exportable products. The Government would be delighted if it did not have to do that. We are not putting on loans for the sake of putting them on, but we have to look forward to this fall and this coming winter with the men back from overseas and the high cost of living that has so often been referred to in this House, and the fact that we must get a market for our products. Those are the duties and responsibilities devolving upon the Government, and I need not assure hon. members that, at times, they are pretty heavy. I welcome criticism; nobody values it more than I do, because occasionally, indeed, frequently, you get an idea that is of service to you, and I am only too happy to acknowledge it. I have derived many suggestions in this House that have been of the greatest possible value, and I do not mean to say, looking over the past four years, that we have not made mistakes, because we have, but we have made very few. I say that, and I do not believe anybody holds himself to a higher standard than I do.

Mr. JACOBS: The minister admits that.

Sir THOMAS WHITE: My hon. friend says that we admit it. How many perfect people are there in the world, outside, let us say, of my hon. friend?

Mr. JACOBS: Two of us, perhaps.

Sir THOMAS WHITE: We never claimed perfection. All that we do claim is an honest intention, fair courage and resources, and a desire to promote so far as we can the interests of the people of this country whom we represent.

Now let me say a word or two about another matter that has engaged, and properly engaged, a good deal of attention in this House, and that is the high cost of living. There have been various angles of approach to it—a pick here, a dab there, and a dent yonder—but what are the great underlying causes? I believe that most members of this House know what they are. If all of us would just drop the politician and ask ourselves what is the cause of the high cost of everything, I think we would have no difficulty in ascertaining what it is. Fifty million people of the greatest nations of the world have been withdrawn from their pursuits and poured into the war; tens of millions from agriculture in Europe, and millions from agriculture Overseas. What does that mean, as far as agricultural production is concerned? It means diminished production, greatly diminished production. Then what about the destruction of the war throughout Europe—the vast areas of agricultural territory destroyed, the cattle carried off or killed, the horses taken away, the implements of agriculture broken, whole producing districts devastated? How long is it going to take to have that agriculture flourishing again, how long is it going to take to have those herds restored? How long is it going to take to replace that labour of tens of millions of men, replaced as it was, imperfectly and partially, by old women and children during the war? Large areas of Europe are starving. What are the two concomitants of war? Plague and famine. We had the plague, and it killed almost as many as the war, and in the world to-day we have many of the aspects of famine. We have food scarcity. Consider the amount of food destroyed in ships sunk by submarines, and the food destroyed at the Front. Consider the increased consumption of food by millions of men in the army, many of whom were fed as they had never been fed before. The standard of living throughout the world has been raised. All those engaged in war and other industries have been consuming more than they did before the war. The demands upon food have been much greater. What do I draw from all that? In the first place we have diminished production, and in the second place increased consumption. When you have diminished production and increased consumption, what world phenomenon do you get? Scarcity of food and of all other kinds of commodities. That is the main cause of the present high prices—diminished production and greatly increased consumption. Our cities have been filled up by people who have come from the country to engage in war industries. The farmer is clamouring for help and cannot get it. The problem of this country and of all countries, and the problem of the trend towards the city. That problem is not confined to Canada. It is present in France, in England, in Germany, and in the United States. If anybody will look up the statistics he will be startled at what they show. That is the situation which we have.

If there are combines by all means take whatever action is necessary in order that there may be free competition, but no matter what Government is in power there will be men in Free Trade England and men in this country and in United States who for one reason or another will make large sums of money from time to time, in spite of any action that may be taken by the Government, and if that money is honestly made, it is a national advantage instead of a disadvantage. As for combines if there are any, dissolve them. I do not mean to say that in time of war, or if occasion should require it, there should not be food control, but the experiments that have been made in food control during the war have not been very happy. Interfere with the price of milk, for example, and cattle are killed for beef. It is the same all down the line. I made an experiment which my hon. friend from Sherbrooke (Mr. McCrea) has always commended me for in this House, that of fixing the price of news print, and it was a very difficult task indeed.

Hon. gentlemen say that if these are the main causes of the scarcity of food and other supplies, what is the use of the committee that has been appointed by this House? I think it is a great deal of use, if for no other reason than the publicity that is given; I am a great believer in publicity. There is another thing. I think we have all got into too extravagant personal habits in this country. I went into a store not very long ago, if I may be personal for a moment, to buy a hat. A hat that cost me $4.50 before the war was offered me for $11. I said " I won't buy it, that is too much."

Mr. LEMIEUX: Was it a minister's hat?

Sir THOMAS WHITE: It was an English hat.

Mr. LEMIEUX: Was it a lady's hat?

Sir THOMAS WHITE: You might think so from the price, but it was not a lady's hat. It was a hat my hon. friend could have worn with that dignity with which he wears all his clothes. I said I could not afford it. My own view is that we do not inquire sufficiently as to what we ought to pay; we have got into the habit of paying almost anything we are asked without inquiring whether we could buy to better advantage elsewhere. We do not bargain. I remember years ago our wives would know where they could get a thing the cheapest. They had a wide range and did not pay any price that was asked. If the people of this country, when the price is too high, would say "I am sorry, I cannot afford it," it would tend to bring the prices down. The committee that has been appointed can do good if they get all the facts, and they should be careful to get all the facts so that no wrong impression goes out one way or the other. If high prices are due to some speculative change in prices, let us have the facts. If it is a question of return on capital, let us have the facts. The great thing under democratic government is to get the facts and give them to the people, and that is one great thing the committee can do. In addition to that, they may discover that there are certain combinations, and if they do, I shall be most happy to help enforce sound recommendations in that respect.

I want to speak about the prospects for the future. This country, as I said when introducing the Budget, has a very heavy load of debt. All the other nations that have been engaged in the war are in the same position, only more aggravated. Europe is freighted down with debt. Now the interest on that debt is going to have its effect on prices of everything for years to come, and so far as I can see the only salvation of the world is that which has always saved it—Work, work. I do not mean to say that any man should work longer hours than will give the best results from his productive powers. I am in sympathy with the aspirations of labour for a reasonable day, but I am not speaking about labour alone. I say that all classes in the world will have to work, and work hard. After Waterloo, how was the enormous debt of England met? Any one who will take the trouble to read about it will find that it was met by the people of England making up their minds that they would produce more in order that they might live up to the standard they enjoyed before and also pay that debt. United States faced a greater debt after the Civil War and extinguished it practically within twenty-five years. This great producing country, if we can get the people to produce and save, can look forward with confidence to the future, and I say that without in the least degree minimizing the extent of the debt and the gravity of the problems before us. We can do it. If we cannot, what other nation in the world, in the present situation, is going to be able to do it? I reiterate, we can do it. There is just one other thing I want to say, and say with all sincerity: I think there is too much of a tendency—I will not say in

this House—to take it for granted that all persons who stayed at home were profiteers. Now, the noblest kind of service was rendered in this country by thousands of men and women from the Atlantic to the Pacific. Take our Red Cross contribution, the Patriotic Fund, and the other multitudinous enterprises in which the people at home were engaged in connection with the war. The spirit of the Canadian people was magnificent during the war. The farmers did well, the manufacturers did well, and the traders did well. My own view is that we should not have been able to carry on the war if the country as a whole had not done very well. I do not believe that men should make undue profits. I am opposed to that, but I must say that I like to see business enterprises in the country, at the beginning of a period such as that which now confronts us, in fairly good shape to keep their hands engaged and meet whatever difficulties may lie ahead. I am opposed to undue profits on the part of any one, but I like to see successful trade and its results, because we have to shoulder a heavy burden and solve the serious problems which lie before us. I believe that in the next year, two years, three years, or five years, we are going to have as keen competition as this world can produce in all lines. Why do I say that? Europe must produce and sell abroad or it cannot sustain the burdens which the war has placed upon it. So the people of Canada—and I am sure they will be able to do it—must be prepared to meet the keenest kind of competition within the next five years. I think we are in a good position to do it. Unrest? Yes! Unrest all over the world. It is partly psychological, due to the strain through which we have passed; and, in part, it is due, I think, to a sense of rather profound injustice on the part of many as to the way in which the war has distributed its burdens and sacrifices, and the feeling that there should be far-reaching social readjustment. All that is reasonable, and it will take time before the world can steady down after this war. I believe I said that work was necessary; another thing, I think, is also necessary, as an indispensable concomitant. I believe that work and the Golden Rule are going to solve many of the problems that lie before us if the people will only do the one and apply the other. Legislation? Yes! Legislation to the extent that it will accomplish justice. But it is slow and uncertain in its processes. At the basis of the dispute between capital and labour lies, in my judgment, the field of ethics. The Golden Rule, if we would all apply it, would do a world of good. The world will never be saved by legislation alone. It will be saved by the due observance of moral principles and a proper regard for ethics; in other words, religion, although I am the last man to preach. The sooner that all the people of this country and the world over realize the rights of others, and not only desire to respect them, but carry that desire into practice in all the relations of life, the sooner will things become settled and men solve successfully the troublous problems with which they are faced to-day. The war is not yet over, and until Monday next its conclusion will be a matter of uncertainty. I do not know, and I do not believe that any one in the world knows, whether it is over, and the war may continue after Monday next.

So far as fiscal policy goes, it is for governments to consider situations as they arise from time to time and deal with them as wisely as they can. It was put forward this morning that we had made some reductions in the Budget as a sop to the West. Well, Mr. Speaker, that is not true. My desire in budgets has always been to take into account the country as a whole. It is idle to disguise from ourselves the fact that a large section of Western Canada has been disturbed on tariff matters. I do not believe that there are twenty members in this House who would seriously put forward the proposal that we should undertake in this troubled period, in view of the conditions which I have mentioned, not only domestic, but international, to tear the tariff to pieces and put it together again. I do not believe that there are twenty members who would say that we could intelligently revise the Canadian customs tariff to-day. But the view is expressed that taking the duties off foodstuffs may give some relief. I think that is probably true with regard to articles that are not grown in this country. I am frank to say that I agree with the hon. member for Frontenac (Mr. Edwards) that in a great food producing country like this where you produce more than you need, duties upon food products have an almost imperceptible effect on prices. As regards tea, sugar and coffee, and things produced only outside of the country, there is no question that if you take the duty off you get an almost immediate result. But as regards food which we produce to the extent of hundreds of millions of dollars more than we require, the diminution of duties would have no important effect on prices. So far as policy is concerned I would have duties rest more

lightly upon necessities than upon non-essentials. That view was carried into effect in the 7½ per cent reduction. But hon. gentlemen have said: Why did you not take it all off? Why did you not go further and take many other duties off—in effect, why did we not tear the tariff to pieces and place it below what it was in 1914?

What is my objection to the amendment? If you carry the amendment into effect, without another amendment to show how we are to get the money in order to make ends meet, at a time when we are going to do financing in New York and are going to ask the people for more money, you will adopt a policy which will result in a deficit of fifty million dollars on current account. I want to say to the hon. gentleman who challenged my figure of $17,000,000, that I do not give figures to this House without carefully considering them, and the reductions we propose in the tariff will result in a loss of $17,000,000; and by reason of the decreased consumption in the country and by reason of expected reduction in the volume of our imports and probable fall in prices our customs revenue will be on the whole $25,000,000—including the $17,000,000—less than we would have on the basis of last year's taxation. If this House adopted the amendment of the hon. member for Brome (Mr. McMaster)—and they say that in addition to that $17,000,000 we should take off $33,000,000 more—we would have absolutely nothing to take the place of what we should lose. Any man who votes for the amendment of the hon. member for Brome deliberately votes for a revenue of $50,000,000 short of what will be required for current account alone, to say nothing of capital and war expenditures.

There is a French epigram that language is a convenient instrument for concealing thought. That is the amendment. How many members over there believe in the amendment in its entirety? The hon. member for North Waterloo (Mr. Euler) got to cover to-day. He has got a pretty intelligent constituency up there and they are not going to be caught by verbiage. How many members opposite would vote for that amendment, having the result that I have mentioned? The leader of the Opposition says he is in favour of it, and he is in favour of the amendment which was moved to the resolution for the adoption of the Address. I remember that during the American war this line was penned by a poetical satirist:

I dew believe in freedom's cause as fur away ez Paris is.

The hon. gentleman believes in freedom as far away as some of the manufacturing and other industries in Canada are, but not in the case of Nova Scotia. He says, although not in so many words: "I don't care if you take the tariff off all manufactured goods" and then as in the case of the well-known appeal "Woodman, spare that tree" he says: "Keep the duties on coal and on iron and steel." It so chances those are about the chief products in the constituency he is interested in—in his constituency those are the two main things. He does not mind what we do to the tariff otherwise, but he says: "Do not touch the duties on coal and iron and steel. Keep the duties of 53 cents on coal." He would not have objected if we had kept the 7½ per cent duty on also." How can you keep the duties on iron and steel if you remove the duties on the products of iron and steel? How can the manufacturer pay an increased price for iron and steel and then sell his products unless he has a compensating duty? What is the purpose of the amendment? It is political. I have no objection to an amendmen being political at all, but I am using the term in the sense that the amendment is made to serve a political purpose rather than to express precisely an idea, and the question that occurred to me was: Would hon. gentlemen opposite put the amendment into effect if they got into power? This is an amendment designed for the benefit of the western grain grower. Well, I think the western grain grower, both in this House and out of it, will know what is grain and what is chaff, and I say that the amendment is not grain—it is chaff. That is what I have to say of an amendment which at this time declares: Tear to pieces the Canadian tariff that has been in effect since 1878 and as amended in 1896, in 1907, and in 1914. Tear it to pieces at this time when Great Britain by her shipping regulations, France by her restrictions, and Australia by her proposed tariff changes, are going to conserve their industries and engage in fierce competition with the rest of the world; tear it to pieces, notwithstanding the dislocation that may be caused in Canada. Would hon. gentlemen opposite do that if they were sitting on these benches to-day? They would not.

An hon. MEMBER: They did not.

Sir THOMAS WHITE: They did not, and they would not if they were in power.

Mr. McKENZIE: The Finance Minister says that the amendment of the hon. member for Brome is chaff. Will he say that the platform of the Grain Growers' Association is also chaff?

Sir THOMAS WHITE: I am not for the moment dealing with the platform of the Grain Growers' Association, but I have no hesitation in saying:—I am on record on too many occasions to have any hesitancy in the matter—I believe in a fiscal policy which tends to develop and stabilize the industries of this country, and that policy will govern me in my administration. I would so direct the policy of Government that the industries of a country would be promoted and stabilized and that taxation should bear as lightly as possible upon the people as to necessities and as much as possible upon luxuries. The platform on which I stand has been too often declared by me in this House to admit of any misunderstanding. Above all, I would say to my hon. friend that no matter what platforms he shapes or adopts—because I do not think he has thought out yet the platform he is going to adopt—he has had two or three in the last few weeks—if he was occupying the treasury benches to-day notwithstanding the amendment for which hon. gentlemen opposite are going to vote, they would not tear the Canadian tariff to pieces at this time; they did not do that when they were in office. Look through the utterances of my predecessor, Hon. Mr. Fielding—and I have always had the greatest respect for that gentleman; no man will find that I have ever said much in criticism in this House of the former Minister of Finance—and it will be found that the Liberal Government continually had the interest of this industry and of that and the other, at heart. They established the steel industry in Cape Breton by bounties to which my hon. friend (Mr. McKenzie) subscribes. Did they refrain from imposing any particular duties on iron and steel? There were duties on iron and steel before this Government came into power. Who put them there? Let us face the facts, and it is a fact, that the Liberal Government under Sir Wilfrid Laurier did have regard for particular industries in this country. Therefore, I say that this amendment, designed to look like grain for the benefit of the farmer, is chaff, and will be so regarded, I believe, by the farming community of this country. There is an agitation in the West, in regard to agricultural implements, principally, and there has been for many years. The former Minister of Finance (Mr. Fielding) in the reciprocity agreement provided for certain reduced duties upon agricultural implements and other products of Canada. The chief objection that I had to the reciprocity agreement was the fact that there was an agreement. What have we got to-day without any agreement? Flour is on the free list; wheat is on the free list; this Government put them there. Cement is lower than it was under the reciprocity agreement. Binders are lower than they were under the reciprocity agreement, and the other articles dealt with in the Budget are as low, if not lower than they were under that agreement. Reference has been made to the necessities of the three Prairie Provinces, Manitoba, Saskatchewan, and Alberta, but in the tariff policy regard must be had to the country as a whole from the Atlantic to the Pacific, to the national interests as a whole. If you can meet the wishes to a certain degree, at least, of an important section of the community, without doing material damage to the national interest, you ought to do it; and this Budget represents a sincere attempt to keep stable at this unstable time the industries of Canada, and at the same time go as far as we can to meet the legitimate requests of those interested in tariff reduction. The first thing that any Finance Minister must do is to provide money to meet the national indebtedness. Members may say: Take the tariff down. But what will be the consequence of that? How are you going to meet your debts from day to day? As I say, the amendment would cut off $50,000,000, as between revenue and current expenditure, and provides nothing to take its place.

Another thing I pointed out in my Budget speech, that the expenditures of this country on ordinary account had been doubled by the war. $100,000,000 more interest on the public debt; of $30,000,000 or $40,000,000 more in two or three years for pensions; $25,000,000 or $30,000,000 on account of soldiers' re-establishment; $150,000,000 or $160,000,000 of current expenditure added to the expenditure of the Dominion before the war. How are you going to meet it? Nobody will say that you can raise it by income taxation only, or by land taxation only, or by inheritance taxation only. No, nor a fraction of it. If you put on all the taxes under those three heads that the country can stand, you would not begin to meet the expenditure. We have got, like a manly nation, to meet our obligations arising out of the war. We have got to meet the pension fund—that is the first thing we

should meet; and we have got to meet these other charges to take care of our soldiers—and there will be more to come—to provide war gratuities to help the returned soldier bridge over the time until he gets back to the productive occupations of civil life. We have got to do all that, and we are going to do it. But if you tear the tariff to pieces at this time, or at any time for that matter, how are you going to get the money?

I said in my Budget speech that the time was overdue for a rearrangement of the tariff. I say so still. And we have taken the necessary steps to provide for that at the proper time after an investigation has been held. But to put in effect this amendment at this time would be a fatal policy, fatal to the credit of the country by reason of the gap that it would leave between revenue and expenditure. And, further than that, if you diminish our revenue without providing other revenue to take its place to the same extent and on the same scale, you are going to make this country scrutinize too carefully the expenditures which we should incur on account of the returned soldier. Your Minister of Finance should have abounding revenues so that he can do his duty by the country in the way of maintaining its credit and meeting its obligations and the just claims of the soldiers upon the citizens of this country. In that spirit this Budget has been framed.

There is another thing most essential in this country to-day to my judgment, and that is that we should have national unity. This Dominion is broken up into four great sections. You have the Maritime Provinces; then you have a gap of a few hundred miles until you come to the city of Montreal and the more populous parts of Quebec and Ontario; then you have a great gap of a thousand miles of wilderness and you come to the three great Prairie Provinces—any one of them almost unlimited in its resources, and as large geographically as Germany or France; and then you have the Rocky mountains and beyond them the province of British Columbia. You have all these different sections with diverse sectional interests. What is going to be the policy of any Government—of this Government and of its successors? They have a large family and they cannot play favourites. You can hardly have a Benjamin—although I said once that Prince Edward Island should be the Benjamin, because it is so small geographically and is such a beautiful little province—you have to survey the whole situation and adopt a policy that will be best for Canada as a whole, nationally speaking, and I am sure that I am voicing the sentiments of every man in this House, because they are all patriotic, when I say that they will support a policy which best accords with the national interest of Canada and all its parts. That does not mean that we cannot redress injustice if it should exist; it means the opposite of that. It does not mean that from time to time tariffs should not change to meet changing conditions. But it does mean that in considering a fiscal policy the whole of Canada must be taken into account and such a policy adopted as will promote that end, and I believe that every section of Canada—Maritime, Central and Prairie Provinces, and British Columbia—will support that policy if they understand and believe it to be a national policy, for I have the greatest confidence in the people of Canada.

I have taken up a good deal of time, Mr. Speaker, and I feel that I should the more apologize because we asked members to cut down their speeches. But I have felt very seriously the responsibilities which have devolved upon me as financial adviser of the Government during the war; I have taken them quite conscientiously, and I did desire to place upon Hansard for the information of this House and of the country, and of those coming after who might desire to inquire, the views of the Minister of Finance upon his financial administration during the war and the conditions which confront the country immediately after the war. I have felt it advisable that I should do that; and if I have taken up too much time and wearied your patience over much, I hope that for the reason given you will be inclined to extend to me reasonable indulgence.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

Mr. SAMUEL WILLIAM JACOBS (George Etienne Cartier): Mr. Speaker, there is very little which at this stage I can add to the debate which has proceeded for nearly two weeks. During the last ten or twelve days we have had in this House addresses from various members dealing with the matters mentioned in the Budget. Most of them have been illuminating, many of them have been interesting; and I do not feel that I can add anything to what has already been said. In the early part of the debate we had the heavy artillery; subsequently we had the cavalry galloping

across the ground; after that we had the machine guns in action; and now the duty devolving upon me is to do a little sniping on my own account, if I find that there is occasion therefor.

This afternoon the Minister of Finance (Sir Thomas White) was delivered of his second Budget speech. We had expected the delivery of one child, but thanks to the amendment which was introduced by the member for Brome (Mr. McMaster) the House has been presented with twins; and the Minister of Finance tells us that he expects these children to be "protected" and cared for by the people of this country. I have no quarrel with the Minister of Finance with regard to the excellent address he delivered this afternoon, with a good deal of which I agree. Were it not for the intense heat, I am sure we would all have enjoyed the two hours or more which he took up in his interesting, didactic lecture to us upon the finances of this country.

The Finance Minister felt himself, if I may use the expression on a hot day like this, to be "skating on thin ice" in certain parts of his address. The member for Kent (Mr. McCoig) made the assertion that the Government had been robbed of large sums of money through the importation into Canada of tractors upon which the duty had not been paid, and yet that the farmer or the consumer did not receive the benefit. The minister ignored that serious charge, and went on with talk of generalities, of which he is a master.

The Finance Minister spoke about the wonderful achievement of the Government in 1914 in reducing the national debt by $5,000,000. The minister did not, however, take the trouble to enlighteen the House by stating how much money had been drawn from the people during that year. The public accounts show that in 1914 $127,384,000 were taken from the people and credited to the Consolidated Revenue Fund and spent. While I am on that subject, I wish to point out the wide divergence between the expenditure chargeable to consolidated fund under the Liberal Government during the years 1909, 1910, and 1911, and that of the subsequent years, 1912, 1913, and 1914. During the last years of the Liberal administration the expenditure was $84,000,000 in 1909, $79,000,000 in 1910, and $87,000,000 in 1911, and we find that in 1912, 1913, and 1914, the figures run up to $98,000,000, $112,000,000, and $127,000,000. No wonder the Minister of Finance was able to pay off in 1914 a paltry $5,000,000 of the national debt, when he was able to pay out on current account in that year a sum of $127,000,000.

Another criticism I have to make is that notwithstanding the present high cost of foodstuffs, the Government has granted credits to foreign countries for the purpose of furnishing them with foodstuffs from this country, thus increasing the cost of living. It has been trumpeted throughout the country that vast sums of money are being credited to countries on the other side of the Atlantic to enable them to purchase foodstuffs in Canada, notwithstanding the fact that we have not enough food to satisfy our own needs. It is a question whether the Government is justified in advancing money in order that foodstuffs may be shipped out of the country, because of the inability of our people to obtain in many cases the actual necessities of life, bringing about so much distress and consequent unrest.

I do not purpose to deal at length with the merits and demerits of protection and free trade, which have been so fully and thoroughly discussed in this House, on the one side by the member for Brantford (Mr. Cockshutt) and on the other side by the member for Red Deer (Mr. Michael Clark). I would like to say, however, that the member for Red Deer is to be congratulated upon his address; I do not know that I ever heard a discourse so illuminating and so clear as that which the eloquent member from the West gave us on this subject. With some of the views that he advanced I cannot say that I am entirely in agreement. For instance, he seemed to advocate an insurgency on the part of members of a political party, looking towards complete independence of view. It seemed to me that he laboured the point, I consider that independence on the part of members of a political party, at any rate in this country, should be sparingly exercised. The member for Red Deer spoke of Cobden having been an insurgent of that class; surely he does not expect that a Cobden is to rise up every year. If we are to teach the rank and file of our party that they may at any given moment express independent views on public matters, where is this to lead? I commend to my hon. friend the remarks of that great parliamentarian and constitutionalist Sir Thomas Erskine May on the merits and demerits of party Government. I quote the following from the remarks of that learned author:

> We find that Government without party is absolutism—that rulers, without opposition, may be despots. We acknowledge, with gratitude, that we owe to party most of our rights and

liberties. We recognize in the fierce contentions of our ancestors, the conflict of great principles and the final triumph of freedom. We glory in the eloquence and noble sentiments which the rivalry of contending statesmen has inspired. We admire the courage with which power has been resisted; and the manly resolution and persistence by which popular rights have been established. We observe that, while the undue influence of the Crown has been restrained, democracy has been also held in check. We exult in the final success of men who have suffered in a good cause. We admire the generous friendships, fidelity, and self-sacrifice —akin to loyalty and patriotism,—which the honourable sentiments of party have called forth. We perceive that an opposition may often serve the country far better than a ministry; and that where its principles are right, they will prevail.

By argument and discussion truth is discovered, public opinion is expressed, and a free people are trained to self-government. We feel that party is essential to representative institutions. Every interest, principle, opinion, theory and sentiment, finds expression. The majority governs: but the minority is never without sympathy, representation, and hope. Such being the two opposite aspects of party, who can doubt that good predominates over evil? Who can fail to recognize in party, the very life-blood of freedom?

I can understand, of course, why the hon. member for Red Deer made the plea that he did. He found himself constrained only a short time ago to stray from the flock, and this, I fancy, is his justification and apology for returning. We are, however, very glad to have the hon. member with us once more; we welcome the prodigal, and we hope the experience he has learned on the other side will serve him in good stead, and that we shall have the benefit of his advice as to what happened to him during the time he was away and since he left our party in 1917.

The Minister of Finance (Sir Thomas White) has our sympathy in his efforts to reconcile two such widely divergent groups in his party, and in his desire to satisfy both he has pleased neither. That is always the fate of people who attempt to do a work of that kind. The Minister of Finance, I suppose, is not oblivious of the story in Aesop's Fables of the man and his son who were riding an ass. The man was advised by his friends that it might be well if they both got down and that the ass should ride upon them, and it ended that neither of the parties were satisfied and that the ass was subsequently drowned. It is necessary for public men in this country to take a firm position upon political questions and to stand or fall by their principles, but the Government are so anxious for power, they are so anxious to retain their seats on the treasury benches that they were willing to swallow themselves and to sacrifice principle in order that they might remain where they are.

I was very much impressed by a remark which fell from the lips of the Minister of Immigration and Colonization (Mr. Calder). He said, if I remember well, that this was no time to deal with tariff revision, and I agree with him fully and entirely in that statement. This is not the time for the Government to deal with tariff revision; this is the time for the Government to dissolve Parliament and go to the country. The Government was elected for one specific purpose, namely, to impose conscription upon the country, and as they said, to win the war. Conscription was imposed, the war is won, and it is now the duty of the Government to appeal to the country for a further lease of power. That seems to me to be the constitutional aspect of the situation, and that was the course followed by Mr. Lloyd George in 1918. Hardly was the ink dry on the armistice on November 11, 1918, when the Lloyd George Government was dissolved and went to the country. Why did not this Government do the same? Why does it persist in hanging on to power? Why does this Government, with the divergent elements on the other side, the protectionist element, represented by the hon. member for Brantford (Mr. Cockshutt), the free trade element which has been represented heretofore by the hon. member for Red Deer (Mr. M. Clark), and every possible element of that kind which was banded together for the purpose of imposing conscription on this country and winning the war, persist in trying to force down the throats of its followers this tariff revision which they will not have? Many hon. gentlemen opposite are actually committing political suicide when they venture to vote for the Government as it is at present constituted. They know very well they can never come back; indeed, it is a question in many cases if they can even go home to see their people. Yet the Government endeavours to force on them this measure upon which they have not been elected to pass. If there ever were a case when the Government ought to appeal to the people, this is the occasion, and the Government is simply holding the treasury benches for the purpose of remaining in power, because if I am any judge of events in the country at the present day, this Government when it submits itself to the people will find itself on this side of the House as soon as the people declare by their votes what their views are.

I am sure we on this side of the House sympathize with hon. members on the other

side who are being stampeded by the Government in the way in which they are. We see the surgings on their side. We know what is going on. Some of them have broken away—the strong ones. Some are debating in their minds whether they should follow the Government or whether they should vote for the amendment of the hon. member for Brome (Mr. McMaster). The weak ones have already gone over, horse, foot and artillery, expecting to have a little joy-ride as long as it lasts, because they know they can never hope to enter these halls again, inasmuch as, according to our view, they will have acted treacherously with their electors if they vote for this Budget which, as the hon. member for Marquette (Mr. Crerar) says is nothing more nor less than a protectionist Budget. Let us take the case of the repeal of the 5 per cent, and on certain goods of the 7½ per cent war tax. These war duties brought into the treasury something like $45,000,000 last year. The Minister of Finance has proclaimed in this House and throughout the country the fact that $17,000,000 of that has been taken off, leaving $28,000,000 which the people of this country will be obliged to pay in addition to the regular customs duty. Calculating that the customs duties in 1914, the first year of the war, were $100,000,000, roughly speaking—I have not the figures at hand at the moment—what does this $28,000,000 mean? It means that the people of this country are paying 28 per cent more into the treasury in the matter of import duties than they did in 1914. Yet we are told that this is a tariff revision. War duties are imposed on the people when there is no war. We have two Ministers of Militia, one an overseas minister, when there is no necessity at all for an overseas minister, seeing that our men are practically all back. We have also the Department of Agriculture not filled, and I make bold to predict that the position will not be filled for many moons, the reason being that the Government is afraid to open any constituency where a Minister of Agriculture could submit himself for election in order to test the feeling of the people. Where is the Minister of Agriculture to come from? Naturally and logically from the West. Is there any one member on the other side coming from an agricultural district in the West who is willing to submit to the test of being elected by the people before he takes his seat as Minister of Agriculture? I predict that the Department of Agriculture will be an appendage to the Department of Immigration and Colonization for some time to come. The Department of Agriculture is one of the most important departments of the Government.

Would it not be well if the Minister of Militia Overseas were to take over that department? That is a suggestion which I throw out to the Government. I am sure he would make just as good a Minister of Agriculture as he has made an Overseas Minister of Militia. Constitutionally, there never was any reason in the wide world why we should have had two ministers of Militia in one Government. The thing is unheard of. What was the use of an Overseas Minister of Militia three thousand miles away from the Council Chamber? The duty of the ministers of the Government is to meet from time to time as required, in order to discuss matters affecting the country. How could any one, who by the very nature of his office, was three thousand miles away from Ottawa, exercise his functions as a minister of the Government? There should have been sent overseas a commissioner, or perhaps the Deputy Minister of Militia. That gentleman has had considerable experience in military affairs; he is a South African veteran, and has been connected with the Militia Department for the last twenty years. In my opinion no more fitting man could have been sent across than the Deputy Minister of Militia (Sir Eugene Fiset), but, for some reason unknown to the country, a gentleman who probably never had anything to do with militia matters, and who probably did not know the difference between the artillery and the cavalry, was sent across merely to suit his own purposes or the purposes of the Government. We are not at all surprised at what happened as a result of that appointment. One of the results is that Argyll House has become a by-word throughout the whole of this country and England for inefficiency, incompetency and inaptitude. The riots that have taken place in Wales and in different parts of England and France are due entirely to the inefficiency and incompetency of the head of the department overseas. This is only what we might have expected when this gentleman was sent across.

I think it will be generally admitted that a crisis has been precipitated in this country by the resignation of the Minister of Agriculture. In his letter to the Prime Minister and in his address to the House he gave the reasons for his resignation. But the President of the Privy Council (Mr.

Rowell) has added another reason, and it is that the Minister of Agriculture resigned from his position because the tariff had been tampered with. That is the information which the President of the Privy Council divulges.

Mr. ROWELL: If my hon. friend wishes to state what I said, I would ask him to quote my remarks.

Mr. JACOBS: I will do that. In his address on the Budget the President of the Privy Council said—Unrevised Hansard, p. 3524:

> I want to say to the House that I entirely share the view of the hon. Minister of Immigration and Colonization, that when this House met, the Finance Minister might have said: This is a war year, and the finance this year must be war finance. The question of a revision of the tariff must stand over until this war year is over. The Union Government was not formed for the purpose of dealing with that issue. He might have stated that to the House and the country, and I would have stood side by side with my hon. friend the Minister of Immigration and Colonization in support of that position. And I am dealing perfectly fairly with all my friends and colleagues when I say that there would have been no dissent from that proposition by any member of the Government. The Finance Minister could have come down to this House with that policy and a united Government would have faced the House and the country in support of it.

If that means anything, it means that if the question of the revision of the tariff had been allowed to stand over until after the war the Finance Minister would have come down to the House with a policy and a united Government, and that inasmuch as that course was not adopted the Government was not united, and the Minister of Agriculture is no longer a member of the Government. I think that is a fair inference. At any rate, that is what the country understands by the statement made by the President of the Privy Council. The country believes that he meant that if the tariff had not been touched at all, the hon. member for Marquette (Mr. Crerar) would not have resigned from the Government. Now that was the statement made by a member of the Cabinet to the House, and I respectfully submit that it is divulging a Cabinet secret and is contrary to all constitutional practice. The hon. member for Marquette (Mr. Crerar) is prevented by his oath of office from making any statement in the matter, and the statement of the President of the Privy Council must therefore go out to the country unchallenged, and he must accept the responsibility for making that statement to the House.

The President of the Privy Council further went on to state that if the question of the high cost of living was not properly dealt with, we must look to the ex-Minister of Agriculture for any inefficiency in that regard. Surely my hon. friend knows very well that there is a joint and several responsibility on the part of every member of the Government with the ex-Minister of Agriculture, who is no more responsible than is my hon. friend (Mr. Rowell). It seems to me it was rather unfair, to put it mildly, for the President of the Privy Council to try and shift the responsibility and place it on the shoulders of the gentleman who was his colleague only a few days ago.

Mr. ROWELL: There again my hon. friend is not stating fairly what I said to the House. I said that the Minister of Agriculture, I believed, had done everything which he thought prudent and wise in dealing with the whole matter, that he had acted most efficiently in the discharge of his duty. Of course, as a member of the Government, I take full responsibility with the Minister of Agriculture for all that was done in the premises.

Mr. JACOBS: I do not see that the President of the Privy Council could do anything else. Nothing was done, anyway. What I said was that the President of the Privy Council had made the statement that if there was any inefficiency, the blame must be laid at the door of the Minister of Agriculture. That reminds me of the old Levitical law, which my hon. friend knows very much better than I do. When sins of ignorance were committed by the people, how did they escape responsibility? They got a yearling goat and sacrificed it, and the sins of the people were placed upon its head. That is what the Government have attempted to do with the ex-Minister of Agriculture. The sins of the Government in connection with the high cost of living and the general administration of the Department of Agriculture are placed on the head of this poor goat the hon. member for Marquette, who is just a little more than a year old as a minister—a year and-a-half to be exact. I am glad to know that after all, the Levitical law can be made to apply in the year of grace 1919 as well as three thousand years ago.

Mr. M. CLARK: Were not two goats taken, one goat being killed and the other sent into the wilderness? Perhaps my hon. friend can give us some light on which goat has been killed. We know where the wilderness is.

Mr. JACOBS: I think probably the other goat would be my hon. friend from Red Deer (Mr. Clark).

I have a further suggestion to make to the Government with regard to the appointment of the Minister of Agriculture, which position has just been vacated by the hon. member for Marquette. In the New York Sun of Tuesday, May 20, I read the following:

> As the son of a farmer on his father's farm near St. Mary's, Ontario, the Hon. Arthur Meighen "farmed" from his youth to his early manhood. As the owner of a farm in Manitoba, though not the worker of it, he has added to his knowledge of what farming means in Canada. The main point is that he has the point of view of the farmer and that he is not dealing with any new thing when he deals with settling returned soldiers on the land. He has a sympathetic understanding of Canada's agricultural conditions and needs.

Why not transfer the hon. Minister of the Interior (Mr. Meighen) to the Department of Agriculture? He has, I am glad to learn, a sympathetic understanding of Canada's agricultural conditions. You will observe, Mr. Speaker, that nothing is said of his having any sympathetic understanding of the conditions of the labourers in Canada. His comprehension of conditions is strictly limited to agricultural matters. I think the hon. the Minister of the Interior would make an excellent farmer, and at the head of the Department of Agriculture he would surely do well.

We were told to-day by the Minister of Finance ((Sir Thomas White) about large sums of money collected for the war. Well, they were collected, and no one regrets any money which was honestly spent for the purpose of winning the war. But what we do object to very strenuously on this side is that very large sums of money were misspent in connection with the prosecution of the war. Money has been wasted on camp lands, and I need only instance the case of Camp Borden ventilated in this House last year, in which tens of thousands of dollars belonging to the country went into the hands of private speculators. Then again, private cars were built and altered to suit the convenience of individuals. The former Minister of Militia and Defence, the hon. member for Victoria (Sir Sam Hughes) required to have his car lengthened eight feet, and what do you suppose that cost the overtaxed people of this country? It cost the tidy sum of $28,000, to give eight feet of additional car space to the Minister of Militia and Defence at that time.

Mr. MORPHY: Will the hon. member permit me a question? I know he would not like to be unfair, and I think he will admit that the whole car was rebuilt and to-day is probably as first-class a car as there is in Canada.

Mr. JACOBS: I admit the whole car was rebuilt. The original intention was to lengthen the car eight feet for the convenience of the Minister of Militia and Defence, and when they began to lengthen it they simply dismantled it, and the work of putting it together again cost $28,000. I think the hon. member for North Perth (Mr. Morphy) will admit that.

Let us consider the question of customs brokers' commission for passing entries from one department of government to another. Tens of thousands of dollars went into the pockets of friends of the Government who were acting as brokers. The work they did could be done by a clerk in any of the departments receiving $700 or $800 a year, and yet for a pure matter of bookkeeping, in order to keep proper tab on the merchandise and commodities brought in for the Government from one department to another, we paid in one instance, if I remember rightly, something like $16,000 to a firm of brokers in Quebec. I am speaking without the figures before me, but I think it was $16,000. When this matter was brought to the attention of the Minister of Customs last year he expressed utter amazement that such a thing should have occurred. He promised that he would look into it and would have a report made to the House later. Since that time, however, we have heard nothing about the matter. We see frauds practised on the Government in regard to soldiers' pay, large sums of money being involved, and the Government must accept responsibility in the matter. I say, therefore, that while we have given this money freely and gladly in order to win the war, the Government must recognize the fact that this country will hold them to strict accountability when they go before the people, for then they will be asked to explain how these vast sums of money were allowed to filter through their hands, and in many cases into the pockets of friends of the Government.

I should like to say a word or two with regard to the Income Tax, in connection with which the Minister of Finance waxed so eloquent this afternoon. No one takes the income tax seriously in this country. It is treated as a joke. Nine-tenths of the people do not pay the tax for the excellent reason that statements are never sent to them. I know of instances where accounts were prepared and forms were

filled up, and for the last two years not one word has been heard from the department with regard to these statements of account. They run into millions of dollars, and the interest upon these sums is also considerable. But for some reason or other known to the Government, no serious effort is made to collect this money. I understand that in Australia, which has five-eighths of the population of this country, they collect in income tax something like $37,000,000. Proportionately to that, Canada ought to contribute $50,000,000 on income tax account. But how much have we collected? I understand that last year we collected the paltry sum of $6,000,000. How long is this condition going to continue? The Minister of Finance threw an interesting sidelight on this question this afternoon. He said: I told a friend of mine that I would convert him very easily to protection if he were to come into my office, because I could show him that every day large sums of money are being paid into various customs houses in the Dominion of Canada on account of imports. He further said: It is easier to collect this money and consequently we do not have to bother about the other. Now, I submit that it is unworthy of the Minister of Finance to speak in that way. It is not a question whether or not the money can be easily collected. It is a question of proportioning the taxes of the country equitably upon all the people.

The Government deserves credit for some of its legislation, and I might instance the Bankruptcy Act which went through the House and passed the Senate a few days ago. I was very glad that the Government put through that Bill. I had the honour of introducing it myself into this House last year. This year I thought it would be more in keeping with things were the Government to take hold of an important piece of legislation of that kind and put it through, and they have done so, although they have tacked on to the Bill several anomalies for which I do not wish to hold myself responsible, and of which I disclaim the paternity. However, I have to admit that the Act was very much needed in the interests of commerce, and to that extent the Government has followed the views of the commercial community generally in putting through that Bill.

I have another Bill in my hands which I am prepared to tender to the Government. It is a Bill which has been standing in my name for the last two or three months. It had not reached the Committee stage when private members' day was taken by the Government and consequently I was unable to proceed with it further. May I suggest to my hon. friend the Prime Minister (Sir Robert Borden) that this Bill is almost identical in form with one which he introduced into this House on January 16, 1908. On reference to Hansard, page 1346, I see:

> Mr. R. L. Borden (Carleton, Ont.) moved for leave to introduce Bill (No. 66) to amend the House of Commons Act. He said: This Bill has the same purpose as a Bill introduced last session or the session before. It is to provide that, in case the seat of any member of this House is vacated for any cause and the writ for the election of a new member is not issued within a prescribed time, it shall be the duty of the Clerk of the Crown in Chancery to issue the writ for a new election.

All that the Prime Minister has to do to-day is to make that a Government Bill. As the member for Beauce (Mr. Béland) said the other day, it would go through, certainly without any opposition on this side of the House, and I do not think there would be any opposition on the other side.

It is a Bill which is very much needed just now. We have six vacancies throughout the country and those vacancies ought to be filled; there is no reason why the people of those divisions should be disfranchised. I don't know whether any change has come over the views of the right hon. gentleman (Sir Robert Borden) since 1908. Probably he has overlooked the fact that he entertained such views at that time, but I have now recalled them to his attention and I trust action will be taken in the matter before the House prorogues.

I do not intend to take up the time of the House much longer. It would be practically impossible to traverse in any way the remarks of the Minister of Finance this afternoon. He had already dwelt upon the subjects that he discussed to-day in what I might call his first Budget speech a few days ago, and we also had his views expressed in the various committee stages when he introduced legislation providing for credits to Roumania and other countries. The House is therefore thoroughly familiar with the hon. gentleman's views, and the matters he touched upon have been fairly well discussed previous to this time.

I do not know whether it is well that I should refer to the Winnipeg riots. A condition of things has arisen in Winnipeg which we on this side predicted a few weeks ago. We charged the Government with inefficiency and ineptitude in the handling of this situation. The Government decided that it was time to do something and they

did something which we now see was the wrong thing; they have precipitated action, and we do not know where this is going to lead us. In any event, the whole of the labour organizations throughout the country are up in arms, and it is for the Government to attend to these matters inasmuch as they themselves are responsible from the very inception for the present condition of affairs.

May I conclude my remarks, Mr. Speaker, by quoting the words of a recent Canadian writer whose advice may be accepted with profit by the Government and by every member of the House. This writer says:

> The nations that refuse to learn and inwardly digest, whose statesmen, labour leaders and captains of industry and commerce proceed on their way serenely and imperturbably—the nations undisturbed by the gathering clouds of anarchy, whose leaders have souls so small and vision so narrow that they cannot find the way out of the well worn rut, whose sole conception of reconstruction is "business as usual." Will they be able to stem the onrushing tide of social unrest that has already swept into the maelstrom the mightiest European Empire and is rushing westward with gathering fury, to submerge and envelope other nations? Where in its ruthless path will it encounter the strong, arresting wall of enlightened public opinion reared on the solid foundation of social justice, against which it will impotently spend its force.

These remarks might well be taken to heart by the Government and particularly by the President of the Privy Council (Mr. Rowell), who makes a special study of social questions; and if there be any social unrest just now in the country, I think that hon. gentleman will have to accept his full share of the responsibility owing to the fact that he failed to see and to grasp the import of the situation which is now staring us in the face.

Hon. Mr. ROWELL: Before my hon. friend resumes his seat, I should like to ask him one question: Did I understand the hon. gentleman to say that in the statement I made to the House I disclosed Cabinet secrets?

Mr. JACOBS: What I did was to read, on the invitation of the President of the Privy Council, the statement which he made to the House, and it is for the House and for the country to say whether the minister divulged Cabinet secrets or not.

Hon. Mr. ROWELL: Apparently my hon. friend withdraws what he said. I understood him to say that I had disclosed Cabinet secrets. If the hon. gentleman said so, he said what was not true, for I did not do so. I said nothing in my address which was not based on knowledge acquired outside the Cabinet.

Mr. FRED LANGDON DAVIS (Neepawa): Mr. Speaker, as a preface to anything I may say later in criticism of the Budget, I would remark that I have a full appreciation of the difficulties of the Finance Minister at a time like the present. We have just come to a season when business is largely dependent upon governmental financing, and when as a result of that financing, prices have been disturbed, the business community upset, and the community otherwise is in an unsettled state of mind. Yet I think there are matters in the Budget which justify the course which I intend to follow on this occasion.

In the first place, the Budget has provided for the raising of about $300,000,000. If you go back to the Public Accounts of 1913-14 and eliminate the amount which we received from railways, thus bringing to a basis of comparison the finances of that period and the present, you will find that $150,000,000 was raised in that year. We all agree that the dollar has been cut in two by the events of the past five years. Hence in raising $300,000,000 to-day we are only taking up the slack in the value of money and we are imposing no more burden upon our people than we imposed in 1914 when we raised $150,000,000. The $150,000,000 of that day represents in goods and services as much as $300,000,000 is representing to-day.

Now let us consider for a moment what has taken place in Great Britain upon this question. The same alteration in the value of money and the disturbance of currency has been taking place, but there they have a Budget this year of approximately £1,200,000,000. They are raising by taxation £940,000,000 sterling, as compared with a Budget just before the war of £243,000,000, or four times as much. If we were levying our taxation to-day upon the same basis as they are doing we would now be raising about $600,000,000. You may say that would now be impossible, that it is not thinkable. Well, last year I had occasion to criticise the Budget in the same manner in which I am going to criticise it this year. I said last year, when the conditions were such as I then detailed, that we should have been raising $400,000,000 or $500,000,000 instead of the $270,000,000 which we planned for. Fortunately we got more. The same principle is at work on the present occasion. Instead of doing as Great Britain is doing, raising about twenty per cent of our necessities by

loans, we are obliged to raise somewhere about 55 per cent of our necessities by loans, thereby exaggerating the condition of expansion that now persists. When I say that, I think I should correct what may be a misapprehension on the part of some: I never expect that we will get back to the value of 1914.

I think that ultimately values are going to be greater than they were, and perhaps it is a God-send to the nations that that should be so after the experiences we have gone through; because if we had to pay the accounts of to-day in the services and goods of five years ago our debts would be double what they are. Hence I do not expect that. But, on the other hand, who will now say that the disturbance which has taken place in the values has reached its limit? The fall in the value of money now represents somewhere between 50 and 60 per cent. Is that all that it is going to fall? That is one question that is now disturbing the business community; that is one reason why wages and prices are not on a fixed basis, and why business is uncertain and in need of Government support, as we grant it is.

Now, in extenuation of, or excuse for the course that the Finance Minister has taken this year in not raising greater taxes and in going so heavily upon loans, it may as well be said at once that good national finance depends upon good trade and good industry—if you have not sound trade and sound industry you cannot have sound national finance. National finance is a superstructure built upon the conditions of business generally, and we all know that these conditions to-day are uncertain, and as I have said, perturbed. But I take it that what the radicals sometimes say is very largely true, that "politics are the soul of economics." By that they mean that our knowledge of how to do business, of how to make money, of how to produce goods for the benefit of the community, is not allowed to operate without disturbance. There is unavoidable political interference—the levying of taxes, the imposition of tariffs, trade restrictions in the way of patent rights and so on, interfere with just and equitable distribution. In this view politics may justly be said to be the soul of economics. Now we are reaping in large measure the penalties of not having raised more by taxation in the past, and especially are we now reaping the penalties in this, that our Finance Minister does not know, I believe, where to turn at present for more revenue. He is jealous about letting go imposts in the shape of tariffs because he does not see just how to replace them; and that is the position, I believe, of most members of this House when they come to consider that question. There are practically five large areas of taxation; your imposts, or tariffs, your excise, your income tax, your estates duties tax, and possibly, as a last resort, a land tax.

In Canada we have undoubtedly fully developed the tariff taxation; the imposts we have not neglected, whatever else we may have overlooked. Before the war we were probably the only country in our stage of industrial development which was relying wholly upon imposts and excise for all its federal taxation. Indeed, to-day, among the great industrial nations of the world—Great Britain, the United States, France, Australia and New Zealand—we stand with the highest tariff taxation and the lowest income taxation. Now, that being so, I take it that we have not been developing along the proper lines. The war caught us unprepared to embark upon any other method of taxation, and one of my criticisms of the Budget to-day is that the Finance Minister is not now developing the other sources of revenue which he is going to require if he is to do the full duty of a Finance Minister. What is that full duty? I will read a quotation which sets it out in better words perhaps than I could use myself?

> That great ministers were not those who balanced the national accounts by sparing the national forces while renouncing the politically indispensable outlay, but those who stimulated all the live forces of the nation to cheerful activity, and so employed them to national ends that the state revenue sufficed to meet the admitted political demand.

Now, Sir, we are not doing that to-day,—we are not able to do it. The one field of taxation which I see now open to us and immediately available is one which has always been condemned by English feeling and English practice—and that is a very great extension of our excise taxation. Some one may ask about the devolution of estates duties. Well, England to-day is raising from that source but three per cent of her total revenue, and England is an older and a much wealthier country than we are. Hence, what can we expect to raise from it? Probably the same proportion,—and then cut that in two or more, because the provinces have already entered upon that field, and we would have to make the duties exceedingly high if we were to get anything out of such taxation.

9 p.m.

Turn again to the question of land taxes. My own feeling is that of the Finance Min-

ister, that it is not advisable for the federal power to enter upon that field as long as there is any other recourse for us. It is better, more easily, and more economically administered by the municipalities and the provinces, and it is more germane to their finances. It seems to me that we should endeavour to come to some understanding with the provinces and get them, in lieu of our touching that field, to give us the income field of taxation. However, if that cannot be done, we are going to have to consider entering upon the taxation of land values in some fashion, and if we do that it is going to take us about three years at least to put it into any kind of shape so as to get any considerable amount of revenue out of it. I know that in our own province of Manitoba we put upon the statute book a Patriotic Duty Tax. It took us about a year and a half to equalize the assessments so that the weight of that tax would fall fairly upon all parties in the province. If it took a year and a half to equalize the taxation of one province alone, how long would it take us to get returns to equalize the taxation of the nine provinces of the Dominion?

I wish now to make an application of what I have been saying. For my own part, I have with regret to depart from the Government on this occasion. The promise, implied at least, is being held out to us that the tariff will be revised downwards. I get no explicit promise of it, I do not expect an explicit promise. Then I turn to the reductions contained in the Budget and weigh them out, and what am I bound to conclude? In the first place, that the situation is one in which they cannot carry out that downward revision. It is going to be impossible next year to give us that, because this year and in past years they have not developed those areas of taxation which would enable us now to shift the incidence of our tariff taxation. I think that is absolutely clear upon the face of it.

Again, let us look at what has been done in the way of the reduction of duties, especially with regard to agricultural implements. Here the vested interests of the manufacturers of Canada has been the basis of action; the reduction of tariff has been bought from them, and the price is a reduction of freight rates. It is absolutely indefensible, as a matter of finance, to mix up tariffs with freights. The manner in which this duty on agricultural implements has been dealt with shows that the Government is not headed toward a reform of the tariff in accordance with the demands of nineteen-twentieths of the people who sent me here and in line with my own political record in the past and what my own common sense suggests. Two of the men whom I last saw before I came back from my home last May were the president of the Conservative Association and the gentleman who would have been the Conservative candidate at the last election had we not had Union Government. They both told me that this question must be pressed to a finish; that we must not be slow to demand a reform which, in the West as well as in the East, is fundamental to reconstruction.

Why was there not an absolute elimination of the duty on cement, especially in view of the fact that the capitalization of the cement merger is largely water?—I I won't say what proportion. We are told by everybody that the cement people are well able to go into the markets of the world and take care of themselves; yet the people are still charged a duty of eight cents a barrel on cement. The manner in which the Government has dealt with this cement business is an indication of its intentions. The cement business is absolutely able to stand upon its own feet, but it is not being asked to do so; it, too, must be protected. How must I judge, then, of the future intentions of the Government with regard to the tariff if that is the line which they take now? As to the question of oils, perhaps the Western members asked what was not perfectly in line with principle. I think that the farmer ought to pay taxation upon operating costs just as well as any one else, but it is a severe tax. They asked for a reduction of the duty largely because consumers of oil in Canada are in the hands of the oil trusts of the United States, and they did not see any reason why the imposition of duties should be used as a pretext for the raising of the price to Canadian consumers.

I now come to the question of the duties on wool, cotton and leather goods. You will understand that we asked that the duties be taken off only the commoner varieties of these goods, and that a limited reduction be made a matter involving, perhaps, a $3,000,000 reduction of revenue, which would undoubtedly have been made up twice over by reason of the increased revenue derived from the importation of larger quantities of that class of goods. This would have done something to reduce the cost of living. Here are some significant figures which I got together recently for purposes of comparison. In the United States, out of an importation of $225,000,000 worth of wool,

$199,000,000 was free of duty, $26,000,000 dutiable, and $9,000,000 was collected by way of duties thereon. In Canada, out of an importation valued at $30,000,000, $6,000,000 was free, and we collected about $6,500,000 by way of customs duties upon the remainder. Do you wonder, therefore, that in Canada we are paying $18 or $19 per capita in tariff taxation, while last year the people of United States paid only $1.69 per capita? The Finance Minister said this afternoon that we cannot raise our income taxes beyond what they are in United States. But you cannot induce people to come here and live here if you ask them to pay from ten to fifteen times as much by way of duty upon these goods as they would pay if they lived in the United States, because no natural obstacle prevents their returning to the country whence they came.

Let us look for a moment at the duties upon cotton goods. Of course, the United States produce a great deal of their cotton, but their total importation was about $81,000,000, and ours was about $56,000,000, because we have to buy a great deal of our raw material. Of that raw material about $21,000,000 came in free, but we pay a duty of $9,000,000 on about $35,000,000. The United States, as I say, have their own raw material, but they import some special kinds of material for their own purposes, and of the $81,000,000 worth of cotton and cotton goods which they imported, $38,000,000 were free and $43,000,000 dutiable, the customs revenue from this source amounting to about $14,000,000. It must be remembered that United States duties are not on a flat rate basis, as ours are, they are not, for instance, 25 per cent upon all classes of a given commodity, the duties are scaled from 5 per cent upwards—7½ per cent, 10 per cent, 10½ per cent, and so on, so that the dearer the goods, the higher the duty, and vice versa. I cannot see why that principle is not a good one to introduce into our own tariff.

With regard to leather goods, the comparison is yet more striking. In the United States, of an importation valued at about $22,000,000, $14,000,000 was free and $8,000,000 dutiable. In Canada none of the importation is free; the $9,000,000 worth is dutiable. If the principle enunciated by the Finance Minister is right, that we cannot raise our income tax above what it is in United States, how can we expect to retain population when we impose duties which are ten, twelve, or fifteen times as high as the duties upon similar articles in United States? Our Government are conscious of the fact that capital is mobile and that it is free to move out, but they forget that labour is just as mobile and just as free to move out. This is one of the things that has been retarding the growth of Canada.

I was caused to look into the question of unemployment last year on account of certain inquiries which were made by the Committee on Agriculture. Some have wondered why the farmers of Ontario, after voting so strongly for Union Government, were so critical of Union Government six months after its formation. I do not know whether all hon. gentlemen know that the farmers of Ontario found themselves last spring 27,500 hands short of their requirements in connection with the spring work upon the farms. Only three or four years ago the Finance Minister said that our whole fiscal system had been revised with a view to building up our industries. That is true; that is the purpose of a high tariff, and it has effected its purpose in Canada. We have much more wild land than United States, being a younger community; our population, urban and rural, is distributed almost exactly as is the population of United States. But our fiscal policies have not been so designed as to cause the people to take advantage of the undeveloped natural resources which lie at our doors and offer to our people a means of profitable employment.

My great quarrel with the tariff is this, that you tax profitable businesses for the support of unprofitable businesses. That argument cannot be denied; it is admitted that that was the purpose at the beginning. It is only in the last stage that this may not be so, then the business is presumed to have become a national asset able to give us goods at world prices without protection. And the last stage in Canada—with protection continued—has now lasted how many years, and how many more years will it last if there be not resistance to the principle of protection?

Mr. JOHN A. MAHARG (Maple Creek): Mr. Speaker, before entering upon a discussion of the Budget, I desire to say one or two words with regard to some criticisms that have been made against the present Government and some of its ministers. I might also state that while it is my intention to give the Government full credit where I think it is due, it is also my intention to criticise as fully. Therefore, to make my position clear, I want to state first that I think the criticisms that have been coming from honourable members on your

left, Mr. Speaker, as regards the Prime Minister's absence and his work overseas have been absolutely uncalled for. The criticism has been unfair at times, and it would have been much better, not only for the work and the unanimity of opinion in this House, but for the country, had that criticism not been offered. No good purpose has been served, and, in fact, the criticism may have worked the other way. We have also had criticism of some of his colleagues and of the work they have been doing overseas, which criticism, I think, was entirely uncalled for. This is probably more or less of a repetition of some things I said during my speech on the Address in reply to the speech from the Throne, but as the criticism was still continued and in a probably more carping form, I thought it well, because I was in a position to know a good deal of what the ministers had been doing overseas as I spent some little time there, to make these remarks.

One feature that has been dwelt upon a little too much by both sides is the attempt that has been made from both sides of this House to make it apparent that honourable members were all so desirous of doing everything possible for the returned soldier. That desire coming from certain quarters of this House does not sound very good, and I imagine I hear some of the returned boys using language something like this, probably with the addition of very strong superlatives: What cant! What hypocrisy! I can imagine hearing the returned soldier saying: Why do they not really do something for the returned soldier if they are all so anxious about him? Immediately, however, you suggest some things that could be done, they all hold up their hands and say: It is entirely out of the question; it cannot be done; it is too complicated. Such excuses as these have been offered repeatedly. One thing this Government could have done—and I think this entire House would have supported them had they seen fit to do it—was to make it possible for the returned soldier to get the complete outfit of clothing which each of them has to procure when he comes back, without paying into the treasury a duty of from 20 to 47½ per cent on the same. That may not seem much, but if you look into it for a moment or two, you will see that it amounts to large proportions. Some 400,000 soldiers have returned or will be returning to Canada, and each one of them has to buy a complete outfit of clothing immediately he comes into civilian life. I know from personal experience that the average cost of each outfit is considerably over $100, so that these returned men will have paid in the neighbourhood of $50,000,000 to purchase clothes to get back into civilian occupation again. That does not include working clothes at all; that is just for the clothes they require before they can go into their own homes and step out amongst the public as civilians. There is a duty of from 20 to 47½ per cent on the articles they have to buy. Some hon. members will say that that duty is not imposed—that prices are not raised as a result of the duty. Well, we have had several representatives of manufacturing industries in this building during the last few days, and some of them have had to admit that if you take the water out of their stock, they have been making in the neighbourhood of 300 per cent profit. Whether that is taking advantage of the duty or not, I do not know; if it is not taking advantage of the duty, it is taking advantage, by the kind permission of this Government, of the returned soldier, so that there is something wrong somewhere. The amount may not be very great, but if you figure it out you will find that these returned men will have paid about $15,000,000 duty in the rehabilitation of themselves as regards civilian clothes.

Another reason why I am just a little inclined to criticise this Budget is the tendency of the former colleagues of the ex-Minister of Agriculture (Mr. Crerar) to endeavour to land the blame for everything that is mentioned in this House on to the shoulders of the ex-minister. Practically all of his former colleagues, so far as I have heard them—possibly some have spoken whom I did not hear—have endeavoured, when any criticism was made, to place the blame on him. The Minister of Immigration and Colonization (Mr. Calder) was the first to attempt to do this, and he criticised his former colleague severely. Of course, he started out by eulogizing him, claiming that he had been a strong arm to the Government, that he had been a faithful worker all the way through and had rendered very valuable services to the Government;—but almost in the next breath he practically questioned his honesty of purpose by saying that he was afraid that some members of this House were playing politics, were thinking of nominations and votes that might be got two or three years hence. I think that, to say the least, that is not a creditable thing for a minister of the Crown to say in the House, especially when he had

just finished complimenting the person referred to. As I said, he undertook to question the sincerity of purpose of the ex-Minister of Agriculture in taking the course he has taken. The minister (Mr. Calder) is probably not aware that the people of Western Canada may have an opportunity of deciding just whose purpose was sincere, and I would ask nothing better than to have even the people in the constituency of the Minister of Immigration and Colonization pass judgment on the honesty of purpose of the two hon. gentlemen. It would be of very considerable interest at least if we had such a contest in that particular constituency.

A short time after that, the President of the Privy Council (Mr. Rowell) took part in the debate, and discussing the question of the high cost of living he said that if the Government had not done anything to reduce the high cost of living, or words to that effect, the ex-Minister of Agriculture was responsible for it. He said that the Government had done everything that the ex-Minister of Agriculture had asked them to do. The hon. member for Red Deer (Mr. Clark) asked the President of the Privy Council if the ex-Minister of Agriculture had ever suggested removing the tariff in order to reduce the high cost of living, but he (Mr. Rowell) immediately side-stepped that question by saying that that matter would be attended to later when the proper time came. Perhaps the proper time has not come yet. At all events the question, which I think was very pertinent and should have been answered, has not been answered yet.

With regard to the Budget I am in accord with some parts of it, particularly the advanced step that has been taken in the matter of direct taxation by way of income tax, and the maintenance of the excess war profits tax. The increase in the income tax is no doubt very satisfactory, and my only criticism of it is that it should have gone further. Possibly it is the intention of the Minister of Finance to make income taxation higher at another session, and I can assure him that if he does he will have the hearty support of the western representatives, or at least such of them as represent agricultural constituencies. With regard to the excess war profits tax there is one feature that is very, very unsatisfactory, and one which I do not think has been mentioned so far in this debate. I refer to permitting companies that have paid the war tax in any one year to charge the amount they have so paid against their profits the next year before the war tax of that year is applied. Take an example. A company pays $100,000 in war tax, we will say, for the year 1917. Now that company is permitted to charge that $100,000 as a working expense against the year 1918. It is quite possible that that company may have over $100,000 clear profit for 1918, and yet not be called upon to pay a single cent of war tax. I do not know what the object of this provision was. If it was an oversight, it has not been rectified yet. I know concerns which have paid $300,000 to $400,000 in excess war profits taxation and were permitted to charge that amount next year against their operating expenses, the result being that although they had immense profits their war tax for the next year amounted to practically nothing. I think this should be remedied. The taxation paid in any one year cannot fairly be regarded as a legitimate charge against the operating expenses of the next year.

There are other features of the Budget that are commendable so far as they go, but taking the Budget as a whole, we find that instead of the tariff being decreased there has been an increase all round. The Minister of Finance tells us that there will be $17,000,000 less in amount collected this year on account of reductions made, providing our imports are on the same basis as last year. But he did not tell us that there would be an additional $28,000,000 to counteract this by increases made; so that instead of there being a reduction in the tariff all round there is a considerable increase. I think the ex-Minister of Agriculture (Mr. Crerar) put it quite fairly when he said that this Budget can be considered a protectionist Budget without any exaggeration.

Another feature of the Budget which has been referred is the reduction of railway rates to put the Canadian and the American manufacturer on the same footing so far as freight rates are concerned. That is all very well, but it does not help one particle those who are purchasing implements. It means that there has been practically no reduction whatever by way of the tariff on the total profits of the manufacturers, for what they lose on the tariff they will practically make up in reduced freight rates and rebates on raw material. As the Government is so anxious to put the Canadian manufacturer of implements on the same basis as the American manufacturer, I wonder why they could not see their way clear to put the Canadian user of these implements on the same footing as the American user. I think that would have been

only fair, and had it been done there would have been much less criticism of the Budget, although there would still be room for criticism of it along other lines.

When the Minister of Immigration and Colonization (Mr. Calder) was criticising the ex-Minister of Agriculture I could not help wondering what was in his mind when he addressed himself so particularly to the hon. member for Macdonald (Mr. Henders). I wondered if just then he could not be considered as playing politics to a slight extent, and playing it in an entirely different way from that in which an hon. member who was opposed to this Budget would be playing politics. Of course, I do not suppose for a moment that he would do anything like that. I might just say, however, that the Minister of Immigration and Colonization has held a very unique position indeed in Canadian politics. He has been in public life for a long time, particularly in the province of Saskatchewan, and while he has been known in Government circles as a minister of several different departments—he has been Minister of Education, Minister of Highways, and so on—he is popularly known throughout Saskatchewan as the "Minister of Elections." I think it was the hon. member for Dorchester (Mr. Cannon) who remarked the other day that it was just possible that that mantle was slipping from the shoulders of a certain gentleman, a former member of this House, who had been distinguished in that particular line for some considerable time, and I thought he was not very wide of the mark. Events are occurring daily which point that way. All I will say on that is this—if this Government needs a Minister of Elections they will find a very capable one in the Minister of Immigration and Colonization who was so free in his criticism of the ex-Minister of Agriculture.

He also made another statement to the effect that the people of certain constituencies were not thinking of the tariff during the 1917 campaign. Well, he must have had a different experience from mine, and I think probably I took almost as active a part in the election in Saskatchewan as did the hon. minister. At any rate, I gave my entire time to that work for several weeks, and I am in a position to say that it was a very live issue. While, of course, the one outstanding issue was undoubtedly the securing of necessary men and means to prosecute the war to a successful conclusion, yet there was another current running all through, and the minister knows very well that that issue was prominent in the minds of the people at that time. But even if it was not, I might say for his information that it was not long after that until it was very present in their minds. One statement of the hon. member was that the city of Moosejaw has been continuously represented by a Conservative. I wonder if he is so unfamiliar with happenings in his constituency as not to know that the city of Moosejaw for the last year or more has been represented by a staunch Liberal, who was a strong supporter of the Laurier Government for years in the House of Commons and who was elected by a substantial majority. Furthermore, this same gentleman was a strong opponent, in the campaign of 1917, of the hon. Minister of Immigration and Colonization. When the hon. gentleman expresses the opinion that the people of Saskatchewan are not thinking of tariff questions, I will tell him, to use a vernacular of the street, that he has another "think" coming, and I would advise him—that is, if he contemplates dealing with the same constituency—to be just a little better informed as to what is in the minds of the people in that particular part of the country.

Another feature of the Budget to which I might refer is the fact that it does not in any way deal adequately with the necessities of life. Now, I know that some will say that the 7½ per cent super-war tax was removed on foodstuffs. We grant that, but that cannot in any way be considered as dealing with the tariff. It never has been spoken of as a tariff at all. But now all that remains of this tax in so far as the tariff is concerned becomes a part of the regular tariff, and we are informed that it will remain as a tariff until the revision takes place, whenever that may be.

Now, Mr. Speaker, we are expected to confine ourselves as closely as we can within a certain limit of time, and as the hon. member who preceded me dealt very fully with the different aspects of the tariff and the methods of raising revenue I shall pass that consideration over for the present. But there is another feature that I am compelled to touch upon, and that is the seemingly intense desire of certain supporters of the Government to discredit the agriculturists of Western Canada. I am sorry that a matter of this kind is brought up so frequently, but just so long as it comes up in this House, I, as a representative of agriculture, am going to refute to the best of my ability any erroneous statements that may be made.

This matter has been dealt with by several hon. members, and I think the hon. member for Frontenac (Mr. Edwards), who, I believe, is in his place to-night, was about the first to introduce it. Personally, I do not think the subject should be discussed here to the extent that it is, but it is not my fault, and I am bound to defend our position. The hon. member begins by attacking the ex-Minister of Agriculture and myself as being at the head of large corporations in Western Canada. He did not properly name them, but his intentions were quite plain. He associated me with one institution in Saskatchewan, and for his benefit and the benefit of other hon. members I may say that the name of that institution is the Saskatchewan Co-Operative Elevator Company, Limited. The hon. member is in his seat and he will in future at least be properly informed as to the name, if he wishes to refer to that company again.

Mr. EDWARDS: Is my hon. friend the president of it?

Mr. MAHARG: Yes, sir. I have been ever since its inception seven or eight years ago.

Mr. EDWARDS: May I observe that in stating that there was such a company and that my hon. friend was president of it, I mentioned two facts, and that can hardly be construed as an attack on my hon. friend.

Mr. MAHARG: Your facts were perfectly clear in your own mind, but they were absolutely at variance with the real facts according to figures. I will say that for your benefit and the benefit of other hon. members of this House. One of the things the hon. member stated, and I do not know whether or not it is that to which he now refers, is that the ex-Minister of Agriculture and myself were receiving, as he understood, salaries anywhere from $15,000 to $20,000. Did you state that as a fact?

Mr. EDWARDS: Mr. Speaker, I said that my information was—I could not say whether it was correct or not—that the President of the grain company, that is, the ex-Minister of Agriculture, was receiving anywhere from $15,000 to $20,000. I did not credit any such amount to my hon. friend (Mr. Maharg). My impression was that he was getting only about $5,000 or $6,000.

Mr. MAHARG: Are you giving that as a fact? You say you stated two facts. I would like to know if that is one of the facts you gave.

Mr. SPEAKER: Order.

[Mr. Maharg.]

Mr. MAHARG: Did you state that as a fact?

Mr. SPEAKER: Order.

Mr. EDWARDS: I have already told you.

Mr. MAHARG: Well, all right.

Mr. SPEAKER: Order. It is altogether irregular for an hon member who has the floor to interrogate any member in his seat, particularly a member who has spoken.

Mr. MAHARG: I beg your pardon, Mr. Speaker, but it was the hon. gentleman in his seat who started the interrogation.

Some hon. MEMBERS: No, no.

Mr. MAHARG: Very well. Now we will proceed to examine a little more closely these statements of the hon. member and try to ascertain whether or not they are facts. In the first place, Sir, your humble servant is not receiving any such salary as $5,000 or $6,000, not that he could not have got it, not by any means, I could have received a nice fat salary if I had left the present company and taken up a similar position in another company that was starting up in active opposition to the farmers' own company. But we were not out to make money. We were out to regulate conditions, and we have succeeded fairly well in doing so; and for the benefit of the hon. member for Frontenac I might go further and say that we have employees receiving double the salary I am receiving, and more. So that, so far as I am concerned, it is not a question of money but of giving service to the people. We have succeeded very well in serving the people, and I may take this opportunity to inform the hon. gentleman just why these companies were brought into existence. In the West at that time we were under the thumb of as big a combine probably as ever existed in this or any other country. It had its roots from one end of the continent to the other and was known as the great grain combine. The people of Western Canada organized to throw off its influence in the same way as we propose organizing to escape from the grip of some other great corporations which possibly may not have their entire interests in Saskatchewan.

The hon. gentleman also undertook to compare Victory Loan purchases in Ontario with those in the western provinces. That is all very well. We all know that Ontario subscribed very largely to Victory Loans, but the hon. member took very good care not to mention the donations to the different patriotic funds in those provinces.

All I need say in this connection is that it is impossible for a person to give and purchase with the same money.

The hon. member for Brantford (Mr. Cockshutt) as usual had to indulge in his little tirade against the Western farmers, or the Western grain growers, or whatever he chooses to call them. He also had to talk about the profits they made. He made this proposition: He offered to swap—I think that was the word he used, or a similar expression—profits, with these companies. Not knowing what the hon. gentleman's profits were, I am not in a position to say whether it would be advisable to do that or not. But I have a counter proposition to make to the member for Brantford, and it is this: If he will give our concern the one-thousandth part of the profits that he made out of our shareholders, we will give him the entire profits that we made out of his shareholders. The profits of our concern were not made out of the shareholders of the manufacturing establishments, or the owners, or any of those connected with the industries. The profits that our concern derived were made from the shareholders of their own company—that is, if you like to call them profits. We do not call them profits, we call them savings that were made by handling our own goods instead of having to handle through other channels. If manufacturers followed the same procedure and made their entire profits out of their own shareholders, there could be no criticism of that whatever. But they seem to take the opportunity, whenever they fancy they have it, of criticising the farmers' company because they are making money within their own business which in other years they have been allowing others to do for them. I might go further and say that the charges which our concern makes are largely fixed charges—fixed by this Government in the one case and by the Grain Exchange in the other. So that if they are making profits they are doing so because their charges are fixed and they have to take those charges according to the provisions of the Grain Act and the rules of the Winnipeg Grain Exchange. Therefore, I do not think there can be very much complaint on that score. The hon. member for Brantford also stated another instance; he said the city of Toronto paid more duty than any of the Western Provinces. I quite agree with him that it does, but he knows just as well as I do that when the city of Toronto pays that duty it passes it on to the other fellow, just as it does in the case of a great many other things, and Western Canada pays its share of it every time. It is not the people of the city of Toronto that pay that duty by any means. It is paid on raw material, and such like goods, as Toronto is a port of entry. Duty is paid there on millions of dollars worth of goods but these goods pass on to other destinations and the final result is that the people, probably two or three thousand miles away from the port of entry, pay this duty. I think it would be only fair if hon. gentlemen would at least consider both sides of the case and not be eternally harping on the great patriotism of the city of Toronto and the province of Ontario as a result of considering only one side of the question.

Another peculiar trait, if I might use the term, was displayed by the member for Brantford in connection with the proposed tariff committee. The hon. gentleman was very anxious to know what this committee on the tariff were going to do; if they were going to put the duties up, he was going to hold up both hands for it; if there was any possibility of their revising the tariff downwards, he did not want a Tariff Revision Committee appointed at all. Now that denotes the fair-mindedness of the people we have got to contend with here, and against whose accusations we have to spend a great deal of our time defending ourselves. There was another hon. gentleman, the member for St. Antoine division in Montreal (Sir Herbert Ames), I believe. I would not be sure of his constituency but he is a large boot and shoe manufacturer.

Sir HERBERT AMES: I plead an alibi. I have not spoken in this debate so far.

An hon. MEMBER: The hon. gentleman is barking up the wrong tree.

Mr. MAHARG: It doesn't necessarily follow that you spoke here. It was possible for you to speak in another way.

Mr. SPEAKER: The hon. gentleman should address the Chair and not another hon. member.

Mr. MAHARG: Very good, Mr. Speaker, I will be happy to act upon your suggestion. The hon. gentleman (Sir Herbert Ames) took another course than speaking in this Chamber. His method was to place questions on the Order Paper. He had the idea that he could show the position of the western farmers in so far as the income tax is concerned. He was not worrying himself about the eastern farmer. Oh no, he didn't want to

touch him, he wanted to leave him in the same position. He was very desirous of being friendly with the eastern farmer and therefore did not mention him at all. But he was very anxious to know just what income tax the western farmer would pay. When the answer was given, he found out that for the hundreds of farmers that paid income tax in the province of Ontario—the great province that we have heard so much about in connection with the Victory Loan—there were thousands of farmers that paid that tax in the province of Saskatchewan. So my hon. friend's questions came back to him, I am afraid, in the form of a boomerang. As the question has been raised, I want to give an illustration of why income tax returns have not come in promptly from the farmers in the West, and for the purposes of that illustration I will cite my own experience. We all know there was difficulty the first year in getting the tax forms out, but we were prepared to make allowance for that. The forms eventually came along and probably about the early part of last June, when I was able to make a return, I sent in my forms filled out to the best of my ability. I heard nothing more in regard to those forms until the House was again in session. Then, during the month of April last, I received another form from the Income Tax Department for me to fill out, giving the different amounts received from the various sources on the farm, almost one year after I sent in the original forms that I was requested to fill in. How can you expect people to fill out their forms and send them in if the officials connected with the department in charge of the income tax do not attend promptly to their duties? My explanation shows that instead of the blame being attached to the farmers the blame rests upon the department that is carrying out the income tax law.

Then we have another protectionist gentleman who comes from British Columbia, the hon. member for Fraser Valley (Mr. Stacey). He indulged in some remarks condemnatory of the platform of the Canadian Council of Agriculture. Among other things he states that in this resolution they say—I forget for the moment the wording but the meaning is this—no tariff assistance should be given to any one class of people without first considering the interests of all the others, and of the nation as well. I would like to ask the hon. member if he has any knowledge of the consideration the fruit growers of British Columbia gave to the agriculturists of Western Canada, whom they expect to purchase their apples, when they came down here and got the Government to increase the tariff on apples by thirty cents a barrel? —from sixty cents to ninety cents. Did they discuss that increase of duty with the western farmers, whose platform they are criticising? They did not. However, they came down to interview the members of the farmers' organizations shortly afterwards. A cry went up from Western Canada that if this was the way the British Columbia fruit growers were going to use us we would purchase American apples. Then the fruit growers of British Columbia came down post haste to see the officers of the different farmers' organizations, and they pleaded with us not to purchase American apples. They said: "Oh, we are not going to raise the price of our apples, we are not going to take advantage of the higher duty; give us your orders and you will see that we will not take advantage of that duty." But when their price list came out we soon saw very clearly whether they had taken advantage of the duty or not: it was apparent that they had taken advantage of it to the very fullest extent. Then another issue came up a little later, when an agitation was raised in connection with the admission of oleomargarine into Canada. There are large dairy organizations throughout the West, and a cry went up all over the country against the introduction of oleomargarine into Canada at a time when butter could not be purchased in the Old Country, and a movement was inaugurated here to release some of the Canadian butter in order to supply the demand in the United Kingdom. They came along and solicited our support to prevent the admission of oleomargarine into this country. They were not considering the interests of anybody else at that time. This is what we object to, this camouflage, if you like to put it in that way.

Mr. SUTHERLAND: Who do you mean by "they"?

Mr. MAHARG: The people referred to, the Dairymen's Associations of the Western country. They came to the organizations in the prairie provinces asking for assistance against the admission of oleomargarine into Canada. Then the same hon. gentleman goes on to defend this Government in their inactivity so far as labour troubles are concerned. He starts out by saying that the difficulty in Western Canada is not due to labour conditions,—that the labour people are not causing the

trouble. But later on he forgets himself and says that we are to blame for the labour trouble in Western Canada, and a little further on he says that the only solution for the great unrest is close co-operation between employers and employees. Yet he claims that it is not a labour trouble. So far as the trouble in Western Canada is concerned, Mr. Speaker, it is not of recent origin at all. There has been trouble brewing there for years. It was quite evident before the war broke out, and had there been no war you would have had just as serious labour troubles as you have there at the present time. So there is no use getting behind the red flag and saying that this is a revolutionary movement. There may be some persons who would like to turn the trouble into a revolution, but in so far as the actual labourers are concerned, they are not out for revolution by any means, all they are out for is a fair and just deal so far as their employment is concerned.

Mr. STACEY: That is what the hon. member said.

Mr. MAHARG: I have Hansard here; if my statement is not correct, why, all right. As I said at the start, Mr. Speaker, the ground has been fairly well covered, and it is not my intention to take up much further time. But I would just like to mention, in connection with the high cost of living, what has been done in the old country. The President of the Privy Council (Mr. Rowell) used words to this effect, I think, that Canada had done more work to deal effectively with the high cost of living than any of the other countries at war, that even free trade England—

Hon. Mr. ROWELL: If my hon. friend will permit me—what I said was that in regulating packers and cold storage warehouses we had passed more drastic regulations and had more strictly limited their profits than any other country in the world.

Mr. MAHARG: My point is to show what has been done in the old country so far as the labourer is concerned. The hon. gentleman mentioned the ninepenny loaf. So far as I am aware bread was the only thing dealt with—there may have been other things—but this will suffice as an illustration to show what the Government of Great Britain did in the matter of reducing the cost of living for the labouring man and taxing the wealthy to pay it. Previous to their taking action the ninepenny loaf, as they call it, was costing one shilling and two pence—that would be fourteen pence. Originally the price had been four pence. The Government took measures to fix the price at nine pence, and the loaf has been called the ninepenny loaf ever since. Now, to make up the amount that the Government had to pay by way of subsidy to the bakers—and it was a large amount, in the first year amounting to something like £40,000,000 and in the second year to £60,000,000—in order to make better living conditions, every last dollar of that subsidy was taken by way of income tax out of large incomes,—the burden was removed from the shoulders of the working man and transferred to the shoulders of those who were in a position to pay. If our Government could have seen their way clear to do something like that I think it would have been a real benefit so far as our labouring men are concerned.

Mr. EDWARDS: May I ask one question? Does my hon. friend favour this Government fixing the price of wheat?

Mr. MAHARG: Yes, for the benefit of the producer and the consumer I have no hesitation in saying that I think the Government should fix the price of wheat; whether they fix it at a high or a low price is not the question. We have had that matter under discussion right in this building to-day. I think the consensus of opinion of practically all men handling wheat is that it is the only way it can be successfully handled this year. We are not asking for a good price or any price, but we are asking that the Government take control, because that is the only way to handle our wheat. The hon. member for Brant (Mr. Harold) made one or two remarks in regard to some of the proposals of the Western farmers. He expressed doubt as to the working of the single tax, or the tax on unimproved land values, and said he would like an explanation as to how such a tax was to be applied. I remember in discussing it last session that some hon. members were of the opinion that this tax would apply only to unimproved land, and that just as soon as it was all improved you would get no tax whatever from that source, and they said they could readily see why the farmers of Western Canada wanted to have a land tax as they were eventually going to escape paying it altogether. That is entirely wrong. The principle of the taxation of unimproved land values is that you will tax all land at its unimproved land value. It matters not how many improvements the land may have on it, it matters not if it

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has thousands of dollars worth of buildings on it and is all under cultivation,—if there is a section or a farm alongside it not improved, the improved land will pay no more taxation than the unimproved land value, and it will continue for all time paying taxation on that value. So there is no possibility of western farmers eventually escaping payment of a tax of that kind. We think that is a fair and equitable basis on which to raise a certain proportion of the taxes of this country. We do not believe all our revenue could be raised that way, it would not be desirable that it should, but we think that the major portion of it should be so raised.

The hon. gentleman also used as an argument against any reductions in the tariff at this particular time that the United States had not seen fit to deal with their tariff during the war. There is a very good reason for that: The United States Government saw fit years ago to do exactly what we have been asking this Government to do. Their food, clothing, farm machinery, boots and shoes, and all leather goods have been coming in free—exactly what we have asked this Government to give us. Then another reason the hon. gentleman gave against the free entry of goods was the question of cream separators. Cream separators had been mentioned as an illustration of a line of manufacture that had worked successfully without protection, but he said they were covered by patents. Now, I imagine that by next session possibly the hon. gentleman will try to apply that to binder twine also, but I think he will have quite a difficult task in explaining why the Canadian twine manufacturers are able to compete with foreign rivals, and certainly the question of patents can not apply there.

However, possibly they will find some excuse. The hon. gentleman says that there is a discrimination between the freight rate on wheat and the freight rate on agricultural implements. He might just as well suggest that the freight rate on wheat should be the same as the freight rate on sand, gravel or stone; his argument would be just as much to the point. All these rates are classified according to the value of the goods, the space they occupy in the car, and so on.

As I have listened during the last few days to the excuses offered for the failure to make further reductions in the tariff, I have been wondering what excuse will be furnished next. Right along we have been furnished with all kinds of excuses. Last year it was the war; this year it has been the war and demobilization. But demobilization is very nearly completed now, and the excuse is being switched to the unrest in the country. If the unrest is successfully coped with and things become normal, I do not know what excuse will be offered next for inaction in regard to the tariff, but a suggestion in that regard came from an hon. gentleman who addressed the House the other day and who said that we would have to look after the Asiatic manufacturer next. Well, I do not think we shall have much worry in that connection, but no doubt some argument of that kind may be advanced as a reason why no tariff reduction should be made. It is amusing to see the way these excuses shift from one thing to another. I have no doubt that when we come here next year and ask for revision of the tariff, some other excuse will be offered and we shall be asked to believe that it is just as important as any that we have had so far.

So far as the amendment of the member for Brome (Mr. McMaster) is concerned, some parts of it are entirely satisfactory to the members from the West, but other parts of it are so indefinite as to be entirely unsatisfactory. The Opposition, having brought in a previous amendment, had to frame a resolution which the Speaker would allow to come before the House, and this may account for the vagueness of some of the clauses of the amendment. It is not because of faith in the Opposition that I support the amendment. We have had very plain indications from that side of the House that there are protectionists over there just as there are on the other side; so that there is very little to choose from.

But the amendment goes far enough to advocate the removal of the duties on foodstuffs and on raw material entering into the manufacture of implements necessary to the production of these foodstuffs, so that it goes a long way to meet the platform of the Canadian Council of Agriculture. We are anxious and always have been that taxes on food should be entirely removed; we could not ask that other taxes be removed and not ask that the taxes on food be removed. As the amendment goes a long way in that direction, it is preferable to the Budget. However, other matters have to be taken into consideration. Some of the methods suggested by hon. gentlemen on the Opposition side for the reduction of the high cost of living are things that we have been asking for for a long time. The leader of the Opposition mentioned one—Governmental control of cold

storage plants. For the benefit of the leader of the Opposition, I may say that years ago we asked the Government of the late Sir Wilfrid Laurier, of which he was then a follower, to take over the cold storage in this country from one end to the other. We knew that sooner or later the entire cold storage activities would get into the hands of private corporations in a way that would be detrimental not only to the consumer, but also to the producer of the live stock which goes through the abattoirs of the country. The advocacy, therefore, of Government ownership and control of cold storage plants is in line with what we have been contending for in Western Canada. I mention this simply to show that certain views expressed by the Opposition coincide with the views of the Canadian Council of Agriculture. For these reasons I find it my duty to support the amendment.

Mr. ROBERT H. BUTTS (Cape Breton South and Richmond): Mr. Speaker, I have on quite a number of occasions been pronounced out of order in this House. While I sometimes complain of the decision of the Chair, I shall not complain to-night if both the Chair and the House consider me out of order if I take up very much time, having regard to the temperature. Let me congratulate the Government, and particularly the Minister of Finance (Sir Thomas White) on the many excellent features of the Budget. I feel that I am justified in saying—and I am more at liberty to do so because the minister is not in his chair—that such a Budget speech, or such a speech on financial matters as was delivered by the Finance Minister this afternoon, has never been heard in the Canadian Commons. The reading section of the country—even those people who cannot read but may hear read either of these addresses—will have, I think, added confidence in the Finance Minister; will have a greater confidence in him than has been reposed in a Finance Minister of this country since the day's of Canada's inception. They cannot but feel gratified at the comparison which the Finance Minister made between the position in which Canada finds itself after the struggle through which she has gone and the position of the other countries to which he referred this afternoon. I say, therefore, that I will support the Budget in all its fulness. But there is one point to which I wish to direct the attention of the Government and the Minister of Finance, more by way of recommendation than anything else.

The address delivered this afternoon by the Minister of Finance was so much in contrast with some of the speeches delivered by gentlemen on the other side of the House that I could not help remarking the difference.

Let me begin by remarking that one or two hon. gentlemen opposite, since this debate commenced, called attention to the fact that the ex-minister of Agriculture (Mr. Crerar) has resigned his seat in the Cabinet and that no explanation whatever came from the Government. One hon. member also referred to the fact that the hon. member for Colchester (Mr. McCurdy) had resigned his office and that no explanation ever came from either that hon. gentleman or the Government. This thought came to me while that hon. member was speaking: Would it not occur to him that the Opposition have gone through this session without a leader and no explanation is forthcoming from them? Would it not occur to that hon. gentleman that before they appointed a leader at all, they appointed a committee to look after the affairs of the Opposition during the session, and then they appointed a leader pro tem, and, they brought him to a banquet in Montreal in order that he might proclaim the fact that he was not the leader but only the leader pro tem. There is no explanation coming to the House about that. One sees how it is that certain persons rush in where angels fear to tread.

Mr. McKENZIE: The hon. member, if he were in the House at the time, would know that the first time I addressed the House in the capacity of leader, I explained from my seat what my position was, and he will find my remarks on Hansard.

Mr. BUTTS: That simply strengthens my remark. There has been a good deal of debate in regard to free trade and protection. Let me ask some of those extreme free traders to look over the history of Canada. I am not going to labour the question, because it has already been well argued and almost every argument pro and con has been laid before the House, but let me ask them: Where do they, the free traders, fit in? Was there ever a free trade Government since 1878? Has it not been protection, whichever party was in power? Have both parties not carried out exactly the same policy in every particular? Why, even if you go over the reciprocity pact, you will find that the late Mr. Paterson, who was one of the gentlemen who went from here to negotiate it, kept up the protection on

his own biscuit and confectionery to 26 per cent. Under protection this country of Canada has built over 30,000 miles of railway; under protection she has built a system of canals that have cost, perhaps, $300,000,000; under protection she has built up all the harbours and public works of every description. My hon. friends opposite had a very fine opportunity of, as the late Sir Richard Cartwright said, destroying the tree, root and branch. They had fifteen years to do it, but did they have the courage at any time to attempt it? I ask my free trade friends: What have they to expect from the gentlemen of the Opposition? I have followed, since I was a very young boy, the politics of this country, and I never knew a free trader in this country except a Grit that was in the Opposition. I was not altogether surprised at the remarks of the leader of the Opposition (Mr. McKenzie) the other evening, because they only confirmed the opinion I had of his opinions. The honourable gentleman said:

> While we may have iron and steel in the raw state in this country, there may be others who can pour their products into this country and keep us forever from having any industry of that kind for our own. If I were to say that and to allow the natural resources of this country to remain forever in a dormant state, I do not consider that I would be doing what would be in the best interest of my country or in the general advancement of the people.

And he continued:

> If to take some specific object of that kind and provide for it in the way in which I think it should be provided for is Toryism, or protectionism, or unreasonable, as regards the general trade of the country, I must plead guilty.

That is pretty nearly as clear a pronouncement of protection as ever came from a professed free trader, even in the Opposition. I have no doubt in the world that my honourable friend was sincere when he made that statement. I ask honourable members, particularly the free trade gentlemen of the West: Where is your hope? If you had any at the beginning of this Budget address, it must have been shattered by the speech of the leader of the Opposition, for you can see from those very remarks of his that we are now all of one Lord, one faith, one baptism; we are all protectionists. But to some of the remarks of my honourable friends, the free traders from the West, I ask them if they think of the other side, or is it not true that they confined their remarks entirely to their own interests, forgetting the interests of the other different parts of this Dominion? What do they expect of us in eastern Canada

when four or five or six years ago we were buying their flour at $4.50 to $5.25 a barrel, and are now paying $14 a barrel for it? Have they any complaint to make of us, or is it not we that should be complaining? When my friends who come from different districts of Ontario and Quebec where they manufacture leather goods and other articles of that description find out that the shoes I was wearing five or six years ago cost $4 or $5 a pair and that I have now to pay $11 or $12 for similar shoes, have they still any complaint? No, but they will complain if they have to pay an extra dollar on the price of coal or steel, notwitstanding the fact that we sent from Sydney harbour as far as Prince Rupert steel rails at a cheaper price than they could be bought in the Soo, after our rails had been transported by way of the Horn. And still western members complain that they are not getting fair play, although we are giving them rails, taking them all the way around the Horn, a ninety-day trip, and laying them down cheaper than they can buy rails in Ontario or the United States. It makes a great deal of difference whose ox is gored.

About the only matter I really wish to bring before the Government is that of shipping. At the outbreak of the war in 1914 we had a splendid fleet of ships plying from Sydney harbour and a few from other ports in Nova Scotia to different ports on the St. Lawrence, principally to Montreal, Three Rivers and Sorel, which would be the three largest ports.

We had ships of the Storstadt type, which you will remember collided with the Empress of Ireland in the river St. Lawrence. The Storstadt had 11,000 tons of coal on board when she collided. We had also a number of ships of a similar type. In Nova Scotia in those days we were producing over six million tons of coal, and with the exception of the domestic consumption of Nova Scotia and what we burned in our coke ovens and blast furnaces, our output of coal went largely to river St. Lawrence ports. We were able to hold our market there on account of the cheap transportation. It may surprise hon. gentlemen to know that we could ship coal from Sydney Harbour to the city of Montreal for less than 60 cents a ton. However, when the war broke out, I have no doubt that the necessities of the war made it necessary for our ships to be commandeered. We did not complain, for we knew that the necessities of Canada and of the Empire were paramount. These ships have since been under

the control of the British Shipping Board. At the time they were taken over they were carrying something like four million tons up the St. Lawrence. I think the figures for 1913 or 1914 were in the neighbourhood of 4,300,000 tons. Now, when those ships were commandeered we could not ship coal to the St. Lawrence because we had no ships to transport it, and but for two things there would have been a considerable amount of unemployment in our province. The first thing that prevented it was the way in which the young men of Cape Breton enlisted. No sooner did the call come than they sprang to the sword in larger numbers, I believe, than was the case with the great majority of the counties of the Dominion. That relieved us of a great deal of unemployment. Secondly, a short time afterwards, on account of the location of our harbour, large fleets of ships came there, of from 9,000 to 20,000 tons, and were formed into convoys of thirty to forty ships and were convoyed across the ocean. These convoys left Sydney Harbour almost every week, and of course they consumed a large amount of coal for bunkering. These were the two chief factors which prevented a large amount of unemployment. We thought that as soon as the war was over the British Shipping Board would return to us all the shipping they had commandeered, but now we find—and I have made some examination of the matter—such cases as these. Seven of our coal boats which were commandeered are now on the ocean between the Old Country and Australia, either going for wheat or bringing back wheat. Now, that does not seem to me to be good shipping business while there is wheat in Canada and the United States, because you can make three trips between New York or Montreal and the Old Land to one between Australia and the Old Land.

Mr. M. CLARK: What do these ships take to Australia?

Mr. BUTTS: I really do not know, unless it is a general cargo of manufactured goods. They go from England, not from here. You will see at once, Mr. Speaker, the reason for it. Those ships were chartered in pre-war days by the Dominion Coal Company, the Dominion Iron and Steel Company, and the Nova Scotia Steel and Coal Company. In those pre-war days those boats, particularly the larger ones, could haul coal from Sydney to Montreal at sixty cents a ton. It is the opinion of shipping men in our province, and I think in Montreal, and I know it is the accepted opinion of people who had these boats chartered, that when they were commandeered and taken overseas, influence was at once brought to bear by the shipping interests over there to have the British Shipping Board retain these ships, because after the boats were commandeered they were chartered at war rates. To such an extent was this attempted that the owners of two of those ships went into the courts in the Old Country to have their charters set aside altogether, contending that the war had voided their charter, and that they were now at liberty to charter at any price. The courts decided against them, and one of the boats against which a decision was given is now actually in a dry-dock in England for repairs that look very suspicious, in order to finish out the remainder of her charter term, and in the meantime enter into a war-price charter.

These are a few of the matters which I think should receive the serious consideration of the Government and especially of the Minister of Finance. Before the war we had the market in the St. Lawrence that I have already spoken of. We were selling over four million tons of coal. Then our shipping was commandeered, and to-day our market is lost to us, or practically so. Every port on the St. Lawrence has been filled with American coal, and just at this very time the Minister of Finance strikes off the seven and-a-half per cent duty on coal. We are not afraid of the seven and-a-half per cent duty by any means, because we think we can sell coal in the St. Lawrence at the figures at which we have sold it in the past.

If our shipping is not restored to us something must be done to enable us to burn our own coal at home. It has always been my dream that the day would come when Nova Scotia would not ship abroad a ton of coal but that we would burn it within our own borders. That time will come, I think. It may not be in the near future but it must come. Since 1902 we have had an increase in the number of coal mines in Cape Breton county until to-day there are about thirty-one. We have erected eight large blast furnaces. We have twenty-one open hearth furnaces and several hundred coke ovens of different types. At the steel works in Sydney alone they are burning 3,200 tons of coal a day and the consumption is gradually on the increase, and with the steel business in such a prosperous shape as it has been I hope to see the day when its expansion will have reached such

a stage that we can burn our own coal. In the meantime, however, we are out of a market, and there is a very considerable amount of unemployment. We sent overseas from that county over 5,000 men. At least, I am sure we sent over 4,000, and as these men pour back into one county, with the coal trade considerably impaired by the conditions I have explained, the amount of unemployment is going to be somewhat serious.

Sir ROBERT BORDEN: What is the total number of men employed altogether in these industries—coal, iron and steel—in normal times?

Mr. BUTTS: I think in Nova Scotia the Steel Company had about 2,300; the Dominion Steel Company had somewhere between 3,300 and 4,000; and there would be between 8,000 and 10,000 men engaged in the different coal mines. I am speaking roughly of course, but I think these are about the figures. We have in that county, that is North and South Cape Breton, a population of about 73,000, and compared with the mining and steel industry, most of the other industries are small.

I do not think I have very much more to say, Mr. Speaker, except this: If we are to be treated in this way, if we are to be compelled to pay such prices for western flour and such prices for Quebec and Ontario manufactured goods, and for lumber and the rest of it, it must be remembered that there was a day when there were very few persons in the Maritime Provinces who did not realize the fact and proclaim it that a maritime federation was preferable in the interests of those provinces. We have in Nova Scotia the industries that I have mentioned; we have in New Brunswick a good agricultural and lumber country; we have Prince Edward Island that has always been known as the "Garden of the Gulf," with Newfoundland at our door that could supply for years to come iron ore to the world if necessary; and besides this she has coal and copper, and a sealing industry that is one of the richest in the world. Her codfish in shiploads goes to the Brazils and the Mediterranean in competition with fish from all parts of the world. Remember, the time may come when our maritime federation, as I may call it, will feel that it is pinched rather too hard by the grain growers and manufacturers. I do not make this statement by way of threat but in order that you may appreciate the fact that there is something to be said on the other side of the question. In conclusion, I will say that if I have only succeeded in getting some at least of the hon. members in this House to concede that there are two sides to every argument I shall not consider the short time I have spent to-night wasted.

Mr. ANDREW KNOX (Prince Albert): Mr. Speaker, it is not my intention to take up much time in this discussion, as I think the pros and cons have been combed over very closely, but representing as I do the large and important constituency of Prince Albert, I do not think I would be doing my duty if I did not point out some phases of the present situation in regard to the fiscal policy, as I see it. The previous speaker has proven to me what I have always believed that is, that when a tax or a tariff is put on it is a very difficult thing to get it off without protests from some interested party. This was evidenced by his objection to having the 7½ per cent tax taken off the coal. It has been stated by several members that this is not the time for a revision of the tariff. Without debating that, I would point out to these hon. gentlemen that the Minister of Finance apparently did not agree with those views, as he has to some extent scratched the surface. I have noted in some newspapers the comment that the general consumer has asked for a loaf, but has been given a stone. The honourable member for Brome was probably nearer the truth, when he said that the consumer had asked for a loaf and had been given a soda cracker. But personally I would have preferred to see it left untouched, as I do not believe that the reduction will be noticeable by the consuming public, whether that public be the working man purchasing his food and clothes, or the farmer, who, in addition to that, has also to purchase the machinery with which to produce foodstuffs. I submit, Sir, that the present occasion would have been an opportune time to deal with this matter, as the prime essential in this reconstruction period should be to encourage the greatest industry Canada possesses, an industry which is capable of absorbing more of our returned men than any other. Just here I would like to point out that there is a veritable rush of returned men from all points in the Dominion to the constituency which I represent, to secure land, so much so that the local Soldiers' Settlement Board at Prince Albert, although most efficient, has great difficulty in keeping up with the work. I stated last year, when speaking on the Budget, and I repeat again, that given proper railway facilities, including the completion of the Hudson Bay railway, and also

given just consideration and encouragement in the framing of the fiscal policy, there is no portion of the Dominion of Canada which would produce more wealth, so very necessary at the present time, for the same outlay that the northern portion of Saskatchewan and Manitoba.

I wish to point out to the Government that in the West both urban and rural communities are most emphatic in their demands for a lower tariff. They have been promised tariff commissions and tariff reductions repeatedly by both the old parties until they have become, if I may use the language of the street, "fed up." We also have to contend against a most vigorous campaign conducted by the Canadian Manufacturers' Association, a campaign which at times is not conducted in a fair manner. I would point out to the House, Mr. Speaker, that although the Grain Growers' Association of Saskatchewan drew the attention of the Manufacturers' Association to some misstatements of fact in their literature, no effort was made to correct them, and the following resolution was passed at a meeting of the board of directors of the Saskatchewan Grain Growers' Association recently held in Regina:—

Whereas the Canadian Manufacturers' Association and the Canadian Reconstruction Association have for some time been carrying on an extensive advertising campaign, principally calculated to discredit the Grain Growers' Association by misquoting the platform of the Canadian Council of Agriculture and by grossly misrepresenting its policy and its purpose; and

Whereas this advertising is evidently intended to create suspicion and class antagonism between the organized farmers and organized labour by misrepresenting the demands of the former for economic reforms as being highly selfish class demands intended to destroy manufacturing industry in Canada and to relieve the farmers of their fair share of the burden of taxation and by branding the association's policy as leading to Bolshevism; and

Whereas these malicious and widely advertised misrepresentations are doubly unfortunate at this time of imperative need for a sympathetic understanding amongst all classes of citizens who are seeking the preservation of all that is best in our national institutions;

Therefore, be it resolved that this board soundly condemns these unwarranted attacks upon the grain growers and this gross misrepresentation of our platform and policy and especially does it resent the neglect of the president of the Canadian Manufacturers' Association to correct these mis-statements of fact in the public press after his attention was courteously drawn to them by an open letter from our secretary, and further,

That a copy of this resolution be forwarded to the president of the Canadian Manufacturers' Association, to the offices of the Canadian Manufacturers' Association and the Canadian Reconstruction Association and to the press.

It has been argued that Canadian manufacturers of machinery cannot successfully meet outside competition without a protective tariff, but it has recently come to my notice that one Canadian company manufacturing cream separators, which has no protection, shipped during 1918, twenty carloads of separators to California. I might also state that at the convention held in the City of Prince Albert at which I was nominated to contest the constituency, I told the assembled delegates that I had been working for a lower tariff for years, and held pronounced views in this regard, but that while the war lasted I was quite willing to lay them aside, and use my utmost endeavour to help bring about a victorious conclusion, I reserving the right to use my own judgment in matters of policy afterwards.

I have given the Union Government my best support in all matters in connection with the war, and I would do so again should occasion demand it. I wish to commend the Honourable the Prime Minister for the way in which he has handled many difficult situations; but when it comes to matters of fiscal policy, evidently his ways are not my ways. The time Mr. Speaker, has now come, for me to take a stand, and while I do not intend to cross the floor of the House, I feel it to be my bounden duty to protest as strongly as I can against what is to all intents and purposes a high protectionist Budget. It is, a Budget so far as the tariff is concerned calculated to give to him who hath, and to take away from the poor fellow who is honestly doing his best for his family and his country. I am convinced that the policy laid down in the platform of the Canadian Council of Agriculture would not only make the burden more equitable between the East and the West, but would also furnish a field for the providing of revenue more than sufficient to make up for anything that would be lost. Further I do not think the collecting of the income tax is being pushed forward as much as it might be. I will conclude, Mr. Speaker, by quoting Goldsmith's famous and prophetic lines:

Ill fares the land to hastening ills a prey,
Where wealth accumulates and men decay.

Mr. RICHARD COE HENDERS (Macdonald): Mr. Speaker, in attempting to address the House for a few minutes, I shall confine my remarks very largely to a statement of my position generally with regard to the tariff. Two years previous to the election by which this Government came into power, I received the nomination in the constituency of Macdonald as an independent Liberal. The time came when the

struggle for liberty became so intense and absorbing that the people of Canada were constrained to turn their attention away from the ordinary course of affairs, and one supreme issue occupied the thoughts and the attention of the electorate of the Dominion—that was the winning of the war. When that time came, I felt it my duty, as a supporter of those who were prosecuting the war successfully, to place that fact in a pre-eminent position in connection with the attitude I would take in my public pronouncements and utterances. Consequently, as soon as the announcement was made that an appeal was to be made to the people on the winning of the war as the issue, I tendered my resignation to those who had been kind enough to offer me the nomination as an independent Liberal in the constituency of Macdonald. I went to the convention, as the representative from our locality, with my mind made up that whoever succeeded in securing the nomination on the win the war issue would have my entire support on that occasion. It transpired that I was selected as the representative of Macdonald. Under these circumstances, from that time until the present, the winning of the war and the cleaning up of the aftermath of the war have had the first place in my thought and in my activities. There came a time last autumn when a decision had to be reached on a very important question, touching the position I had taken and the policy I had marked out.

Our Grain Growers' convention was held in the city of Brandon, and at that convention there was a certain feeling among the members present that the time had come for action to be taken along the line of pledging the members of the Government in the province of Manitoba to a certain course with regard to the trade policy. A resolution was accordingly presented to the convention but when that was done I, as presiding officer, felt it my duty to make a statement to those present. The statement I made was that I believed the tendency of the resolution, if it were voted upon and carried, would be to divert the attention of the Government from the questions that were to my mind of paramount importance at that time, that I did not consider it would be wise to present that resolution to the convention, nor did I consider that it was an opportune time, if that resolution were presented and carried, to submit it to the members of Parliament and ask them to pledge themselves to a certain line of action. Furthermore, I said that until I had redeemed my pledge to the constituency of Macdonald, namely, to support the Government in the winning of the war, I did not feel disposed to entertain nor would I entertain for one moment, the signing of any pledge. The convention reconsidered the matter and endorsed my position, and the resolution was remodelled accordingly.

A good many of the members of this House will be able to bear me out when I say that since I became a member I have been very anxious along one particular line, namely, not to interfere with the winning of the war, and with the carrying out of all the arrangements necessary to take care of the aftermath of the war. But in connection with the taking care of these conditions, I felt that, perhaps, the time had come when the Government should declare themselves as to the fiscal policy that they intended to present to the people. Some hon. members will recollect that at the first meeting of the members of the Government party I took occasion to express myself very strongly along that line, and that I expected the Government would deal with the matter and place before the House some time during the session a clear cut policy in that regard. I was not without opinions with regard to what I considered to be a progressive and advanced, practical, commonsense fiscal policy for Canada. I might say that for years I have been an advocate of the freest possible trade relations between the different countries of the world. So long and earnestly have I entertained these opinions, that I was one of the members of the Canadian Council of Agriculture who in the early days found my way as a member of the first delegation that came to Ottawa to put the views of the West before the Government in power. The first delegation that came from the West, after we had decided on a plan to alleviate the conditions attendant upon those living out on the land in that new country, sought an amendment to the Grain Act, and also a change in our fiscal policy. This was composed of four men, of whom I was one. When the farmers' platform was prepared the Liberal Government was in power. Ten years ago, a delegation came from the West to place the platform of the farmers before that Government. I was a member of that delegation, and we sought to place before the Government what we believed to be a first-class fiscal policy for the Dominion at that time. The following year a large delegation came to Ottawa five hundred

strong, and among the planks in the policy then placed before the House was our trade policy. The delegation, you will remember, presented their case, and the honorary president of the association, Mr. J. W. Scallion, was the spokesman who introduced that feature of the question before the House. In the middle of a very earnest and suggestive address he was interrupted by a member from the Government side with the question: If you put this platform into effect, how will you raise the revenue? Immediately that delegation rose to its feet and said: We will raise the revenue by direct taxation. That was the declared policy of the West at that time. They came to the conclusion that that was the fair and equitable and honourable way to raise the national revenue. They said: Tell the people of the country what you need the money for, and how much you need, and then distribute the burden equitably, and the people of Canada will get under that burden and lift it. Later on two other delegations came to Ottawa presenting the farmers' platform.

11 p.m. So that that platform has been circulated all over the country and has been prominently before the people.

I wish to say that I was at the framing of that platform and endorsed every plank in it. I endorse the planks of that platform to-night. I believe that we have in that platform the essentials to the building up of a policy that will distribute the burdens of taxation equitably and will enable us to carry on as a nation and go forward to future greatness. I have not changed my opinion with regard to these matters.

This brings me to another stage. The fiscal policy of the Government is before us. In that policy as presented there are several things with which I do not fully agree, for I think that the policy mapped out could have been improved in some directions. I believe that food stuffs should have been placed on the free list. I believe that agricultural implements should have received more consideration. I believe further that cement might very well have been placed on the free list and that cottons and woollens might have received more consideration than they did. While I believe that there is room for improvement in respect of the treatment of these items, I wish to make myself very clear with regard to one or two things that have taken place since I came down here.

I endeavoured to inform myself with regard to the position the Government intended to take on the tariff question, and after trying to get the mind of the Government on the subject as far as I could I came to the conclusion that it was the intention of the Government to consider this as a war session. In other words, I believed that the Government would take the attitude that war conditions had not yet passed away, that this was really a war Government, and that, therefore, no very great changes would be made in the tariff this year. I took exception to that position. I felt that the time had come when marked changes should be made, and when the 7½ per cent and the 5 per cent tax imposed as a war measure should be entirely removed. I felt that there should be some indication of a general reduction of the tariff, and so expressed myself.

In a measure, the 7½ per cent tariff imposed by way of war tax has received consideration along the line that I thought it should; it has been removed from agricultural implements, certain foodstuffs, and other articles in respect of which the tax bore most heavily upon the poorer classes of the people. The 5 per cent tax also received consideration. The question was asked whether it was advisable to remove the 7½ per cent tax entirely, and the position I took was that it would be more equitable to leave the 7½ per cent duty on certain lines in connection with which the poorer classes were not effected or production was not interfered with, and to make marked reductions beyond the 7½ per cent where the poorer classes were affected or the question of production which bore an important relation to the tariff came under consideration. To a certain extent that idea has prevailed in the tariff revision, and so far as that goes I give my approbation to the course pursued by the Government.

Some people say that this is a high protectionist Budget Perhaps it is. But there are greater indications of tariff reduction and tariff reform in the Budget of this year than I have seen in any Budget since I commenced to study Budgets. Had the Government taken the position that as this was a war year and it was a war Government, the duties of 7½ per cent and 5 per cent should not be interfered with at all, I believe a great many people would have supported that position. The Government gave consideration to various representations which were made in favour of a reduced tariff policy, by deciding to take a course which involves a reduction in the revenue of $17,000,000. This reduction applies where the taxation bears most heavily and affects production the most. Therefore I say that the action of

the Government in that regard meets, in large measure, the view that I hold on that particular point.

In the matter of raising revenue, the Government has proceeded in large measure along the line marked out by the platform of the Canadian Council of Agriculture. They have gone after taxes in accordance with that policy; they have taken a step in advance this year, and I commend them for their action.

Comparing the income tax in the United States with the income tax proposed in the Budget, I find that in respect of incomes from $5,000 up to $200,000 we can put on quite a margin of taxation before we measure up to the American rate of income tax. The Government would, perhaps, have been well advised if they had gone a little further in this direction. Indeed, I would have the income tax commence on a lower salary basis than the one set out in the present proposals of the Government. It is proposed that single men shall pay income tax on all income over $1,000. I contend that it would have done the single man no harm and would have caused him to take a real interest in the affairs of the country if the amount of his income exempted from taxation was no more than $700. Make the tax very light, but let the young man feel that he is a citizen of the country and that he has an interest in its affairs. As for the married men, I would have the exempted income made smaller, but I would make the tax comparatively light, because these men are not in a position to bear much of the burden. But I believe in placing the responsibility of citizenship on people as soon as it is possible to do so.

Now, what is proposed to be substituted for the Budget? While there are some features of the amendment which I could endorse very fully, I find myself in this position, that when I come to look for a source of revenue to carry on the Government, to pay the debts of the country, no provision whatever is made. No progressive policy is put before the House; we are asked to take a great big indefinite nothing and say we will vote for that and we will go out to run the country on a policy of that kind. I am forced to the conclusion that while all that I desire is not found in the present platform, there is a great deal in it that I desire, and that I am glad to find there. It is what I consider a move in the right direction, and therefore I have no hesitation in saying that I am determined and intend to support the Government in its present trade policy and I shall vote for the Budget proposals.

I have just another thought before I sit down. I have been exercised a great deal with regard to the agitation that is in the country at the present time. It seems that just now we are more interested in trying to see what little class advantage we can get and how we can shift responsibility to somebody else's shoulders. Our boys did not act like that. When the time came and there was a call to defend the country, our boys came forth from the East, the West, the North and the South, and they did not ask how much or how little the sacrifice, but they said: I am going to be there; Canada has demanded her sons, and I must be in the fray. We ought to catch the spirit of our boys and face the situation as it exists and not endeavour to see how little of the burden we can bear, but rather how much we can do to serve Canada under present circumstances. There is a splendid opportunity for us along that line. I had the privilege of addressing a meeting in Toronto not very long ago, and I made an appeal somewhat along this line and it was met with a very hearty response. I said: I believe there is a possibility of going a long way towards a settlement of the labour question if we only take hold of it in the right way. At the present time the duty of the Government is to form an organization representing the different interests of this country, the manufacturing interests, the financial interests, the labour interests, the farmers interest, and the great consuming interest, generally. There are five elements, and I believe there could be brought out of those five elements an organization or an aggregation of men who would say: We will thrash this thing out, get to a common basis, shoulder this burden and go through this difficulty harmoniously and successfully. I would just give that thought to the Government at this time. I believe it is worthy of consideration and that it could be worked out, and we could get results from it.

I do not think it ought to be a question with us how much money we can make in the next five years for our personal gain and profit. The best good and greatest happiness at present would be this, to catch the spirit of our boys who have said: I will put my life on the altar for Canada; if I come out, well and good; if not, I will give my life as a sacrifice for Canada. I believe the men and women of this country ought to take the position to-day that, even if we do not get a dollar for ourselves beyond a

comfortable living, with food to eat and raiment to wear and houses to shelter us and keep us warm, we ought to give Canada everything else, if needs be, and then feel we have been doing only our duty in view of what has been done for us. I would like to see that spirit of sacrifice and service more manifest than the spirit of selfishness in our thought and action.

Mr. WILLIAM STEWART LOGGIE (Northumberland, N.B.): Mr. Speaker, I have very much pleasure in saying that I heartily endorse the closing remarks of the hon. member for Macdonald (Mr. Henders). His words, I am sure, stir our hearts regarding the matter he has so forcibly placed before us. This is the first time I have availed myself of the opportunity of addressing you during the life of the present Parliament, and I do not think I could do otherwise than congratulate you, Sir, and the people of Canada for the finding that they reached during the elections of 1917. I can not go on with the matter directly before the House without congratulating the country on the splendid efforts that our boys made on our behalf and on behalf of right and a righteous cause, and I am sure their work and their devotion to their country will go down in history to the credit of this young and rising nation. I do not think I would be fully performing my duty on this occasion if I did not say that my sympathy and love goes out to the relatives of the deceased soldiers whose remains lie in the fields of France and Flanders.

Having said this much, may I summarize what I see is the Budget before the House on this occasion? In a few words, as I understand it, this is the existing situation. The estimated ordinary revenue for the present fiscal year, as estimated on a basis of last year's rates and imports, will reach a total of $280,000,000. Our estimated expenditures for interest during a like period will be in round numbers, $108,000,000. Our expenditures for ordinary purposes, other than interest, will be about $162,000,000. Therefore, our ordinary expenditures will amount to $272,000,000 or $10,000,000 less than our revenues. We start out then with $10,000,000 to our credit. We revise the tariff and we lose thereby $17,000,000, so that we are behind $7,000,000. In order to make up that loss, we say to the people of Canada: We will raise it by direct taxation. We ought to bear in mind that the $17,000,000 reduction in taxation inures to the benefit of the consumers of Canada. The amount that we lose thereby in revenue is made up by direct taxation, so that the accounts balance, as it were, and leave a small amount to our credit. The remaining $350,000,000 of indebtedness is for war purposes on capital account, and it is proposed to borrow money to provide for that sum. I quite endorse that action because I believe that the raising of the ordinary revenue and the interest on our large indebtedness is all that we should ask the people of Canada to bear for some years to come.

Having summarized what the Budget is, let me say that it will give me very much pleasure to support it and the resolutions now before the House, for the following reasons. First of all, we shall have the necessary money to provide for expenditure without unduly interfering with the vested interests of the manufacturers of this country. We must realize that inasmuch as capital is invested, and as capital gives employment, it is our duty, as far as is consistent with the interests of the consumers, not to interfere unduly with the manufacturing interests of this country. I support the Budget because it gives us a reduction in taxation of $17,000,000, which inures to the benefit of the consumers of Canada, and that $17,000,000 will approximate to $30,000,000 when you add the distribution profits to it. I support the Budget also because the loss that accrues to us because of the reduction in the custo tariff is made up by direct taxation without undue hardship on the business of the country. I support the Budget for another reason. We have the promise of the Minister of Finance that next autumn he will make a scientific investigation of the whole situation as it relates to capital and production, and to the cost of manufacturing Canadian commodities as compared with the cost of foreign commodities. I think those are fairly good reasons why I should support the proposals laid before the House on this occasion.

I take this opportunity to say that I oppose the amendment introduced by the hon. member for Brome (Mr. McMaster), and I shall vote against it for this reason among others: One clause of his amendment reads in part as follows:

> That to relieve the present situation the tariff should be so framed as to free the food of the people.

If the hon. gentleman had qualified that, I might not have been able to take the stand I feel I ought to take. I oppose this provision on principle. I do not believe that all food should be put on the free

list at the present juncture in Canada's history. Manufactured food should bear its just quota of customs taxation as, for example, canned fruits, canned vegetables, and so on. Let me ask the hon. member for Brome if he would go down to the city of Montreal to the proprietors of the William Clark Company, Limited, packers of meat products, and say to them: "If you cannot put up your products as cheaply as they can be put up in Chicago or Kansas City, you must close your shop." I venture to say that even the hon. member for Brome would not take that stand. I certainly would not. Therefore, I cannot consistently vote for his amendment; I shall have to vote against it.

Having said this much regarding the present situation, may I make a few suggestions as to what I consider an adequate tariff. I think the tariff should be framed along the following lines: A commodity manufactured in Canada should be placed in the hands of the consuming public at a price a little more than will give the manufacturer a reasonable return on the capital invested. For instance, if a textile is manufactured in England and placed on the English market on the basis of $1, and the like commodity is manufactured in Canada, it should be sold to the consuming public in this country on the basis of not more than $1.20. Why do I say that? For this reason: Pre-war days demonstrated to us that a textile could be manufactured in the United Kingdom at considerably less cost than it could be manufactured in Canada. There are many reasons why this can be done. First of all, the investment in machinery is not so great in the United Kingdom as in Canada, and machinery is part of the capital and ought to bear its interest. In the second place, the Canadian manufacturer caters to a population of eight million people, whereas the manufacturer in the United Kingdom caters to the world and can specialize and make a line of goods at considerably less cost than the Canadian manufacturer who is attempting to manufacture a variety of lines. This was true in pre-war days, at all events, but I noticed a statement recently that labour is pretty nearly as high now in the United Kingdom as in Canada. The conditions therefore may change in that regard, but I say that the tariff on manufactured articles should be based on facts as they exist to-day, and it should be so based that the manufacturer can get a fair return on his money, and no more.

That is to say, you should not by a tax place him or a corporation in a position to get undue prices from the consumers of the country. I would suggest, also, that all raw materials should enter Canada without duty. In order to develop our mineral resources, our iron and ore deposits, I would favour a graduated bounty rather than an indirect tax so that the consuming public would not necessarily have to pay undue indirect taxes on commodities made from iron and steel. We would not be going far afield if we paid special attention to the development of our iron and steel industry. This war has brought to our attention in a marked way the great possibilities of a self-reliant country, and my opinion is that any country that aims at real greatness must be as far as possible self-reliant. If we are able to develop our iron and steel industry we shall to that extent be more or less self-reliant, and we should have that object in view in considering the tariff.

If my suggestions were put into practice I might naturally be asked, what about the revenue? I had great pleasure in listening to the address of the Minister of Finance this afternoon and he unquestionably scored the amendment of the hon. member for Brome (Mr. McMaster). If a tariff is put into effect along the lines I have suggested the revenue will be $50,000,000 less than we are getting under the present tariff. I am convinced that the ad valorem rates on many commodities under the present tariff are entirely too high. But hon. gentlemen will not forget that the general tariff we have is to all intents and purposes the Fielding tariff of 1897. It was to a small extent remodeled in 1907 and again in 1914 —remodeled, in my judgment, not too wisely. I must say that some of the items that went through in 1914 were not in the interests of the country as a whole. But the point I make is this: If we frame a tariff and reduce the cost of living and we are short $50,000,000, how are we to get the money? If you will refer to the imports in 1918 you will find that we imported into Canada about $860,000,000 worth of goods, and if we framed an adequate tariff on the basis I have indicated—and by adequate I mean in the interests of manufacturers and consumers alike—I would add a surtax of, say, 2 per cent on the $800,000,000 and would get $16,000,000 thereby. But I would still be short $34,000,000, and to raise that balance I would do this. I find by the Canada Year Book of 1918 that we manufactured in Canada $1,381,547,225 worth of products. I would put on an ex-

cise duty of 2 per cent on $1,700,000,000 of Canadian manufacturers and obtain $34,000,000, and that, together with the $16,000,000, would give me my $50,000,000. It may be argued that I am taking it off the tariff and asking the consumer to pay. That is true in a sense, but what taxation can you levy on the people, unless it be an income tax, that the consuming public does not pay? I think we should have a stable tariff and if we have a special amount to raise we can raise it by a surtax and an excise tax that could be changed from year to year.

Having said that much on the tariff I shall now refer to the high cost of living. The effect of the Budget, I said, was to reduce the tariff by $17,000,000, and that means that we reduce the per capita tax about $2 each or about $10 per family as a result of the reduction in the Budget this year. In view of the unrest in the country and the criticism that is made that the tariff is responsible for the high cost of living, it is well to consider the situation from every standpoint. I do not understand why there is so much criticism that the tariff is to blame for the present high prices. If it were true that the present tariff is to any real extent responsible for the high prices, then we should give the matter serious consideration. As a matter of fact, under the tariff that will obtain this year, we will collect only $30,000,000 more than would have been collected on the same values in 1914. And if the 7½ per cent we are collecting were applied to the values of 1914—not the quantities of goods but the values—I venture the opinion that we would not collect from the people much more than $20,000,000, which would represent $2.50 per capita, or $12.50 per family. And will any hon. member tell me that because the Government of the day is collecting $12.50 more from every family by reason of the tariff, it is fair or reasonable to say that the tariff of the day is responsible for the present high cost of living?

Now, Mr. Speaker, what are the causes of the high cost of living? In my opinion they are directly traceable to the war. Early in the war, the Government, in the interests of the Allied armies, undertook to fix prices for the basic food product of the country.

They undertook to pay the farmers a very high price for their wheat, and what was the effect of that? The effect was that every other cereal, every other food product, went up in price in sympathy. Now who will say, Mr. Speaker, that the Government did not do right in the interests of the country at large? The important matter was to ensure that our soldiers were supplied with food on the field of battle. These prices still exist, and that is the cause of the high cost of living. When wheat declines, I venture to predict that every other food commodity will, in sympathy, also decline.

Then there is another basic product. Before the war, raw cotton was eleven cents per pound. To-day, it is 28 cents per pound, and textiles of all kinds that are manufactured from cotton are, of course, at fabulous prices. For Heaven's sake, the Government is surely not to blame because raw cotton is high down in the Southern United States! Then take iron and steel. We know, as a matter of fact, why these commodities advanced in price. The Government of the day were controlling steel for munition purposes, and it went up so rapidly in price that all manufactures of steel likewise advanced, and if the housewife to-day buys a stove she must pay twice the price that formerly prevailed. And yet, gentlemen will say that the Government of the day are responsible for the high cost of living. What are they going to do to reduce the high cost of living? Can the Government fix the price of cotton? Can the Government fix the price of steel in Pittsburgh? The Government may fix the price of wheat for next year by leaving it alone and letting it take the market value; I do not know but that is the starting point for getting the cost of living down to its proper standard.

Mr. Speaker, it has been well said by the Finance Minister that this is a war year. In my judgment we require the best thought and experience of the men of the Union party to guide the ship of state into safe anchorage. So far as I am concerned, I believe it was the part of wisdom to unite the men who compose that party in Canada for enforcement of a measure of coercion regarding the army. So now, in view of our present condition, I consider it would be undoing to some extent the splendid achievements we have won if we did not continue a united front along the lines indicated when the Union party was formed.

I have set out some reasons why I support the Budget and oppose the amendment. My position regarding Union Government is to-day as it was in 1917, and so far as I can see my duty, it is so to act that to-morrow shall be as to-day but much more abundant. Canada entered unanimously into the conflict. She never flinched, she suffered greatly, the manhood of Canada fought and died; and our citizens will face

the future with confidence. Canada's part in the conflict will go down in history to our credit. Canada's manhood will overcome the present unrest, and not shrink in the discharge of any proper duty.

Mr. ROBERT LORNE RICHARDSON (Springfield): Mr. Speaker, after listening to this debate which has gone on for a considerable number of days, and to the many heart-searching addresses that have been made by many members of the House, who are greatly disturbed about the vote they shall give, I am sure that many of us would envy the complacency of the British politician who made the following declaration:

> I was never present at any debate I could avoid, or absent from any division I could get at. I have heard many arguments which convinced my judgment, but never one that influenced my vote. I never voted but once according to my opinion, and that was the worst vote I ever gave. I found that the only way to be quiet in Parliament was always to vote with the ministers and never to take a place.

I am quite sure that many members will appreciate the placid condition of mind of that British statesman.

In addressing myself to the subject under consideration, I find that I am under some little difficulty because we are supposed to limit ourselves to a very brief time. There is a great deal of matter that I should like to have placed before the House, but I shall be obliged to curtail it. I very much regret, therefore, that the House will not be able to listen to some remarks that I wished to make regarding the Winnipeg strike and other matters, as I feel bound to be as brief as possible.

I take the position first that this is a war Government and that the members who were elected to support the Union Government were returned on one special issue. So far as regards the constituency for which I was elected, I heard no other question discussed in the election than that of winning the war, and I have no doubt whatever that the very large majority which I secured was due to that supreme issue. I have listened very patiently and carefully to most of the addresses which have been delivered here on the Budget, and I may say that as a western man—one who has lived in Western Canada for over thirty-seven years, and has participated in the political and public life of that country during most of that time—that I have always been a low-tariff man. My aspirations have always been to have agricultural implements freed from duties, also to have foodstuffs and other necessaries of life supplied to the people at the lowest possible cost. I sat at the feet of the Liberal Gamaliels some thirty-five years ago as a boy, and learned the ideals of free trade. While I recognize that free trade is not perhaps advisable, or possible, at the present stage of our development, I have never changed my views with regard to the fiscal question in this country. Therefore, I very largely share the opinions expressed in this debate by my hon. friend from Red Deer (Mr. Michael Clark), and I particularly endorse those with which he closed his fine deliverance in this House in favour of closer trade relations with the United Kingdom.

I recall with great pleasure when, twenty years ago, the British preference was proposed by the Laurier Government, and I remember the enthusiasm with which it was received. The great poet of England, Rudyard Kipling, immortalized it in those verses beginning:

> A nation spoke to a nation,
> A queen sent word to a throne,
> "Daughter am I in my mother's house,
> But mistress in my own."

With the member for Red Deer, I should like to see in the very near future closer trade relations with the British people.

With most of the views expressed by the ex-Minister of Agriculture (Mr. Crerar) I am heartily in accord, as also with most of the views expressed by members from the West who were elected to support this Government but who find themselves unable to support this Budget. I want to say, on behalf of many of those members, that they occupy a very delicate and difficult position. The feeling in the West is almost unanimous, so far as the farmers are concerned, in favour of free agricultural implements and very great reductions on the tariff. In some of the constituencies represented by members who have spoken and who took issue with the tariff, nominations are being held, and it looks to me as if a new party is being organized in the West. Perhaps that may not be inexpedient; indeed, it may bring the relief which a great portion of the West has been looking forward to for many years. I think I express the views of the majority of my friends from the West when I say that an experience of thirty years with the so-called Liberal party has convinced them, as it has me, that there is nothing to hope for from that quarter, and if out of the sentiment that undoubtedly exists in the West in favour of a low tariff and free agricultural implements there should arise a virile party which will implement that feeling, I am satisfied that it will be of

advantage—if not to all Canada, at least to the people of the West.

So far as my own opinion on this question is concerned, I feel that every member must do his own thinking and must make up his own mind as to what his duty is. As I said at the outset, I accepted nomination as a candidate supporting Union Government. There was only one issue during that election, and that was to support our boys at the front and win the war. I, therefore, felt, and I still feel, that so long as the war and its aftermath are before this Government, it is the duty—at least, that is my view—of those elected to support the Government to continue that support.

I was struck by the statement made from two or three quarters that the ex-Minister of Agriculture would have retained his portfolio had the tariff not been touched at all in the present session. If that be so, I cannot help thinking that he would have have rendered better service to
12 m. the West and to his country had he remained in the Government until the promised scientific tariff revision is accomplished the coming autumn. The Minister of Finance has promised a thorough inquiry to commence not later than September. It will be admitted generally that the Government have had a tremendous task to perform since they took office, and I think they are entitled to every reasonable consideration in so far as that task has not yet been completed. Although the armistice has been signed, the treaty of peace is not yet signed, and there are momentous problems facing the Government and the country, and the Minister of Finance has very properly said that he and the Government have not had time to make a complete and scientific revision of the tariff. Therefore I cannot help thinking that my hon. friend the ex-Minister of Agriculture, whom I have always held in high esteem, would have better served his country, and particularly the West, had he continued his position in the Government and become a member of the tariff commission in order to be able to accomplish everything in his power to secure the relief which the West so very much desires. Perhaps he feels that he can better accomplish that purpose by withdrawing from the Government. That is a matter for his own conscience to settle, and, as he is a man of honour, I take it that his decision is the result of mature consideration and that he is satisfied that he has taken the right course. So far as I am concerned, I repeat that I have always held the hon. gentleman in high esteem. As I have already said, there are very strong reasons why many members from the West should take a stand in opposition to the proposed Budget. I am satisfied from conversation with them that it is not their desire to support the amendment, because many of them have advised me that they have no sympathy with it, and I take it that their opposition is purely against the Budget.

With regard to the policy of the Opposition, I was struck by the remark of the member for Cape Breton South (Mr. Butts) that there is no difference really in the two old historic parties with regard to protection. We have had the so-called Liberal party for the last thirty or thirty-five years steadily talking free trade as they have it in Great Britain, the abolition of every vestige of protection from the tariff; but just as steadily practising protection whenever the opportunity presented itself. In support of that statement, Mr. Speaker, let me quote the words of the master of the Laurier administration. After the revision in what is known as the Fielding tariff in 1897, the then Minister of the Interior, the Hon. (now Sir) Clifford Sifton, addressed a large meeting at the town of Perth in my old home county, and declared that the Liberal party had solved the tariff issue, that, owing to the revision, it would no longer constitute an issue as between the two parties, and, he said, "If the Conservatives ever get in power again they will not change the tariff very much." That declaration was never repudiated by his leader or by anybody else in party authority so far as I know. Moreover, you have the actual practice of the party when it was in office. In some remarks which I made in the debate on the address, I dealt very fully with the position of the Laurier party on the tariff. In a speech which he recently made, the member from Brome invited the free traders or the tariff reformers on this side of the House to go up with him to Mount Delectable—he likes to quote either the Scripture or John Bunyan. He said: "If you will come up with me to Mount Delectable and gaze on the promised land of free trade, you will get renewed life." Now, as a youth, about thirty years ago, I went up to Mount Delectable with the old so-called Liberal leaders and gazed fondly at the promised land of free trade; and I put myself, under the leadership of those so-called Liberal oracles. And where do you suppose they led me? Into the promised land? Not at all; they took me back into the desert, where I wandered with them for fifteen years; and they laughed

at me every time I suggested that the policy of the Liberal Party should be carried out. In fact—would you believe it, Mr. Speaker?—I was actually hounded out of the Liberal party. Because I renounced their policy? Not at all; but because I occasionally suggested, in a mild and inoffensive manner, that their policy be adhered to. After they had wandered in the wilderness for a time I think they commenced to suffer from ossification of the joints and sleeping sickness, because they never got back, so far as I could discover. True, they presented amendment after amendment on the tariff; as the member for Cape Breton South and Richmond (Mr. Butts) said tonight the only free trader ever found among the Grits was some member sitting in opposition. I hope before I get through that I shall be able to prove my case to the House.

As a boy, I recall attending public meetings in Manitoba. I am sure the member for South Winnipeg (Mr .Allan) will also recall how our old friend Bob Watson used to make the rafters ring in the school houses along the road allowances about the iniquities of the tariff. Did you ever hear Bob Watson's celebrated story, Mr. Speaker? If you did not, I am going to tell it to you now. It is a little late, but honourable gentlemen will bear with me, because I have sat here six solid hours to get a chance to speak on this question and incidentally tell Bob Watson's story.

After denouncing the tariff on agricultural implements, which, he said, was bleeding the farmers until they were white in the face, Bob used to tell a story about a Manitoba farmer who died and passed—I do not know whether he went up or down; it is immaterial to the story. Anyway, he passed hence and was taken in charge by one of the guardsmen in the place that he had reached in the nether regions. He was being conducted over this vast establishment—I do not know whether it was by St. Peter or by some special person assigned to that duty—and in the course of his peregrinations they came to a lofty corridor from the ceiling of which were suspended by the hair three or four thousand male bodies dressed in homespun. "By the way," the farmer asked his guide, "who are all these people suspended by the hair from the roof of this vast super-heated corridor?" "Oh," the guide replied—(using Bob's vernacular)—"them's Manitoba farmers who voted for protection and for high duties on agricultural implements; when they came down here they were too green to burn, so we hung them up to dry." As the duties were continued practically without alteration during the fifteen years that the Hon. Bob and his friends were in office and the people of the West, farmers included, supported them. I often wonder what an immense difference there must be in the size of that corridor by now, and how many hundreds of thousands more dupes must be suspended by the hair in that super-heated spot in order that they may be dry enough to be burned when the appointed time arrives.

As a young member of this House many years ago I remember that the Tories of those days on the Opposition side were constantly introducing resolutions on the tariff—my old friend Nicholas Flood Davin used to do it—in order to put the western boys in the hole, because we were always in favour of low tariff. Amendments were offered to the Budget, and naturally, as a young man, I was exceedingly disturbed about my position and about the course I should follow. I suppose many of the young politicians who are going to vote against this Budget feel a good deal like I did then. But I have gotten over all that. I used often to have recourse to Sir Richard Cartwright for advice; but Sir Richard would say; never mind, old boy; God bless you; you are a free trader—do as you like. Then Doctor Landerkin, and Jim Sutherland and Billy Gibson, the whips, would pass around among us young Liberals and say: "Don't you mind these little motions; they are just put forward to embarrass and put you in the hole. Stand by your party; that is the only way you will ever get anywhere." Well, I stood by the party fairly well—when I look back, I think that I stood by it a hanged sight too well. But I began to see that it was not going to work, and I began to express my views on these issues. I did my level best to stand by the old '93 platform of the Liberal party under which every vestige of protection was supposed to disappear from the tariff, although the platform did not state it exactly as Sir Wilfrid Laurier did in a speech at Winnipeg, at the time when he said that the goal of the Liberal party; was free trade as they have it in England. We were to get the abolition of the appointment of members of Parliament, to office which was a great scandal among the Liberals in those days; we were to have the abolition of railway subsidies which were denounced in the company literature of the party as a bountiful source of jobbery, peculation and corruption—and what all we were not to get I have not time to tell you in the time at

my disposal. But I discovered that we were not getting anything. I have a newspaper in Winnipeg, and my newspaper, had been standing by the old Liberal platform—and I thought I was on fine ground. I remember some of the leaders saying to me; "What is this you are doing, Richardson? You are not standing by the party." I used to produce the old campaign literature—you remember the pink books, Mr. Speaker—and I used to say: "Why, there it is in your own literature; surely I am on right ground." "Oh", they would say; "that is not playing politics at all; what counts is not what we said in our platform, but what we are doing now." The result was that I got into such a position that there was nothing else for it; I was hounded clean out of the party and for twenty years I remained in private life. Perhaps the country profited by that, I am not here to say although it cost the public treasury tens of thousands to defeat and keep me out of public life. Now I find myself in the position of standing by this Budget, and as a result of the predicted avalanche in favour of free agricultural implements, in the West I may probably be landed in the wilderness for another twenty years.

Some hon. MEMBERS: Hear, hear.

Mr. RICHARDSON: Yes, but anyway, I am going to take chances on it.

Mr. BUREAU: Safe chance.

Mr. RICHARDSON: Last Sunday I was visiting my old homestead out in Lanark county, the spot where I was born. I was reclining in the heat of the day under the shade of an old apple tree, and I had a vision. Afterwards, when I came to myself, I set it down, and I had it typewritten. I am going to read it to the House, and although it will take a little while, still we are having a good time anyway and the House might just as well hear it:

Scene in the office of the General Manager of the Massey Harris Co. on a sultry afternoon in the summer of 1922.

Manager seated in mahogany chair smoking and looking a bit worried as a general election is on and the Opposition for the sixth consecutive time is talking free agricultural implements.

Knock.

Enter a bulky figure with broad, beaming face and glad hand. "I am Andrew R. McMaster, member for Brome."

"Have a chair."

McMaster. "As you know I was the financial critic of the Government in the late Parliament and (with a knowing and self-complacent wink) the prospective Finance Minister in the new Government."

Manager. "Better have a couple of chairs."

McMaster. "I came to see you at the request of our party. Some of our friends tell me that you are misled about our tariff position, especially on agricultural implements, and I decided that it was well to have a talk with you."

Manager. "Frankly I was not very seriously alarmed because I have followed political events pretty closely for 25 years, but with those western radical Liberals pawing the turf, and ready to vote against any combination in support of their principles, one can never tell what might happen.

McMaster. "Yes, I admit that the western bronchos are a bit dangerous, but our party is well seasoned, it has a record and is duly impressed with a sense of responsibility and stability."

Manager. "How about that old resolution of yours in favour of free machinery, etc.?"

McMaster. "Did you read the same carefully and study its construction? If you did you would commend its beautiful indefiniteness. Firstly, it was perfectly safe to describe the Budget as unsatisfactory, as it is designed for 8,000,000 people, most of whom think differently. Secondly, it is always safe to charge extravagance. Everybody is guilty of that. Then I think that was a perfectly heroic touch in the third place to ring in and denounce the High Cost of Living. Such a master stroke could not help but appeal to the masses. Of course you and I know it was bunk, but in politics one must not be overly scrupulous. Fourthly, while it was a platitude, there is always a mass of brainless creatures, who might be caught with an innocuous declaration about the absence from the Budget of a definite promise of downward revision. To be sure I purposely overlooked the promise of investigation and complete revision a little later in addition to the very considerable reduction accorded. Fifthly, I trust you read clauses two and three together—

I do not believe the members of the House have read clauses two and three together. It is well worth their while to get them and compare them because they are unique when you read them together. I have tried to give a little analysis here, and in addition to this analysis, I would prefer that members read the clauses for themselves.

I trust you read clauses two and three together and noted carefully that prime touch about free food, and free machinery used in the development of all the natural resources of Canada (which resources include, of course, mining, timber, oil, fishing, etc., as well as agriculture), and the succeeding clause calling for the removal as speedily as may be expedient and just to all interested, of the duties on "all other necessaries of life,"—

I think the members had better let that soak in.

—all other necessaries of life being of course, auxiliary to such necessaries of life as diamond drills, augers, gimlets etc. Can't you detect the joker? It was to laugh. Not a single member of the House exposed the artful dodge at the time. It is true the clause about removing the duties when found expedient and just to all was subjected to a hostile barrage but we escaped in the country pretty well.

I think that is the most unique thing I have ever seen in any amendment ever put before this House—that when it is found 'expedient' and 'just to all', those duties will be removed. That really deserves applause. The eloquent hon. member for Red Deer (Mr. M. Clark), I think, called attention to it, or some other hon. member did. We might pause and think over it for a moment, because an amendment that says that the duties will be removed when it is 'expedient' and 'just to all' is the most beautiful thing I have ever seen presented to any Parliament or to any one.

You see my dear Mr. Manager, if duties are not removed until a Canadian political party finds it expedient and just to all interested, the tariff wall could easily be continued for as long a period as the historic Chinese wall has braved the elements without crumbling. Kindly join me in an explosion of laughter.

Manager. "But so far as resolutions are concerned at least your party has a disturbing record on the agricultural implement duty, whilst the other historic party seems to me more safe and reliable from our point of view."

McMaster. "Jehosaphat! Apart from resolutions have you examined the parliamentary record since the celebrated Liberal platform of 1893 calling for the obliteration of every vestige of protection from the tariff together with free agricultural implements, was promulgated? I have, and the examination almost produced a fit of apoplexy. In 1894, the Conservative Government reduced the agricultural implement duty from 35 to 20 per cent. Notwithstanding this, our leaders continued to denounce the tariff and promise free implements if returned to power. Clifford Sifton, the western Laurier leader in the campaign of 1896, which brought our party into power, ranted over the West telling the farmer that your company sold in Glasgow, Scotland, for $70 the self-binding harvesters for which they charged the Manitoba farmer $165.

Mark the figures.

He told them they were being bled until they were white in the face, and that if they only understood it they would not stand it. Then when the Laurier Government was formed, Sifton, who was an undistinguished country lawyer, became a member. There immediately sprang up between him and your predecessor, Sir Melvin Jones, a close personal friendship and Sir Melvin who, strange as it may appear, was also one of the leaders of the then comic opera Liberal aggregation, showed Sir Clifford that he was all wrong about agricultural implements and, although you may not know it, the proposal was seriously put forward among members of the party to increase instead of wipe out the tariff as promised. It was set forth that the tariff was already too low and that to increase it would mean ruin to the industry in Canada.

Now mark.

The matter was finally compromised by reducing the duty to 17½ per cent when the revision was made, but an arbitrary valuation was placed on the implements which made them cost

[Mr. Richardson.]

the farmer more than under the conservative duty of 20 per cent. It is said of Sir Clifford that he was after money and office and he got both. I wonder if to-day he is satisfied.

I want to emphasize this point about the reduction of the tariff. They reduced it to 17½ per cent, but the valuation of the binders at that time for dutiable purposes was placed at $80, and the so-called Liberal party then increased the valuation, putting an arbitrary valuation of $100, and when the farmer paid the duty, he paid one dollar more than he had paid under the duty which was in force under the Conservative regime.

Mr. EDWARDS: $1.50.

Mr. RICHARDSON: $1.50. The hon. member for Frontenac corrects me and he has the figures. Wasn't that wiping out the duty on agricultural implements with a vengeance? Let us continue:

Manager. "You surprise me but go on, I am deeply interested."

McMaster. "The next move that put our beloved party in the hole was in 1907 when the Conservatives moved in parliament to reduce the duty on agricultural implements to 10%. I hate to confess this but our party opposed it to a man, and what is worse Mr. Fielding, the Finance Minister (a fine man too) told parliament that 17½ per cent was a low revenue duty and that to lower it might drive the agricultural manufacturers out of the country, thereby involving ruin to the industry. Since then, as you know, the Union Government cut the implement duty to a point which makes the average a trifle over 12½ per cent. I regret that others of our leaders, including the Beloved Chieftain, talked along similar lines to Mr. Fielding. I tell you (with a sigh) our party is pretty badly compromised on the issue. So you see that on this question 'Grit Codlin's your friend and not Tory Short'."

Manager. "But your party at least poses as the historic abolish,-every-vestige-of-protection-from-the-tariff party."

McMaster. (Smiling even more broadly than normally) "I trust there is no covert sarcasm intented in that word 'poses'."

Manager. "No offence, my dear sir, no offence —A cigar? No, well that I had in mind was that your leaders usually talk free trade."

McMaster. (Aside) "That's a sore touch. Would to God they always did. I say would to God they did, but such is not so. I have already quoted Sir Clifford who once publicly declared at Perth that the tariff had been permanently solved by the Liberals and removed from the list of Canadian political issues. You see for yourself that Mr. Fielding is no out and out free trader. Every now and again some old liberal spills the beans. Even the Grand Old Chieftain looped the loop on us occasionally, and you surely remember the words of our beloved D. D. who, as our leader, declared in Parliamert 'that while not a very high protectionist he could not help but know that protection had done much for the country'. Selah! And there you are. No, no, I am afraid that inasmuch as the Liberals when in office from 1896 till 1911 only cut the tariff 71/100 of one

per cent that we must confess that no matter what our professions may be, our practices demonstrate that you have less to fear from us than you would have from the other party. I always squirm when I hear the word hypocrisy used, but being logical I never challenge anyone who uses it to mortal combat. Don't you think therefore, in view of the record, that you can safely trust us and turn in with our organization to beat the other fellow?"

Manager. "Ins and Outs again? The same old game?"

McMaster. "Forbear, forbear. Frankly our boys are hungry and it is their turn now."

Manager. "Well, you have made out a fine case and if nothing can be done to appease the western Rads we'll see what we can do. Adieu and good luck to you."

Mr. MOLLOY: May I ask a question?

Mr. RICHARDSON: You have already had your little say. I do not propose to be interrupted.

Mr. MOLLOY: You are afraid.

Mr. RICHARDSON: I shall sit down. Ask all the questions you like.

Mr. MOLLOY: Why did you support the Laurier party and myself in 1911?

Mr. RICHARDSON: Because the Laurier party was in favour of reciprocity, and there is nothing I am more proud of than having supported the Laurier administration on that occasion. I did not believe at the time that it deserved to be returned to power on its record, but as a believer in free trade I was delighted to accept reciprocity or anything which in my judgment would make for the benefit of the country.

Mr. MOLLOY: Why did you run as Liberal candidate in 1912, supporting the Laurier Government?

Mr. SPEAKER: Order.

Mr. RICHARDSON: It is all right, Mr. Speaker. I am perfectly willing to answer his question.

Mr. SPEAKER: I was going to ask the hon. member for Provencher (Mr. Molloy) to submit his questions to the Chair.

Mr. RICHARDSON: The plain unvarnished answer is that I did not run as a Laurier candidate in the year he speaks of, nor ever after his betrayal of the country on the tariff. I ran as an Independent candidate. If you are fooled once it may be the other person's fault, but if you are fooled a second time, it is your own fault. You can bet your last farthing I am not going to be fooled again.

Mr. SPEAKER: Order. The hon. gentleman will please address the Chair.

Mr. RICHARDSON: Well, you might tell him from me, Mr. Speaker, for me, that he can bet all he has got that they will never fool me on any of these camouflaged resolutions. Let me say that I do not think the Liberal party, or the men who support the Liberal party, are a bad lot at all. What I am trying to establish is that there is no Free Trade party in this country at all. The hon. member for Cape Breton was perfectly right, the protectionists are among hon. members on both sides of the House, no matter what their political professions may be, and that brings me to a point I made a note of. My good friend from Peterborough (Mr. Burnham) said this afternoon that just as oil and water will not mix, you cannot mix free traders and protectionists and so he concluded the Union Government and party could not succeed. My hon. friend means well, but he has utterly failed to grasp the political situation in this country. There is really no difference between the people who support both parties in this country. It is just like the Methodists and the Presbyterians; nothing really divides them; they believe in the same essentials. We have a Union Government here, and I feel just as much at home on this side as I have ever felt anywhere else. The difference between the Liberal and the Tory parties is that hon. gentleman over there talk free trade and low tariff, but practise protection, while the old Tory talks protection and practises protection, and if I had to award the palm I would almost give it to the Tory party, because the other people adds hypocrisy to their other sins. In saying this let me not be misunderstood. I am not seeking to reflect upon the supporters of one party more than another. The leader of the Opposition knows I am speaking the gospel truth. How this gold brick business can be continued up to the present time is one of the marvels of the age; I thought it was worked to a finish thirty years ago. Just think of going around with gold bricks in the year 1919, on the 18th of June, with the thermometer registering almost a hundred degrees in the shade. Why the thing is a joke, and I want to say to the leader of the Opposition and hon. gentlemen opposite that the sooner they abandon their dishonest position on the tariff the better for their party and for all concerned. Most of them perhaps think that they believe in free trade, but they do nothing of the kind, because they always practise protection. It is perfectly easy to move resolutions; that is a handy thing to do, but the question is, what do you vote for and where do you stand. So far as the Opposition is concerned on

this trade question it has become a joke, and I fancy the people throughout the country are laughing hilariously over it all. I want to say that to some extent if we were not up against the situation we are at the present time, I would throw in my lot with the free trade party in the West. In fact I may find it desirable to do so later on.

Mr. MOLLOY: If you get a chance.

Mr. RICHARDSON: How delighted my hon. friend seems. I did not say with the Grits, but with the free trade party. He misunderstands the whole thing.

Mr. MOLLOY: Any old party for you.

Mr. RICHARDSON: I respect most of these western men who announce their inability to support the Budget. I have talked with many of them quite freely, and I know that they recognize that this Government has carried immense burdens during the last two or thre years and has wrestled with many difficult problems. I have no doubt they intend to continue as supporters of this Government, but they realize that on this tariff question, which is such a live issue in the West, if they did not take the position which they are taking, this Parliament and this country might have to deal with men who will be much less reasonable later on. I am not sure but that the Canadian people may yet have great cause to rejoice in the fact that an organization may come out of the West which will help solve many of these trade questions, bring relief to that western country and, in a measure, to Eastern Canada as well, and constitute a genuine low tariff party as distinguished from the old Laurier party.

One of the griefs which I have over this issue is the fear of a permanent division between the East and the West. The West has a great future. It is a great and productive territory but it has laboured under many handicaps. However, it is indissolubly united with the rest of Canada and a solution ought to be found to appease the West and bring harmony between it and the east. In my judgment the tariff should not be in politics. It should not be a political question at all but should be settled by a board of experts, a board of economy men, the best masters of economics that we could find. Let us invite men even from other lands if necessary to study the question and help us solve the tariff issue in this country. It seems a pity that the West should be divided from the East. It has always appeared to me most unfortunate that the people of this country should be divided into hostile political camps over the tariff. The division is not real for the reason that the question is not thoroughly understood, and we should have competent experts to consider the tariff question with a view, if possible, of removing it from politics.

Mr. ARCHAMBAULT: I would like to know if the hon. member is in favour of free trade in fruit.

Mr. RICHARDSON: Absolutely. If there is one thing in the West that we need it is free fruit. In the old days, let me tell my hon. friend, the farmers used to trade a whole bushel of wheat for a dozen bananas. I have a brief here on the question that I had intended to bring before the House to-night but I cannot afford the time, before the division? I had to make up my mind to sacrifice this point, but I am delighted that the hon. member has asked me the question because it gives me an opportunity—

I have still another point to deal with on the tariff. I would not say anything to offend the sensibilities of my hon. friend the leader of the Opposition, because I have learned to like his personality. But in addressing some remarks to the House on this question I desire to buttress my arguments as far as possible, and I may be allowed to read a letter which I recently clipped from the Ottawa Citizen. It reads:

> Things seem to be going from bad to worse in Canadian Parliamentary conditions when the leader of the Liberal Opposition declares—

Mr. SPEAKER: Order. It is not in order for the hon. gentleman to read anything from a newspaper or a letter commenting on or dealing with anything said by a member of the House.

Mr. R. L. RICHARDSON: May I give the purport of it? I would put it this way—

Mr. McKENZIE: Mr. Speaker, I have no objection to the hon. member reading the letter in question if it will be any consolation to him.

Mr. SPEAKER: It matters not whether the hon. member objects or not. I wish to see the rule obyed.

Mr. R. L. RICHARDSON: The rules of this House are far greater than either the leader of the Opposition or myself and I am perfectly willing to abide by your ruling, Sir. But I had the idea that that was one of the things that one could do. I recall Senator Edwards many years ago when he used to sit next to Sir Wilfrid Laurier in the House, and I remember how he used

to talk and gesticulate until I was afraid he would drop dead from apoplexy. He was always denouncing the tariff. I do not think you were there at the time, Mr. Speaker. He was always denouncing the tariff in the bitterest manner, but he always voted with his party. You can always do all the denouncing you like as long as you vote right, and Senator Edwards, in the letter addressed to the Citizen, complained that the Liberal party was going to the eternal "bow-wows" because the leader had pronounced himself a protectionist. The senator concludes the letter by saying that if he were a young man and not suffering from an infirmity he would be delighted to come back into the House of Commons to fight the tariff issue. The Right Hon. the leader of the Government (Sir Robert Borden) will remember all about it, because he was present in the House. We had Senator Edwards as a member of the House in 1896, and I am sure he did not denounce or oppose the protection Government of the day. It is all very well to talk and move resolutions, but as the Scotchman says: It is not what ye shall be saying or what ye shall be thinking but what ye shall be doing. The question is: How did you vote? I do not recall that Senator Edwards ever voted against the Government or against protection. If he wished to distinguish himself he could probably assist in having the duty removed from cement because I understand he is very deeply interested in this cement combine.

With regard to the tariff investigation, the Government promises thorough investigation and analysis of the fiscal question. I take it that the members of the Cabinet are quite sincere in this promise. I would however remind the Government that we have had many experiences in fiscal investigations which have been fizzles or mockeries. Every man in this House and every thinking man in the country realizes the powerful influences which would be brought to bear, and which are perhaps even now at work, to prevent anything like a really scientific and reformed fiscal system being established. Whilst free trade is the ideal and scientific fiscal or economic system, it would seem to me futile for any class of thoughtful Canadians, in view of the world conditions as they exist at this moment, and in view of our limited population, to insist upon the immediate introduction of that policy. Indeed, many thoughtful Canadians who are strong free traders in principle even feel that any ultra-radical changes in the present fiscal system, under the remarkable conditions which exist, might be fraught with grave danger. The fact that a protection system has been in operation in Canada for forty years, that under it a large industrial population has been created, makes it, in the eyes of such old free traders as I have in mind, extremely dangerous to propose any sudden or ill-considered radical change, even if our fiscal policy is not fundamentally sound, as most people will generally admit. But whilst a tariff may for fiscal and general economic reasons be necessary in Canada at present, it is still more necessary that the tariff should not be used, as it has been in the past, for the purpose of making fortunes for the owners of manufacturing plants, or, still worse, for cheap financial grafters who know just enough to be able to capitalize tariff advantages and realize on them through the issue of watered stock. The use or abuse of the tariff in this way is the main reason for such hostility to the policy of protection as it exists on this continent. But there is no intrinsic reason, if a government or parliament is honest, why a tariff policy cannot be operated without its opportunities being diverted to the benefit of the selfish or the crooked. Canada has surely progressed enough in economic intelligence to make a continuation of the "hogs and the chestnuts" era no longer possible. After living nearly 40 years in the Northwest I know what Protection, especially Protection on agricultural implements, has done to the western farmer. I vividly recall the hardship that was for many years involved in the notes which the farmers, by the thousands, gave on agricultural implements; these notes generally bore 12 per cent interest per annum after maturity. Usually these notes included a lien not only on the implement purchased but actually on the farmer's homestead. I recall the fact that farmers paid $165 for implements which cost the manufacturer, loaded on the car outside his factory, not more than $42. I believe that to a very considerable extent much similar conditions still exist. I regret to confess that so far as the agricultural implement industry is concerned I fear the tariff makes very little difference as the business is largely in the hands of an international interlocking combine or monopoly which exploits the farmers of both the United States and Canada. Other measures must be adopted to enable the western farmers to get their machines

at a reasonable advance on their cost. Canada, however, is not exclusively composed of farmers. It has now enormous debt obligations like every other country, and the larger the population the less each individual will have to pay. Besides, a civic population, if it does not cost too much, is of great advantage to the farmer. Now, in Canada at the present time, a large civic population engaged in what are termed manufacturing industries might under present conditions find it difficult to exist without a certain amount of tariff protection. Recent experiences in Winnipeg, where I am very especially interested, prove that the people who live on other than farming industries find the condidtions of life not so easy.

I am admittedly opposed to Bolshevism or anarchy, not because I believe the Bolshevists or Anarchists are necessarily all crooks or vicious malignants, but because I believe that the improvement of the defective and deplorable conditions of many of the working classes cannot be improved by convulsive or hysterical paroxysms, but only by the intelligent and deliberate efforts of these classes themselves.

I hear a great deal in Eastern Canada of the great prosperity of the western farmer. Do these people know anything of the record or history in the West? Do they know that hundreds of farmers in the West have had their whole property sold out for balances that they owed on self-binding harvesters after they had actually paid on these machines double their cost of manufacture. Is this incredible? Let the Massey-Harris Company say so and I shall produce the evidence in several cases in support of my assertion.

I was born and reared on an Ontario farm. I thought I knew something of hardship, but when I went through the West and travelled and lived amongst the pioneer farmers there, as I did between thirty and forty years ago, I thank the kindly Providence that destined me to be even a newspaper man, which I fancy is the next hardest career to that of a western pioneer of thirty or forty years ago.

The journalistic sycophants of the profiteering interests are telling us how rich and how arrogant the western farmer is getting with his wheat at $2.25 per bushel. They do not tell us, however, that many of these farmers, because of drought and other natural conditions, often do not raise a bushel of wheat. Nor do they dwell upon the fact that although the debts and obligations of the western farmer are never extinguished except by payment, the climatic conditions of which he is the helpless creature are so variable and uncertain that he cannot in any year be assured that he is going to raise enough to live on. Is it not the turn of the western farmer? I have seen Manitoba No. 1 Hard wheat (a grade superior to any that can be produced to-day) sold by farmers of Deloraine, Man., for 42 cents per bushel and some of these farmers had teamed that wheat from the Antler country, twenty-five miles west. The member for Provencher (Mr. Molloy) the other day spoke of wheat being sold at Emerson for 39 cents a bushel in those days. You say that is ancient history. It is not ancient history. Many of the farmers to-day are the sons of those whom the struggle has killed, and are paying interest on the mortgage loans which their fathers were obliged to raise to meet the deficits which pioneer farming in the West made inevitable.

You eastern people have the idea that you made the West. This idea is a paradox. The West has made you or will make you if there is any making to you. The country with the resources is north and west of lake Superior. The people of the West know that, and they regard not only with resentment but with ridicule the idea that the people of Western Canada are a sort of tenants of the East because Canada undertook to pay the Hudson's Bay Company $1,500,000 for something the Hudson's Bay Company did not own. The West itself is, I believe, as a whole a British country to the heart. In fact I think the West is more a British than a Canadian country. The people of the West were utterly at a loss to understand the apparent reluctance of the people of old Quebec province to rush to the succor of their great and gallant Motherland. The defence of Verdun by the French I regard as one of the epochal affairs in heroic history. Why did French Canada only to a limited extent respond to the call for help from the Motherland? It is not necessary to formulate the answer. Our French Canadian citizens are a most valuable factor in our community. They have an impression that we English-speaking people are a coarse, uncouth, arrogant and bullying people. This impression is due largely to their politicians, but undoubtedly to some extent to their experience of contact with the more uninstructed elements of the English-speaking people whom they meet.

It is impossible to discuss the tariff question without reference to the business of

stock watering finance, for there is a very widespread belief in the West that the interests at the back of stock watering finance are those who influence the maintainance of the tariff. I must admit that this western idea is largely shared by myself. If I support the Budget on this occasion I wish it to be distinctly understood that if I am here when another Budget is presented it shall have to be one in which the minister shall show that he has taxed all profits to their reasonable limit and that he has taken the means and has provided the machinery by which the profits of every concern in Canada shall be accurately and definitely ascertained. While under present conditions I could not demand an elimination of all tariff taxation I must assert the right of the people to know exactly where the proceeds of that taxation go.

I want, before I sit down, to say one word in reply to a statement made by the hon. member for Maisonneuve (Mr. Lemieux) in a speech which he recently delivered. I did not happen to be present on that occasion, but I am told he denounced public ownership in unmeasured terms, and he instanced the experience in the United States, and I understand also in Great Britain, as indicating the failure of public ownership in these two countries. Let me say that I saw an extract the other day from a White Paper recently issued by the British Government in which the statement was made that the United Kingdom had netted $85,000,000 profit out of the operation of the railways there during the war. That is all I propose to say on that point.

One word with regard to the Civil Service. I spoke briefly on the Civil Service when I addressed the House during the debate in reply to the Speech from the Throne. I believe that one thing the Government should do is to deal radically with the Civil Service. I believe the Civil Service costs this country almost double what it should cost, and that if it were properly handled reduced and co-ordinated all the deadwood cut out, we would have a much more efficient staff of public servants and the cost to the country would not be much more tham half of what it is at the present time.

Just a word further with regard to the high cost of living. A week ago I visited Winnipeg and spent ten days there studying strike conditions and looking after my own business which was seriously threatened by that strike. I found almost universal discord and unanimous, if not indignation, at least condemnation of the high cost of living and criticism of the Government in connection therewith and I have tried since I came East to impress the Ministers with the view that great unrest exists among the people with regard to the high cost of living. Rightly or wrongly they blame the Government for it—to be accurate I found that feeling almost unanimous. Of course there is this point to be remembered—that the people are so uneasy and so filled with unrest that they blame all governments; they seem to be down on municipal, provincial, and federal governments, in fact they seem to be chafing under authority. I do not think that I succeeded in convincing the Government that the dissatisfaction was as general as it really is. I am not sure that the Government can control prices, although I notice that in New Zealand the Government have established meat shops and do control to some extent. The price of meat and the price of butter in New Zealand have been kept lower than the price for export, and the producers for export were made to contribute to an equalization fund to remunerate the purchasers of these commodities for home consumption. I pointed out to the Government that if it were not practicable to control prices they might make an effort to limit the profits. I think by coöperation with boards of trade, and with other bodies in the various cities and towns, that a reasonable profit might be set on the necessaries of life, say on twenty or thirty articles of necessity.

That a reasonable profit might be set on the necessaries of life, say on twenty or thirty articles, and that the Criminal Code might be amended so as to punish all who charged profits beyond the scale set by the board. In that way I believe profits might be controlled. Any way, I have this proposition to make: that the Government is under the necessity of attempting to control prices or of demonstrating to the people that such control cannot be effected. The unrest is so strong and so universal that I believe it is absolutely necessary in the interest of the country that it should be allayed as soon as possible. No wonder the wage earner is uneasy when he sees the prices of bacon at 75 cents a pound and profits in certain lines of manufacture ranging from 10 to 72 per cent. Unrest is bound to continue while this state of affairs continue.

I should very much like to have said a word with regard to the Winnipeg strike. I would not think of discussing the strike issue, because it has been overshadowed in the minds of the people by the idea that an effort has been made to subvert con-

stituted authority. The people of Winnipeg, I find, have held that view almost unanimously, with the exception of the strikers themselves and their sympathizers. The people of Winnipeg deserve great credit for the manner in which they have taken hold of certain utilities; they have staffed the telephone and postal services and have been doing the scavenging, and three or four thousand have joined the militia in barracks and done all sorts of menial work, and I say all honour to them. I do not propose to pronounce any judgment as to the merits of the strike. The matter has reached such a grave position at the present time that it is my judgment that they who discuss it without considering its gravity are liable to rock the boat, and I do not wish to do that. The people of Winnipeg of course are greatly exercised over the strike, and it is to be hoped that the question will be finally and satisfactorily solved.

Before I sit down I want to say that I look very seriously on this question of voting against the Union-War-Government on this issue. The Budget is really the vital issue on which a Government exists. If I vote against the Government it means that I want to turn the Government out. That is the meaning of my vote. There is no escape from that position. Even though a small number vote against the Government, their declaration is that the Government should be defeated. In all solemnity I am not prepared to face that issue. In view of the policy on which we were elected and in view of the vast majorities, hundreds of thousands, which were rolled up in the West for the Unionist candidates, manifestly the idea of the people was to win the war, and the Government is still engaged in that great task. So, after considering this question carefully, I cannot bring myself by my vote to say that the Government ought to be turned out of office. It would seem to me rather to be my duty to tender to this House the resignation of my seat than vote against the Government on this issue.

In view of all considerations, I am utterly at a loss to see what other course I can conscientiously follow than support the Budget, even though, like many of my friends from the West, I should like to see certain changes made. The question is not my personal political fortunes which, possibly, are nil; but my duty as a citizen and as a member of the Parliament of Canada at this very critical time. I shall therefore, Mr. Speaker, vote in favour of the Budget.

[Mr. Richardson.]

Hon. W. S. FIELDING (Shelburne and Queen's): Mr. Speaker, I sympathize very heartily and very warmly with the desire of the members of the House who wish this debate to be brought to a very early conclusion, and with that object in view I shall try to respond to that very proper desire. Many things that one might wish to say under other circumstances may well be omitted. At an early stage of the session I had an opportunity of participating in a debate in the course of which tariff questions were much discussed. At that time I gave expression in general terms to my views on this tariff question, and inasmuch as the resolution in amendment moved by the hon. member for Brome (Mr. McMaster) is largely, though not exactly, in harmony with the views which I then expressed, I shall vote for the amendment of the hon. gentleman.

There are one or two general questions to which I should like to make reference before coming to what seems to be the main question of the tariff. From one aspect I am sure that the House generally will sympathize with the Minister of Finance in the duty he had to discharge in bringing forward the Budget at the present session. He had indeed a large responsibility and great difficulty, and the best that any Minister of Finance could do under the circumstances would surely fail to satisfy all interests. That I fully realize.

1 a.m.

The fiscal situation generally, as disclosed by the address of the hon. gentleman, is a very grave and serious one. Possibly from some viewpoints it might be considered an alarming one, though if we have regard to the events of recent months and years, perhaps we could expect no better situation than that which he discloses. Our Budget is running into such enormous figures that I am afraid many of our people absolutely fail to appreciate their meaning. The ordinary man in the street does not quite comprehend, unless the matter is pressed upon his attention, what it means when we say that we have at this moment a net debt—not a gross debt, but the gross debt less assets which are claimed to be good—a net debt of something over $1,500,000,000, and that when this fiscal year upon which we have entered closes, it is the expectation of the Minister of Finance that our net debt will be close upon $2,000,000,000. These are vast figures—figures, which as I said a moment ago, the ordinary man has some difficulty in comprehending.

If time permitted I would like to make some comparisons to help each of us to understand just exactly what that means. It is only by comparison sometimes that we can understand things. In my boyhood days I remember the Great Eastern, that famous steamship, coming into Halifax harbour. We all knew from our information concerning her that she was a great ship, but we did not realize how big she was until some of the small harbour vessels passed alongside of her. Comparisons and contrasts are thus very helpful, and, as I say, if time permitted, and we could make some comparisons between the figures of our past finance and the figures we shall have to face now and in the early future, they would be very helpful.

For example, on March 31, 1914, our net debt was $335,000,000. That had been the accumulation of forty-seven years of the history of the Dominion. During these years great public works had been entered upon, vast railway systems had been constructed, the canal system had been extended, and public works of all sorts had been constructed, and the net result of it all was that in the year 1914 our net debt stood at $335,000,000. That was thought then to be an enormous sum.

When the construction of the Canadian Pacific railway was undertaken, many thoughtful people doubted the wisdom of the assumption by the country of the burdens that were proposed, deeming them rather heavier than the country could bear. In more recent years, when the construction of the Grand Trunk Pacific was undertaken, many thoughtful men were of the opinion that the burden which was to be assumed at that time was more than the country could bear. Well then, if there was doubt of the ability of Canada to bear the burden necessary for the construction of the Canadian Pacific; if there was doubt as to our ability to stand the burden of the construction of the Grand Trunk Pacific, and if in 47 years of our history we rolled up what was thought to be the great debt of $335,000,000, what must be our thought now when we reflect, as we shall at the end of this current year, that in the last four, or as it will then be, five years, which may be called five war years, that net debt of $335,000,000 has been multiplied by six? That is to say, in five years we have added five times as much to the net debt of Canada as was created during the whole of the 47 years of our previous history.

It is by comparisons of this sort that we come to realize the magnitude of the burden which we are called upon to bear. We must all bear it cheerfully; it was assumed for what the whole country deems was a great cause. Although we contend that in this particular item or that particular item, there was extravagance and wastefulness, still, the net result is that this burden has to be borne.

The interest charge on our national debt will in itself amount to more than $100,000,000; that thought is enough to make us reflect on the whole subject. In the year 1914 our total expenditure chargeable to Consolidated Revenue Fund was $127,000,000; now we shall have to bear an interest charge of almost that amount, or over $100,000,000. Pensions will add largely to the burden. All these things go to show that there is great need of economy. And how is economy to be practised? Not with the matter of interest; that must be paid. Not with the matter of pensions; no man will want to economize in that, because it is a debt of honour which we are all proud to pay. So that if there is to be economy, it must be in connection with the administration of the ordinary affairs of Government, such as we had to deal with before the war.

Now, the Estimates for the current year do not indicate such economy as many would desire, and there has been much criticism, even from warm friends of the Government, of the proposed expenditure. I think however, that some allowance should be made for the Government in this respect. The minister of Public Works (Hon. Mr. Carvell) stated very frankly that he was making some appropriations for what he thought would be useful services, but keeping in mind the danger and the risk of unemployment. I think there is something in that, as applied to the current year. I look upon the coming winter as a time of considerable anxiety. When we are passing through the summer season, conditions are not so bad as they are apt to be when the severity of winter comes on. Our returned soldiers have all been given a very liberal, though not too liberal, grant on demobilization. They have some money in pocket, and they can all face the situation now, but by the time winter comes many will have disposed of that money and if there is unemployment at that time the situation will be a very grave one indeed. I make some allowance, therefore, for the Government this year, in that they are trying to guard against such a condition by making appropriations which under other

conditions they might hesitate to make. But subject to that, in the preparation of future Budgets, whoever may have to prepare them, there ought to be a very firm determination to apply the pruning knife to our ordinary expenditure.

I think that the Civil Service is one which admits of much pruning. I do not mean as to individual salaries; on the contrary, I subscribe very heartily to the principle laid down by some honourable gentleman the other day that it would be a sound policy if we had fewer officials and paid them better. But there has been a very great increase in the personnel of the public service in recent years. Most of it, I am ready to believe—perhaps all of it—was necesssary; but under the new conditions that arise it ought to be possible to send a large number of these new officials who have been brought into the Service back into ordinary lines of civil life; and in that respect there should be a very considerable improvement. A committee of this House is dealing with the matter at the present time and I have no doubt that they will give it their very best attention.

There is one portion of the Service in connection with which I am not going to recommend economy. I am going to suggest something that the Minister of Finance himself cannot very well suggest. I have said before that the poorest paid officials in the service of the Canadian people are the Ministers of the Crown. There has been no change in the salaries of Ministers of the Crown for about thirty years, and I do not believe you could find any other class of people, either in official or in private life, whose income has not been increased during that period. I understand the difficulty. The ministers are in a position of great delicacy; they hesitate to make proposals to increase their own stipends. But under our constitution, if they do not do it nobody else can. I do not advocate an increase in the number of cabinet ministers; I would rather diminish the number; at all events, I suggest that it be not increased—but if the ministers will take the responsibility of making a recommendation to the end that Parliament may give due recognition to the services which they are called upon to perform, I for one will give it my hearty support, and I hope that the House will be prepared to do the same.

Another branch of our public affairs was referred to very briefly by the Minister of Finance and discussed more fully by the member for Nicolet (Mr. Trahan)—that of our currency. Before the war we had a very sound system of currency upon a gold basis. That does not mean that for every note we issued we had a dollar in gold; that was not necessary. A large number of notes issued by the Dominion do not need immediate gold protection because they are not likely to be presented for redemption. The banks are required to hold a very considerable portion of their cash reserves in Dominion notes; these notes cannot be presented for redemption. The banks, for their ordinary business, require a considerable volume of notes; these are not likely to come in for redemption. The merchant in his office, the retailer in his store, the private individual in his pocket, all need some Dominion notes for the ordinary every-day affairs of life; these notes are not likely to come in for redemption. To a considerable extent, therefore, there is a note issue which does not call for large protection. What that sum is is not determined by any arbitrary rule; it is a matter for the judgment of the Minister of Finance, with the approval of his colleagues. My recollection is that when I first had to deal with the matter the amount was fixed at $20,000,000, and all that was necessary in the interest of sound finance was that we should hold one-quarter of a dollar for every dollar of that amount, or 25 per cent on the $20,000,000. If I am not mistaken, within my own experience that amount was advanced from $20,000,000 to $30,000,000. The Minister of Finance of the present day has advanced it to $50,000,000; the growth and development of the country, our increased population and our enlarged business, would call legitimately for an expansion of the former circulation. Against that $50,000,000 I think the law requires $12,500,000 in gold. Now, we have got away from that sound standard unavoidably, under the stress of the war. If we were to apply that rule to-day to the outstanding circulation of the Dominion that is to say, take the total notes issued and take, on the other hand, the actual gold the minister holds, we would discover there is a very sad shortage. I do not want to dwell on the figures, because I do not purpose causing any alarm in the matter. I am alluding to it only that I may strengthen the hand of the minister in the desire, which I am sure he must have, to get back as early as possible to normal and sound conditions. There is a very large amount of our currency now out

standing which is not represented by gold. There is a provision in the law that the minister may issue an amount of currency against certain securities. There is a statement in the Canada Gazette that a certain amount of currency is outstanding issued against securities deposited under the Finance Act. I am inclined to think that does not quite accurately describe the situation. If I remember correctly, the Finance Act only authorizes the issue of notes against securities to banks, and we are aware, from previous discussions, that the Government have made advances to others than to the banks; that they have made advances to the British Government and to certain railroads. Therefore, I do not think it is quite correct to describe these as issued under the authority of the Finance Act. That, however, is not important from the point of view of my argument. As regards the amount of note issue secured by gold, we are far away from the old sound standard. All I am suggesting is that the volume of that currency, which is now so large, and which I think is rather embarrassing to the banks, is beyond what the trade of the country is capable of absorbing at the present time. I think, therefore, the Minister of Finance will agree with me that it would be a wise policy at an early date to arrange for the redemption of a large portion of that note issue. There is, of course, the temptation to have a large amount of note issue because it costs no interest, it costs the Government nothing. But it is a dangerous form of economy, and I hope the Minister of Finance will soon provide the means of redeeming it, if necessary, by issuing a loan, changing one form of debt for another. I am not saying that in a spirit of hostility, but rather to direct the minister's attention in a manner in which I am sure his own mind will lead him.

Another matter is that, referred to so often, with regard to tax exemption on bonds. It has been repeatedly stated that the cost of our loans in consequence of this exemption is very high. That is probably correct. While the loan is nominally at 5½ per cent, when you have regard to the tax exemption and the commissions and various other charges, the loan is very expensive. That phase of the matter has been dwelt upon by many speakers, but, to my mind, that is the least serious aspect of the situation. The most serious aspect, in my judgment, is that this system of exempting bonds from taxation is going to be a breeder of trouble for us in the future. The smaller buyer of these bonds may for a time try to hold them; many are selling them now, taking advantage of the profit which attends that transaction. As the days pass it will be found that the smaller holders of these bonds will not be able to carry them, and they will pass gradually into the hands of the wealthy classes. What condition will that lead us to? We shall see, after a time, that while the ordinary man of moderate income, who has a hard job to earn that income, finds that through the operations of the Finance Department, he is called upon to pay a tax, across the street is living a man known to be wealthy, who is not paying a single penny. That is a condition which is bound to breed unrest and discontent. We are in the midst of days when there is some lack of the reverence which was once paid to old-time contracts. There is less disposition to-day than in olden times to respect what are called vested rights, and I would not be surprised if some of us are still young enough to see the time when there will be a grave agitation whether or not that contract to exempt the bonds shall be maintained. I am not for a moment suggesting that the contract shall not be kept; I say it should be, but that system is liable to breed trouble. I can, to some extent, make allowance for the Minister of Finance. The first thought that he must have when he is about to issue a loan, is how to get the money. He cannot afford to fail; if he is issuing his loan in the English market he must be careful to fix a price at which the public will take it, because failure would affect the credit of this country. When he came to seek loans in the market unknown until the last three or four years, that is, in the market of Canada, I am not surprised that he had some doubt whether he would succeed. He no doubt endeavoured to make the loan as attractive as he could and to get all the help he could. In that way he brought into his service the banks and the brokers and others whom he has to pay and he baited his hook with tax exemptions. All these are very natural things for the minister to do; but as he looks back, perhaps he feels he could have got along without some of those things. But we can all be wise after the event. Having regard to all the circumstances, I think the step taken by the minister was not a wise one, but I am not sure that another Minister of Finance would not if he were in the same position do the same. He wanted the money, and, therefore, he made the loan as attractive as possible. I would respectfully suggest that whenever he seeks a further loan, it would be better

to pay a higher rate of interest and not to continue the system of tax exemption.

I discussed the tariff generally at an earlier stage of the session, and there is less reason why I should dwell upon it now, but I cannot help giving expression to this thought. Nearly all the arguments that have been advanced in support of the tariff changes are really arguments why there should be no change at all. Many hon. members have said that this is not the time to make tariff changes. The Minister of Finance himself spoke of the great desirability of tariff stability, and then he proceeded to upset the tariff.

And whispering "I will ne'er consent,"—consented.

All through the discussion we have found the argument used that the time has not arrived for tariff changes. The Minister of Immigration and Colonization (Mr. Calder) dwelt upon that very strongly. He said that he did not see why there was any need of change at all. I do not say that I subscribe to that view; from my point of view, that would not be the wisest course, but from the point of view of hon. gentlemen opposite, they could have logically taken the ground that this was not the time for tariff changes; that the Government has no mandate. But while many of them argued that this is not the time for tariff changes, they proceeded to make tariff changes and not inconsiderable ones either. A reduction of 5 per cent on British goods is not a very inconsiderable change. Older men will recollect, and those who have read the political history of Canada when they were younger, will remember, that a great political party went out of power in 1878 on the question of a duty of 2½ per cent. The duties of that day were 17½ per cent, and the manufacturers interested asked Mr. Alexander Mackenzie to make them 20 per cent. He said he would not do it and they put him out of power. A change of 2½ per cent in the tariff is, therefore, not inconsiderable. Accordingly, the reduction in the duty of 5 per cent, and in some instances of 7½ per cent, is not an inconsiderable item. It is a very important change, and all I care to say now is that while I am not objecting to the changes that are being made, I regret that the arguments which most of the hon. gentlemen have used have been of the same character; they have given us good reasons for no change being made, but they are all going to vote for the changes all the same. I regret I did not have the pleasure this afternoon of hearing the Minister of Finance speak. Had I been aware that he was going to address the House, I would have endeavoured to be present, although I had an important engagement elsewhere. I have, however, had the pleasure of reading what my hon. friend said and it is very interesting.

A very interesting feature of this Budget is the various reasons given in support of it. I have already mentioned the reasons given in favour of doing nothing in support of a Budget which professes to do a good deal. But one of the most interesting reasons that I have heard given for the support of this Budget is that it is a reciprocity Budget. That is something which interests me very much, and if I might say so, without being offensive, it amuses me a little bit. To understand fully the humour of the situation we must go back to the year 1911. Prior to that time my good friend the Finance Minister of to-day (Sir Thomas White) was a Liberal in full communion, I believe, with what he and I would then call the grand old Liberal party. Prior to 1911, when things were said against that party, he gave them no sympathetic hearing. When a foolish man said that the Liberal party had not lived up to their promises the Finance Minister of to-day never allowed any nonsense of that sort to affect him in the least. When accusations of mismanagement and corruption were made against the Liberal party the Finance Minister of to-day paid no attention to them. When the Prime Minister of to-day in an election campaign said that the mere fact that the Liberal Government was spending $70,000,000 or $80,000,000 was conclusive evidence of corruption— I wonder what he would say about the $600,000,000 that is being spent to-day, the Minister of Finance of to-day did not share that view. He knew better. When the various public works of that time were constructed and all sorts of accusations of wrong-doing were made in that connection, the Finance Minister of to-day paid no attention to such cries. He stood true blue. And when that awful crime was committed of undertaking to construct the Grand Trunk Pacific, and we sometimes hear of that awful crime to-day, in spite of all that was said and done against that project the Minister of Finance of to-day was perfectly content; he had no fault to find. So you see he stood faithful down to a certain point, but the worm will turn, the line must be drawn somewhere and my hon. friend found the moment when he could no longer stand for the wickedness which was then present. What

was that wickedness? There was a proposal made absolutely to have an exchange of trade with the United States. My hon. friend could not stand that; he could not stand it for a moment. He, followed by seventeen other gentlemen, formed the Noble Eighteen of Toronto, shook the dust of Liberalism from their feet, and from that time forward identified themselves with the enemies of Liberalism. On that great issue we lost the valuable services of my good friend the Minister of Finance of to-day. And now what do we find? I find the hon. member for Brandon (Mr. Whidden) in the very interesting speech he gave us the other day using this argument:

I would like to remind hon. gentlemen opposite that some of the best features in the Budget the Finance Minister has brought down are features to which they gave devoted allegiance in a pact which was introduced only a few years ago

So we are asked by the hon. member for Brandon to recognize the fact that the Minister of Finance, who could not stand for any "truck or trade with the Yankees" in 1911, is now bringing down a Budget which contains many of the best features of the reciprocity agreement. "No truck or trade with the Yankees" was the slogan in 1911. It is true that the Minister of Finance has modestly disclaimed the authorship of that expression, but it was used in the campaign very generally, and no matter who was its author it was a correct and brief account of the campaign waged against the Liberal party of that time.

We have some further testimony. I find the very friendly Ottawa Journal, in its clever column of Parliamentary Correspondence, has the following on the subject:

As for reductions (net) on agricultural implements, western low tariff men should have no complaint in regard to them. They are the precise reductions provided for in Mr. Fielding's Reciprocity Act, Sir Thomas White having apparently taken the former's 1911 proposals as his 1919 model. The same thing may be said of wheat, wheat flour and potatoes. They are made free just as was provided for by reciprocity with the added step towards Cobdenism, that they are made free not alone to the United States, but to any country which makes them free to us.

Then I come to the address of my hon. friend from Brantford (Mr. Cockshutt). He gave us some testimony which is not quite as agreeable as I should like, but I must give it as it reads. He said:

I want to remind the leader of this Government, (Sir Robert Borden) and his Minister of Finance (Sir Thomas White) and his Minister of Railways (Mr. J. D. Reid) that every one of them came into power in 1911 as protectionists; I want to know why they deserted their colours—why they were afraid to mention the word "protection" in this House, and why, when it comes to delivering the Budget speech, apology must be made all along the line for every tariff item, and not a word with regard to protection or adequate defence of the industries of this country. I say this with all kindness, but I mean it to be understood, and I trust it is. The right honourable gentleman who leads this House came into power in 1911 on the reciprocity cry, and without that protectionist cry I believe he would have been in the cold shades of Opposition up to the present time.

So do I.

The Minister of Finance did the same, and although the Minister of Railways was in the House before that, he was a thoroughgoing protectionist up to that time, but even he never mentions the word "protection.". . . . . I say that this Government have no mandate to do what the Finance Minister proposes and that I for one have no confidence in what they are going to hunt for. That is plain talk. I say I have no confidence in what they are going to hunt for. Why? Because every move they have made has been contrary to the platform on which they were elected. . . . . I assert, therefore, that the proposals of the minister are quite different to the platform on which he was elected, because he was elected on a policy which was opposed to reciprocity or to free trade with the United States. He has gone back on that policy in very many ways. Two years ago he granted free wheat, which was one of the greatest bones of contention in that tariff schedule of 1911.

So you have testimony, not from me, though I try to give impartial testimony, but from parties more directly friendly to the Government, including its loyal supporter the hon. member for Brantford, that the policy which these gentlemen have brought down now is in gross and flagrant violation of the policy on which they drove the Liberal Party out of power in 1911. I understood that the Minister of Finance this afternoon—and I again apologize for not having the pleasure of listening to his address—made the remarkable statement that the only objection he had to the reciprocity arrangement was that there was an agreement. I have read that passage in his speech once or twice, and I am bound to say I do not know what it means. I do not know whether he cares to explain what he meant when he said that his only objection was that there was an agreement.

Sir THOMAS WHITE: If I recollect aright, I said that the chief objection I had was the same objection that Hon. George Brown had when the question of renewing the reciprocity agreement arose after 1866. The objection that he had was that no agreement should be entered into so as to bring the Canadian tariff into

American politics. That is one of the chief objections I had to the reciprocity agreement.

Mr. FIELDING: I must say that I fail to understand the objection of my hon. friend about an "agreement." Every transaction that you have with another party involves some sort of an agreement, and I am amazed to find my hon. friend say that he objects to an agreement. Does he say that he objected because the agreement was a binding agreement?

Sir THOMAS WHITE: The agreement had a denouncing clause, it is true, but in substance and in effect it would have been a binding agreement, and that was the objection I had. That objection which the Hon. George Brown had was precisely that which I have mentioned. If my hon. friend will look up the negotiations at the time I am speaking of he will find that that was a strong objection taken by as good a Liberal as there ever was in the House.

Mr. FIELDING: I do not think it is necessary to look up what Mr. George Brown or anybody else said about some other agreement. We have the simple facts of this agreement. We went to Washington and came to an understanding which was embodied in correspondence. The letters exchanged amounted in a sense to an agreement. The best kind of agreement with some people is what is known as a "gentleman's agreement." There are people who will regard a debt of honour as a much greater obligation than an ordinary transaction, and there are nations which will live up to a gentleman's agreement although they will not make a written agreement. We have a gentleman's agreement with Japan. There is not a scrap of paper confirming it, but Japan has lived up to the agreement. Now, what were the words of this agreement which we had with the United States? I do not intend to occupy very much of the time of the House, but I do not think there will be any serious objection to my reading the passage in question.

Some hon. MEMBERS: Go on.

Sir THOMAS WHITE: May I interrupt the hon. gentleman to ask him a question?

Mr. FIELDING: Certainly.

Sir THOMAS WHITE: Was not this to be a written agreement validated by legislation?

Mr. FIELDING: Yes sir, but a written agreement which could be terminated at any moment at the will of either party. Again and again, by the opponents of that agreement, it was represented as something that was going to tie the hands of Canada. Well, nobody objected to the reciprocity of 1854 because it would tie the hands of Canada. Every bargain you make with any man ties your hands so long as it exists. In the case of this agreement at Washington it was not our desire that it should take the form of a treaty, and I frankly state that it was my view that Canada should not be bound to a treaty but should make an agreement which could be put into operation and, if it proved beneficial to both countries, it could then be confirmed by a treaty. What are the words in that portion of the letters exchanged in relation to the agreement? This letter is signed by myself and my lamented friend, Mr. William Paterson, and is addressed to the Secretary of State at Washington. The passage to which I refer reads:

> The Governments of the two countries having made this agreement from the conviction that, if confirmed by the necessary legislative authorities, it will benefit the people on both sides of the border line, we may reasonably hope and expect that the arrangement, if so confirmed will remain in operation for a considerable period. Only this expectation on the part of both Governments would justify the time and labour that have been employed in the maturing of the proposed measures. Nevertheless, it is distinctly understood that we do not attempt to bind for the future the action of the United States Congress or the Parliament of Canada, but that each of these authorities shall be absolutely free to make any change of tariff policy or of any other matter covered by the present arrangement that may be deemed expedient. We look for the continuance of the arrangement, not because either party is bound to it, but because of our conviction that the more liberal trade policy thus to be established will be viewed by the people of the United States and Canada as one which will strengthen the friendly relations now happily prevailing and promote the commercial interests of both countries.

That was the kind of agreement which my hon. friend said he could not stand for. He said to-day: What have we to-day without the agreement? We have free wheat and free flour. Free wheat? Oh, yes; but who heard the story of free wheat in 1911? Were we not told that if wheat were carried from North to South instead of West to East, the lines of the Canadian Pacific railway would become rusty through nonuse? Were we not told that? My hon. friend from Brantford (Mr. Cockshutt) said that free wheat was one of the great bones of contention, and we were told that if there was one thing in the agreement more than another which would be fatal to the commercial interests of the country, it was that

we should have free wheat. And before long what happened? My hon. friend, elected to office purely and simply because of his opposition to reciprocity and because of his opposition to free wheat—because he would have no truck nor trade with the Yankees—soon went to Washington and Wall street, hat in hand, and begged those despised Yankees to lend him money to carry on the Government. What have we to-day without the agreement?—my hon. friend asks. We have free wheat, and he rejoices over the fact. But let him hesitate a bit in his rejoicing. The Canadian Reconstruction Association, which I think is a branch of the Canadian Manufacturers' Association, sent the President, Sir John Willison, to study the question and he came back and reported that the reciprocity agreement which has hitherto remained on the statute book will not hereafter be honoured by the Americans. I will not blame them. For years the Americans were wrong in their negotiations, but there came a time when they were right and willing to forget the past and hold out the hand of fellowship. But unfortunately, owing to the action of hon. gentlemen in condemning all relations with the United States, Canada rejected the hand of fellowship, and if the American people were indignant in consequence, they cannot very well be blamed. But what is the state to-day? The reciprocity agreement is still on the statute book, but the Conservative press says: It is too late to talk of reciprocity now because the Americans will not stand for it. Well then, we have lost the benefit of seven or eight years which we would have had if we had accepted the hand of fellowship when the Americans were willing to stand for reciprocity. We are also told in the press that largely represents my hon. friend, that the whole trend of the United States now is towards high protection. The Republicans have come into power, they say, and there will be a revision of the tariff, and we are told that when that revision takes place it will be upwards in the direction of protection. That is the current story now, the report brought back by Sir John Willison. What does it mean? My hon. friend says we have certain things without the agreement, but we will not have many —according to their own story—so soon as the Americans undertake that revision. With the agreement we could have had these things not only for the last seven years but in the future, because out of that agreement, and through the operation of it, there would have been an improvement in the relations between the two countries, and I have no doubt that the agreement could have been continued and converted into a treaty. We have lost these benefits for seven years, and according to the testimony of my Conservative friends, we are going to lose them all in the future, for they tell us that although the Americans to-day have given some concessions, they are going to abandon them at an early date.

Now, it is not with any great satisfaction that I am quoting these things regarding my hon. friend's departure from the faith of anti-reciprocity. Of course, I cannot fail to derive some amusement from them, and my hon. friend will admit that I have a good opportunity for that. But he would be a very sad, miserable, selfish, narrow man who, in the midst of his own rejoicing, could fail to take account of the sadness and sorrow felt elsewhere. I am rejoicing in the conversion of my hon. friend the Minister of Finance. The hon. member for Red Deer (Mr. Clark) the other day took credit to himself for having educated the minister in the advantages of income tax. Well, if my hon. friend is to be credited with being the preceptor of the minister in that respect, I think I should claim credit for his education in the virtues of reciprocity, which virtues he has suddenly discovered and is commending in so many ways. I am experiencing some of that joy which we are told prevails in Heaven over one sinner that repenteth, but I cannot fail to have some sympathy with those in distress. I cannot help thinking of the people of Toronto—good old Tory Toronto— who shouted for the hon. gentleman and made a hero of him simply because he was opposed to reciprocity, and for no other reason. Nor can I help having sympathy for those seventeen hon. gentlemen who broke away from the Liberal party because they would have nothing to do with the United States.

I cannot help feeling sympathy with the noble army of British-born and the Sons of England who rallied by the hundreds and thousands to defend the Old Flag against this dreadful crime. I cannot help but reflect upon the sadness and sorrow that enters their soul to-day as they find the hon. gentleman has broken away from the faith. And last, but not least, I cannot help but think of the anguish of that good Tory constituency of Leeds—Leeds that elected George Taylor. That is the kind of constituency Leeds was. Our dear old friend who has passed away was the embodiment of all that was Tory. Leeds elected

Mr. Taylor for years, and then he made way for my hon. friend (Sir Thomas White) to take his place. Why, without the anti-reciprocity cry the Minister of Finance could not have had a look-in in the county of Leeds. What must be the anguish of the people in that constituency to-day as they find that the hon. gentleman has flung aside the very ladder by which he climbed into power. So I say that while I have great joy in the conversion of my hon. friend, while I welcome him and express my gladness for the returning sanity and health that has come to him, at the same time I must pay some regard to these suffering people whom he has, shall I say, deceived and betrayed—no, these are harsh words—who have been misled by the belief that he was really my opponent on reciprocity.

I am very sorry I have not kept my promise to speak very briefly. There are other features of the tariff question that I should like to speak about, but it is too late and too warm.

Some hon. MEMBERS: Go on.

Mr. FIELDING: I will be content with the observations I have already made, and thank the House very much for its attention.

Mr. JAMES ARTHURS (Parry Sound): The hour is late, and I have no desire to delay hon. gentlemen, but I can assure the hon. member who has just resumed his seat that the Sons of England and the British-born of Toronto will still vote in the regular old way; they will not be misled by any argument as to whether or not they were right in the matter of reciprocity in 1911. The hon. gentleman has said that we have recently received reciprocity. I might correct him by saying that while our duties in Canada have been lowered to the level of those proposed by the United States, the American duties were lowered within six months or one year from the time reciprocity was defeated by these very same Sons of England and the British-born.

One of the other points made by the hon. gentleman was that we have to pay a debt approximately six times that which existed in 1911, when he was Minister of Finance, and he endeavours to throw the responsibility of that upon the members of the present Government and particularly upon the Minister of Finance. I believe that every man in Canada, irrespective of politics, is proud of the fact that we have that debt. It is entirely due to the fact that Canada took her proper and legitimate place in the war that has so lately ended, and furthermore the Government is not responsible for one dollar or one cent of the difference between the debt of 1911 and the debt of 1914. As a matter of fact, the exact opposite is the case. If normal conditions had prevailed the debt would have been reduced by the surplus of each year.

The hon. gentleman sees evidences of trouble in Canada during the coming winter. I would like to ask him whether he thinks that by supporting the amendment he will better conditions in this country? It is absolutely essential to the interests of Canada, whether it be Ottawa or any other city in the Dominion, that our workmen should be employed. If these workmen are to be employed, and we must necessarily keep at work, we must establish stable conditions and the amendment of the hon. member for Brome will bring about the exact opposite of that.

We have two debates in Parliament, year by year, in which members can express their general ideas on the affairs of the country—to wit, the debate on the Address in reply to the speech from the Throne, and the Budget debate. I might say, in order to allay all suspicion, and to follow the example of the hon. gentleman who has preceded me, that I intend to vote against the amendment and for the proposals brought in by the Finance Minister. I say this because I believe the amendment is not brought in in good faith, it is one of the old camouflage motions with which we are so familiar, and while I do not agree altogether with the financial propositions of the Minister of Finance, I think he is, in these propositions, making an honest effort to unite the different interests in Canada.

During this debate we have had all schools of thought represented. We have had the opinions of the hon. member for Red Deer, the only outstanding apostle of free trade. I say "only" and the hon. gentleman shakes his head at the statement. Probably he may have obtained a convert, but I do not know of one. We have had the views of gentlemen who were in favour of protection only on luxuries, or in other words that all the necessaries of life should be freed. We have had hon. gentlemen like the leader of the Opposition who believe that all the unrest in Canada is due to the fact that unfortunately two years ago we passed what is known as the War-time Elections Act and debarred certain aliens from voting in Canada. Then we have heard an hon. gentleman on the opposite side, to wit the member for North Waterloo (Mr. Euler) express the belief

that we should take the duty off button machinery, and that if the Union Government is defeated there will be no unrest in Canada. That hon. gentleman's proposition was to reduce or eliminate the duty on button machinery, and he further believes the existing unrest in Canada is entirely due to the fact that the Union Government has been too long in power. We have had all these lines of thought expatiated upon. I believe that even the tariff question, with all its changes, and notwithstanding the fact that it appeals to every man and every woman in Canada, is not the principal thing in the mind of the average thinking man in this country. I believe that the two principal ideas in every man's mind are first, how to allay the labour unrest in Canada and second, to completely satisfy the returned soldier and to re-establish him in civil life.

We have various ideas as to what constitutes labour unrest or as to what the cause of it is. Personally, I believe that the leading reason for labour unrest in Canada is the false standard of living which has been induced by the war, and this is true of all countries. Labouring men made money more easily than they had at any time previously in the course of their lives. They spent that money more freely and they have contracted habits which are hard to abandon. Secondly, I believe the cause of unrest amongst labour is fear as to the future. We have men, even in Parliament, so foolish as to believe that this country will at some time in the near future revert to the old order of things which prevailed before the war. I believe that every man in this House and every man in the country, for that matter, should "forget" that, to use a common expression and a short and simple one. We are not going back to the old conditions of pre-war days. We will never again see labour working for one dollar or less per day. We will never again see pre-war conditions, and consequently we will never see again the prices that prevailed before the war, whether those prices apply to the product of the farmer, the fisherman, the lumberman, or the manufacturer; and we may as well make up our minds now that we should do all we can to equalize matters, without attempting for one moment to drive either the labouring man or the farmer back to the conditions of pre-war times.

The third proposition in regard to the labour unrest is the propaganda instituted by the Bolsheviks, or the I.W.W., and I do not need to enter into this. It is not confined to the city of Winnipeg. It is present in every city of Canada, even in the city of Ottawa at the present time. Literature of a very obnoxious character is being circulated all through the country, and these men have no desire to do anything except create unrest, which will eventually lead to the dissolution of all our ordinary forms of government. The fourth cause is the supposed high cost of living.

Now, no matter what one of these four reasons a man may give for the labour unrest, he invariably damns the Government. It is not necessarily this Government, but if this is the handiest one it is the one he damns first. He damns all forms of government, and he blames every one of them. He blames the government for each of these conditions I have enumerated; and my friends who are opposed to the Budget today are adding fuel to the flames by saying the Government is responsible for those conditions.

Personally, I am in favour of all legitimate labour unions, and I believe that that is the attitude of the Government at the present time, as it is also the attitude of most of the members of this House. We are all in favour of lawful unions, but not of unlawful unions, and I believe, Mr. Speaker, that it is the duty of every member of this House, whether on the Government or on the Opposition side, when this session is at an end—which we hope will be in a few days or weeks—to go back to his constituency and do everything that lies in his power as a citizen of Canada to allay the unrest that exists in his own riding, and to do nothing to increase that unrest, because in that event he is playing into the hands of these very men we are so desirous of suppressing.

Now, as regards the grievances of returned soldiers, it is true that some of their demands are excessive, but in most cases they are moderate and just. It is no answer to say that in many instances the trouble has been caused by neglect on the part of the soldier himself, or that his papers have been improperly made out through the fault of some one overseas. Delay in many cases is unavoidable, but every effort should be made to have all these mistakes remedied and the allowance rushed on to the disabled soldier or to his widow and orphans. It is the delay in securing justice in individual cases that gives rise to an excuse for a general cry against the policy of the Government. We have many cases, Mr. Speaker, where through neglect of the authorities on this side of the ocean

or on the other side some poor man or widow has been deprived of the pension for weeks or months; and it can be readily understood how these cases, when ventilated before an audience of soldiers, give rise to a spirit of unrest. I would plead with the Minister of Militia and with all those in authority that every effort should be made to rectify these mistakes at the earliest possible moment. I believe, Mr. Speaker, that the soldier who left his family and business to fight for freedom should be, and will be, the best citizen, and that he will not allow the democratic institutions he fought for to be destroyed by the slacker or by the profiteer who stayed at home.

We have been told by many speakers during this debate that the tariff is responsible for the present high cost of living. But I would like to call attention to the fact, Mr. Speaker, that we have had practically the same tariff for many years. The largest reductions have been made by this Government and previous Governments supported from this side of the House. We had the same tariff when prices were low. The Government was not then condemned for the high cost of living, and it cannot be legitimately condemned for the same thing to-day. It is quite true that in certain cases ad valorem duties have created a hardship. I happened to listen to my friend the member for Regina the other day when he brought up the question of dried fruits, and stated that the cost on the primary market, the country of origin, had increased 300 per cent, and consequently, of course, the ad valorem duty would increase to the same extent. In such a case I think the Government might be well advised, where the market fluctuates so violently, to put on a special duty. But I would like to call the attention of the House to the fact that, after all, this matter—and it is one of the specific cases brought before the House—is a very minor one. The total duty on dried fruits last year was $166,000, and that included every variety of dried fruit imported into Canada.

2 a.m.

I have listened with much interest, as I always do, to the speech of the hon. member for Red Deer (Mr. Clark). His panacea would be general free trade. I would like to call his attention for a moment to about one-tenth of the items I have on my list. We collected last year on automobiles and parts thereof $6,008,000. At the ordinary school rate of 6 to 10 mills per dollar, which is the average rate in the province of Ontario, this would mean an assessment upon $600,000,000 to $1,000,000,000 of land value. This is an answer partly to the hon. member for Red Deer and to the Ex-Minister of Agriculture. In other words, four times that amount would represent 1 per cent upon all land at the valuation given by another member, which was $4,000,000,000. We received in duties last year upon musical instruments—which, after all, would, I think, be legitimate game for tariff—$1,039,000; upon fruits and nuts, $2,264,000; upon hats and bonnets, $1,090,000; upon meats of all kinds, $3,265,000. I would like my hon. friends to come down to some of the counties of Ontario and repeat to the farmers there the speeches they are making, first, as regards deserted farms in Ontario and, secondly, as regards protection. This duty of $3,265,000 at most cannot be more than 1½ cents a pound, and cannot be responsible for that very alarming price of 60 to 65 cents a pound for bacon. We also received upon ribbons $451,000; upon perfumery, $161,000; upon paper and manufactures thereof,—largely fine writing paper; and if not fine writing paper, it should not come into Canada, because we have all the raw material that we need for many years to come—$2,139,000; upon jewellery, $300,000; upon fancy goods, $987,000; upon curtains, $105,000; upon corsets, $135,000; upon buttons—in spite of my hon. friend from North Waterloo (Mr. Euler), depreciating the fact that all the button machines had to pay duty, they apparently kept their prices high enough in North Waterloo to force us to import from other countries and to pay $296,000 duty on buttons alone; on books, $991,000; on oilcloth and matting, $735,000; on photo instruments, $254,000; on silks, $3,486,000. Will the hon. gentleman say that we should have free trade in that article also, and proceed to collect that amount of revenue from the farmers?

The revenue collected from duty on spirits amounted to $3,709,000. That is a past luxury; we may not get that next year. The figure for soap is $282,000, for tobacco, $813,000, and for vegetables, $1,070,000.

I now come to an item which has been very much discussed, at least throughout Ontario—that of boots and shoes. We received by the way of duties on leather boots and shoes, imported from all countries last year, $934,000, or practically 12 cents per head of population. I venture to say that ninety per cent of these shoes were high grade shoes for the city trade only. Travellers for American concerns do not go to the small towns and villages;

they supply their goods entirely to the city trade. In proof of that I have only to point out that there are two items in the customs tariff for boots and shoes, one for leather boots and shoes, not otherwise provided, and the other for boots, riveted, nailed or wire-fastened. The latter are the shoes worn by the farmers around the farm or workingmen in the factories. How much do you suppose we received last year by way of duties on these shoes? The magnificent sum of $3,000. $3,000 for the workingman's shoe as against $934,000 for the shoe that is used in the city; yet the farmers are told that they are being robbed by the shoe manufacturers. When it comes down to the ordinary every-day shoe, we must remember that it is not imported into Canada, for the simple reason that the Canadian manufacturer turns it out at a price which does not justify importation from the American manufacturer.

The items that I have enumerated, which comprise a very small number of the items in the tariff and a comparatively small number of those items which may be properly be classed as luxuries, represent a duty of $30,641,000 or a tax of 10 mills, or 1 cent, upon the dollar on every $3,000,000,000 of land assessment. If you destroy the tariff on these items alone and place a tax upon the land to raise the necessary revenue, you will tax the land on a basis of one cent on the dollar without regard to any of the other items in the tariff. The items which I have mentioned amount to $30,000,000, but our total collections through the customs last year amounted to $161,000,000.

A return was brought down a few days ago showing that the total duty paid upon agricultural implements during the fiscal year 1918 was $4,617,000, of which the country lying west of the Great Lakes paid $2,713,000; and that upon these implements the war tax was $1,500,000, of which the West paid $949,000. If you divide that among the farms in the West, which, according to the latest statistics, number 218,000, you will get back almost exactly to the figure quoted by the member for North Oxford (Mr. Nesbitt) last night. You will find that the average duty paid by the farmers of the West upon implements, regardless of the size of their farms, which, according to the statistics available last year, averaged a little over 355 acres, was less than $25 per year. Comparing that with the amount they would have to pay under a land tax, I am sure that the farmer of the West would be satisfied with the taxes as they are.

The proposals of the Finance Minister provide for considerable reductions in the tariff. We have been told by the various members from Western Canada that they would rather have seen the Government make no changes at all than make the changes they did. I cannot believe that they are in earnest when they say that, or, if they are in earnest, that they represent public opinion in their own ridings. I am sure that a great deal of this is camouflage, and that the reason for much of it is found in the fact that nominations are proceeding in the Western Provinces at this time. Surely they cannot expect the Government, facing as it does a very large deficit, to make material changes in the tariff without full investigation.

I have already spoken on the matter of reciprocity, and I shall not deal with it on this occasion. Mr. Speaker, I am in favour of the establishment of a regular financial board or committee which will have absolute control of the tariff and which should make recommendations to the Government from time to time. I have no doubt in the world that certain manufacturers in Canada do take advantage of the tariff on certain lines; I am quite willing to admit, from my knowledge as a business man, that such is the case. But I am equally honest in saying that the great majority of the manufacturers in Canada do, I believe, make up their price lists entirely irrespective of any duty which may or may not be imposed upon the articles which they manufacture and sell. The prices of articles manufactured in Canada are, in the main, fair to the Canadian producer; that is proved by the fact that we do not import similar articles from the United States or from any other country.

I regret that while the Minister of Finance has spoken very strongly in favour of increasing our output from the land, the mine, the forest and the field, he has not seen fit to give some assistance to the iron ore industry in Canada. Some arrangement should have been made along this line, because the production of this mineral is carried out on a basis entirely different from that on which other minerals are produced.

The facts are these. We are facing a debt of practically $2,000,000,000. The annual interest charges on this debt will be $115,000,000; our pensions will amount to $35,000,000 or $40,000,000, and in addition we have the regular expenses of the country. We are asked to produce and save, but the Government must assist by aiding new fields of production wherever necessary—in connection with the products of the field, the

forest, the fisheries, the mine, or the manufacturing industries—for the general advantage of the people. I appeal to all members of the House to drop politics and to unite to make Canada a great country, worthy in peace of the place our boys made for her in war.

Lt.-Col. CYRUS W. PECK, V.C. (Skeena): Mr. Speaker, in rising at this late hour and in this depressing heat to address the House I feel that I have some apology to offer, but I wish to explain my position and will do so in the briefest possible way. At the outset, I wish to welcome back to the House the Right Hon. the Prime Minister (Sir Robert Borden) from his labours at the Peace Conference. I congratulate him upon the position that he attained at that conference and upon the ability and the dignity with which he represented us in the council of the nations

I cannot agree with some hon. gentlemen in this House that he should have remained at home. The important part that Canada played in the war, the vigour and chivalry with which she entered the conflict, her unselfish determination to prosecute the war to the uttermost, the glory of her arms on those historic battlefields, all demanded that her leading statesman should be consulted upon the conditions of peace. Therefore, it was most fitting that the man who was foremost in Canada, not only because of his position as Prime Minister and as a first citizen of Canada from the beginning of and throughout the whole war, but foremost because of the fact that it was his unflagging zeal, his unswerving fidelity, his inexhaustible patience and his lofty patriotism that had managed to keep a Government together at all times, a Government whose chief business it was to support our armies in the field and to employ its whole energies in winning the war—I say it was fitting that this man should be the one who should sit amongst the leading statesmen of all countries, and deliberate upon the vast problems that were to be considered and the future status of the world. It will always, I am sure, be a matter of pride and satisfaction to him to remember that he was at the head of our Government when Canada emerged from her swaddling clothes and took her place in the world as a nation of first-class importance.

I now wish to pass on with all possible rapidity to a discussion of the Budget. I would not detain the House except for the fact that I have professed certain ideals throughout my life, and now in our system of politics there has to come a time in the House when we must vote one way or the other, and I want to explain why I am going to vote as I intend to do.

I notice some people have been thinking that too much money is being spent on the returned soldiers. I simply want to say, in passing, that I do not think enough has been spent upon them. We should spend more money in gratuities and pensions and things of that sort, and while we have the Soldier Settlement Board, a very good thing, and one which I wish to give all the praise I can, we should endeavour to settle the soldier in other walks of life. I want to tell the House from my experience of these men during all the grim years of war, that now in our time of trial the one we shall have to rely on is the returned soldier, and I prophesy that he will be the great balance wheel regulating our Governmental machine now that the lean and grimy hand of Bolshevism is clutching at the reins of Government. I cannot be made to believe that our soldiers who have been fighting for four years to uphold law and order in Europe are going to come back and tear it down in Canada.

As for the Budget, I regret that I do not like it. I have been a free trader all my life, and with me that is a matter of conviction. It is nothing that I can cast off as one casts off one's garments in Ottawa in the hot summer days. It has been the conviction of a lifetime, and I have not come back here after four years of war to dissemble my views before my fellow countrymen. I am strongly in favour of free trade. In considering the Budget, I wish to discuss two questions. The first one is: What was the attitude of the Government when it appealed to the people? I think I rather agree with the Minister of Immigration and Colonization (Mr. Calder) that the tariff was not an issue when the Government appealed to the country. In this regard, I disagree with the hon. member for Red Deer (Mr. M. Clark). At the same time, I think everybody will agree that the tariff was not a very important issue in that election, because the great, paramount and all-important question was the winning of the war, and we cannot expect a Government to do more than live up to its promises. As regards the hon. member for Red Deer, I always admire the stand he takes—and I think his robust eloquence in reference to this matter of free trade stands out in singular contrast to the boring platitudes of politicians in this country.

Coming to the question of how I shall vote on the Budget, the first thing I wish to consider is what result will occur if we turn the Government out, as regards, first, the general condition of the country and, second, what Government would take its place, because I mean to vote on this Budget (although people may say: Your vote will make little difference) just as if my vote was to turn the Government out. I would simply say that just at the present time in this country we are confronted by very serious conditions. I certainly do not take the pessimistic view that some people do who think that we are all to be swallowed up by a black revolution. I have an infinite faith in the calm good sense of our Canadian people, and therefore, I do not think we are going to have a revolution. At the same time, no one will deny that we are at this moment confronted with an anxious situation, because we must admit that in some parts of the country the leadership of labour has passed from the hands of our good, sane, sensible, solid labour men into the hands of men whose ideals are foreign to us, foreign to our Government, foreign to our institutions and foreign to those ideals which you and I, Sir, and all of us learned at our mothers' bosoms and our fathers' knees. On that ground, therefore, I do not think I can take the responsibility of voting this Government out of power and bringing on a general election at this time. If the present Government were defeated, the Prime Minister would have to advise the Crown to call upon the leader of the Opposition to form a Government, and an election would ensue. I do not imagine the leader of the Opposition is very anxious just now to assume the reins of Government, and some of his followers have, I understand, expressed themselves to that effect. I cannot help remembering at this time the speech of the leader of the Opposition of May 9. When I came back from the West I read this speech, and I thought at first I was reading a speech of some very high protectionist or some article in some high protectionist newspaper

The Liberal party are to hold a national convention on the 8th of August. The light, I believe, is still in the window; at least, we have had no formal notification of its having been removed except in the case of the President of the Privy Council (Mr. Rowell), I understand that if he ever drags his weary and prodigal footsteps back to that " light in the window," the hon. member for Dorchester (Mr. Cannon) means to pull down the blind. We shall all watch that convention with the greatest possible interest, and we shall examine very closely the platform that is going to be brought down. I want, in the most friendly possible manner, to tell the leader of the Opposition and the gentlemen sitting behind him who will have a great deal to do with formulating the policy on which they will appeal to the electorate at the next election, that if they wish to attract the Liberal thought of this country, if they wish to appeal to the men in this country who want better things, if they want to catch the rising tide of democracy on the flood, they will have to present a better programme than has been foreshadowed in the speeches of the leader of the Opposition and his supporters during this session.

Therefore I say that in view of the situation in this country, in view of the Government we might expect to obtain in place of the present one, and in view of what we might obtain from that Government in the way of free trade, I am not prepared to take the responsibility at the present time of voting the Government out. After all, I think this is a Budget of expediency, but this being a time of expediency, I think it more expedient to vote for the Budget than to vote against it.

In conclusion, let me say just this: I stand for an increase in the income tax, for an inheritance tax, and above all for a tax on the unimproved value of land. I stand for greater and better and grander things than anything contained in proposals of the Budget, or that is camouflaged in the amendment of the Opposition.

Mr. SPEAKER: Before putting the question, I wish to say that when the amendment of the hon. member for Brome (Mr. McMaster) was submitted I reserved judgment as to its validity, because, at first view, it bore resemblance to one presented by the hon. member at an earlier stage of the present session. A careful examination, however, discloses that while a portion contains some matter substantially the same as contained in the amendment previously referred to, there is a portion entirely new, and a large part of the former amendment has been omitted. This being the case, the present amendment may properly be regarded as new within the meaning of the Rules. In coming to this conclusion I am supported by decisions heretofore given in this House, which also would appear to be in conformity with the practice in the British House of Commons.

The House divided on the proposed amendment of Mr. McMaster, which was negatived on the following division:

YEAS.

Messieurs

Archambault,
Béland,
Boivin,
Bourassa,
Boyer,
Brouillard,
Buchanan,
Bureau,
Cahill,
Campbell,
Cannon,
Casgrain,
Chisholm,
Clark (Red Deer),
Copp,
Crerar,
d'Anjou,
Davis,
Delisle,
Demers,
Denis,
Desaulniers,
Devlin,
Douglas (Strathcona),
Duff,
Ethier,
Fafard,
Fielding,
Fontaine,
Fournier,
Gervais,
Hunt,
Jacobs,
Johnston,
Kay,
Knox,
Lanctôt,
Lapointe (St. James),
Leduc,
Léger,
Lemieux,
MacNutt,
McCoig,
McGibbon (Argenteuil),
McKenzie,
Maharg,
Michaud,
Molloy,
Murphy,
Pacaud,
Pardee,
Parent,
Pedlow,
Pelletier,
Power,
Prevost,
Reid (Mackenzie),
Robb,
Ross,
Savard,
Seguin,
Sinclair (Antigonish and Guysborough),
Sinclair (Queens, P.E.I.),
Thomson (Qu'Appelle),
Tobin,
Trahan,
Truax,
Turgeon,
Vien,
White (Victoria).—70.

NAYS.

Messieurs

Allan,
Ames (Sir Herbert),
Anderson,
Andrews,
Argue,
Armstrong (York),
Armstrong (Lambton),
Arthurs,
Ballantyne,
Ball,
Best,
Blair,
Blake,
Bolton,
Bonnell,
Borden (Sir Robert),
Bowman,
Boyce,
Boys,
Brien,
Burrell,
Butts,
Calder,
Carvell,
Casselman,
Chaplin,
Charlton,
Charters,
Clark (Bruce),
Clarke (Wellington),
Clements,
Cochrane,
Cockshutt,
Cooper,
Cowan,
Crothers,
Crowe,
Cruise,
Davidson,
Douglas (Cape Breton S. and Rich.),
Edwards,
Elkin,
Euler,
Finley,
Foster (York),
Fraser,
Fripp,
Fulton,
Green,
Griesbach,
Guthrie,
Halladay,
Harold,
Harrison,
Hartt,
Hay,
Henders,
Hocken,
Hughes (Sir Sam),
Keefer,
Kemp (Sir Edward),
Lalor,
Lang,
Loggie,
Long,
Mackie (Edmonton),
Mackie (Renfrew),
Maclean (Halifax),
Maclean (York),
McCrea,
McCurdy,
McGibbon (Muskoka),
McGregor,
McIntosh,
McIsaac,
McLeod,
McQuarrie,
Manion,
Marshall,
Martin,
Meighen,
Merner,
Mewburn,
Middlebro,
Morphy,
Munson,
Myers,
Nesbitt,
Nicholson (Algoma),
Nicholson (Queens, P.E.I.),
Nickle,
Paul,
Peck,
Redman,
Reid (Grenville),
Richardson,
Rowell,
Scott,
Sexsmith,
Shaw,
Sheard,
Simpson,
Smith,
Stacey,
Steele,
Stevens,
Stewart (Hamilton),
Sutherland,
Thompson (Weyburn),
Thompson (Hastings),
Thompson (Yukon),
Tolmie,
Tudhope,
Tweedie,
Wallace,
Whidden,
Wigmore,
Wilson (Wentworth),
Wilson (Saskatoon),
Wright.—120.

PAIRS.

(The list of pairs is furnished by the Chief Whips.)

Messieurs

Sifton,
Doherty,
Stewart (Lanark),
Foster, Sir George
Cronyn,
Bristol,
Glass,
Burnham,
Chabot,
White, Sir Thomas,
Currie, J. A.
Spinney,
Hepburn,
Tremaine,
Porter,
McLean (Royal),
Mowat,
Lapointe (Kamouraska),
Marcil (Bonaventure),
Gladu,
Papineau,
Gauvreau,
Kennedy,
Cardin,
Proulx,
Gauthier,
McMaster,
Fortier,
Marcile (Bagot),
du Tremblay,
Lafortune,
Lavigueur,
Verville,
Déchêne.

Mr. PARENT: The hon. member for North Essex (Mr. Kennedy) has not recorded his vote.

Mr. KENNEDY: I was paired with the hon. member for Centre Toronto (Mr. Bristol). Had I voted I would have voted for the amendment.

Sir THOMAS WHITE: I was paired with the hon. member for Brome (Mr. McMaster). Had I voted I would have voted against the amendment.

House divided on the motion of Sir Thomas White, that Mr. Speaker do now leave the Chair for the House to go into

Committee of Ways and Means, which was agreed to on the following division:

Yeas.

Messieurs

Allan,	Knox,
Ames (Sir Herbert),	Lalor,
Anderson,	Lang,
Andrews,	Loggie,
Argue,	Long,
Armstrong (York),	Mackie (Edmonton),
Armstrong (Lambton),	Mackie (Renfrew),
Arthurs,	Maclean (Halifax),
Ballantyne,	Maclean (York),
Ball,	McCurdy,
Best,	McGibbon (Muskoka),
Blair,	McGregor,
Blake,	McIntosh,
Bolton,	McIsaac,
Bonnell,	McLeod,
Borden (Sir Robert),	McQuarrie,
Bowman,	Maharg,
Boyce,	Manion,
Boys,	Marshall,
Brien,	Martin,
Burrell,	Meighen,
Butts,	Merner,
Calder,	Mewburn,
Carvell,	Middlebro,
Casselman,	Morphy,
Chaplin,	Munson,
Charlton,	Myers,
Charters,	Nesbitt,
Clark (Bruce),	Nicholson (Queens, P.E.I.),
Clarke (Wellington),	Nicholson, (Algoma),
Clements,	Nickle,
Cochrane,	Paul,
Cooper,	Peck,
Cowan,	Redman,
Crothers,	Reid (Grenville),
Crowe,	Richardson,
Cruise,	Rowell,
Davidson,	Scott,
Douglas (Strathcona),	Sexsmith,
Douglas (Cape Breton S. & Rich.),	Shaw,
Edwards,	Sheard,
Elkin,	Simpson,
Finley,	Smith,
Foster (York),	Stacey,
Fraser,	Steele,
Fripp,	Stevens,
Fulton,	Stewart (Hamilton),
Green,	Sutherland,
Griesbach,	Thompson (Weyburn),
Guthrie,	Thompson (Hastings),
Halladay,	Thompson (Yukon),
Harold,	Tolmie,
Harrison,	Tudhope,
Hartt,	Tweedie,
Hay,	Wallace,
Henders,	Whidden,
Hocken,	Wigmore,
Hughes (Sir Sam),	Wilson (Wentworth),
Keefer,	Wilson (Saskatoon),
Kemp (Sir Edward),	Wright,—120.

Nays.

Messieurs

Archambault,	Bureau,
Béland,	Cahill,
Boivin,	Campbell,
Bourassa,	Cannon,
Boyer,	Casgrain,
Brouillard,	Chisholm,
Buchanan,	Clark (Red Deer),
Cockshutt,	McCrea,
Copp,	McGibbon (Argentueil),
Crerar,	McKenzie,
d'Anjou,	Michaud,
Davis,	Molloy,
Delisle,	Murphy,
Demers,	Pacaud,
Denis,	Pardee,
Desaulniers,	Parent,
Devlin,	Pedlow,
Duff,	Pelletier,
Ethier,	Power,
Euler,	Prevost,
Fafard,	Reid (Mackenzie),
Fielding,	Robb,
Fontaine,	Ross,
Fournier,	Savard,
Gervais,	Seguin,
Hunt,	Sinclair (Antigonish & Guysboro.),
Jacobs,	Sinclair (Queens, P.E.I.),
Johnston,	Thomson (Qu'Appelle),
Kay,	Tobin,
Lanctôt,	Trahan,
Lapointe (St. James),	Truax,
Leduc,	Turgeon,
Leger,	Vien,
Lemieux,	White (Victoria),—70.
MacNutt,	
McCoig,	

PAIRS.

(The list of pairs is furnished by the Chief Whips.)

Messieurs

Sifton,	Lapointe (Kamouraska),
Doherty,	Marcil (Bonaventure),
Stewart (Lanark),	Gladu,
Foster, Sir George	Papineau,
Cronyn,	Gauvreau,
Bristol,	Kennedy,
Glass,	Cardin,
Burnham,	Proulx,
Chabot,	Gauthier,
White, Sir Thomas,	McMaster,
Currie, J. A.	Fortier,
Spinney,	Marcile (Bagot),
Hepburn,	du Tremblay,
Tremaine,	Lafortune,
Porter,	Lavigueur,
McLean (Royal),	Verville,
Mowat,	Déchêne.

The House went into Committee of Ways and Means, Mr. Boivin in the Chair.

Progress reported.

RAILWAY ACT AMENDMENT BILL.

MESSAGE FROM THE SENATE—FREE CONFERENCE.

Mr. SPEAKER informed the House that a message had been received from the Senate informing this House that the Senate accedes to the request of the House of Commons for a free conference to consider the Bill No. 19 (Letter A of the Senate), intituled: "An Act to consolidate and amend the Railway Act," and any amendments which at such conference it may be desirable to make thereto, and had appointed

the Honourable Messieurs Blain, Foster, Lougheed (Sir James, K.C.M.G.), Ross (Middleton), McLennan, Power, Dandurand and Bostock, as managers on their part at the said free conference.

On motion of Sir Robert Borden the House adjourned at 3.15 a.m., Thursday.

Thursday, June 19, 1919.

The House met at Eleven o'clock.

NEW PARLIAMENT BUILDINGS.

JOINT COMMITTEE TO ALLOCATE SPACE.

Hon. F. B. CARVELL (Minister of Public Works) moved: That Messrs. R. F. Green, J. E Armstrong (Lambton), J A. Robb and W. C. Kennedy be appointed a committee from this House to meet a like committee from the Senate for the purpose of assisting the Joint Parliamentary Committee for Parliament Building on the allocation of space, etc.

Motion agreed to.

PRIVATE BILLS.

FIRST READINGS.

Bill No. 139 (from the Senate) for the relief of James Frederick Neild.—Mr. Ross.

Bill No. 140 (from the Senate) for the relief of Mable Anna Ferguson.—Mr. Douglas (Strathcona).

Bill No. 141 (from the Senate) respecting Chartered Trust and Executor Company.—Mr. Nesbitt.

QUESTIONS.

(Questions answered orally are indicated by asterisks.).

FORT LAWRENCE, N.S.—PUBLIC WORKS EXPENDITURES.

Mr. Sinclair (Antigonish and Guysborough):

1. What amounts have been spent by the Public Works Department since September, 1911, at Fort Lawrence, Nova Scotia, and how much has been spent for dredging?
2. Did the Government purchase certain dredging equipment (including tug, scows, etc.), at Fort Lawrence? If so, at what price?
3. What has become of said equipment? If sold, what amount was received for same?

Hon. Mr. CARVELL:

1. (a) $88,961.09 of which (b) $31,476.94 was for dredging.
2. (a) Yes; (b) $17,500.
3. Plant laid up at Fort Lawrence.

[Mr. Speaker.]

GOVERNMENT OUTSIDE SERVICE.

Mr. BURNHAM:

Is it a fact that positions announced as open for application in the Government Outside Service are held open so long that returned soldier applicants get no satisfaction and have to give it up?

Hon. Mr. BURRELL:

All vacancies reported to the Civil Service Commission by the departments and all requisitions filed in connection therewith are dealt with as promptly as possible.

Ordinary requisitions which can be filled from the eligible lists of clerks, typists, stenographers, etc., are seldom held more than two or three days as when the lists of those who have qualified by passing prescribed examinations are exhausted there are usually applications on file from which temporary assignments can be made.

When a minor position has to be filled by local advertising said advertising is authorized by return mail and ten days to two weeks is usually sufficient time in which to deal with the matter and make the appointment.

When more important positions have to be advertised in the Gazette and through the press a longer period, generally about thirty days, is allowed and time added to enable British Columbia points to reply. It sometimes occurs that so many applications are received that longer time is required to make full investigation into the merits of all applicants, but the cases where final decision is delayed longer than a few days after competitions close are few and far between.

STEAMERS "LADY EVELYN" AND "PRINCESS."

Mr. PARENT:

1. Are the steamers Lady Evelyn and Princess still the property of the Government? If not, when were they disposed of, and to whom?
2. At what price and on what terms of payment?
3. Were they disposed of for cash? If so, has the Government been paid?
4. What is the gross tonnage of each?
5. Was said sale authorized by Order in Council?

Hon. Mr. BURRELL:

Re Lady Evelyn—

1. Sold to the Gulf of St. Lawrence Shipping and Trading Company on the 24th April, 1919.
2. $40,000 subject to arrangement.
3. $30,000 has been paid. Balance $10,000 held pending the settlement of a claim that complete equipment was not delivered with the ship.

4. 482·99.
5. Yes.

Re Princess—

1. Princess disposed of in January, 1919, to Mr. J. A. Farquhar, Halifax, N.S.
2. $46,555 cash.
3. Yes.
4. 542 tons.
5. Yes.

QUESTION PASSED AS ORDER FOR RETURN.

Mr. MICHAUD:

1. How many commissions have been appointed by the Governor in Council and by Parliament since the year 1911?
2. What are the names of the various commissions and what art the names of the members of the said commissions?
3. What was the amount of salary and travelling expenses paid to each commission and the sum drawn by each commissioner?

COMMITTEE OF WAYS AND MEANS.—THE BUDGET.

The House again in Committee of Ways and Means, Mr. Boivin in the Chair.

Customs.

Tariff item 61a—Wheat flour and semolina when imported from a country which imposes a customs duty on wheat flour or semolina manufactured in Canada. . . . . per barrel, 30 cents.

Mr. BUREAU: Why are these two items repeated? Item No. 61 is: "wheat flour, n.o.p.; semolina, n.o.p. . . . Free." This applies to countries which reciprocate the advantages that Canada gives. I understand that articles are not free except when there is a reciprocity in their exchange.

Sir THOMAS WHITE: The two items are necessary in order to give effect to the intention.

Item 61a.

Wheat flour and semolina when imported from a country which imposes a customs duty on wheat flour or semolina manufactured in Canada.

provides the rates of duty there mentioned. Then it is necessary to provide for what is not otherwise provided for, that is to say, not embraced in that item; so that wheat flour and semolina imported from a country which does not impose a customs duty on wheat flour or semolina manufactured in Canada come in free.

384a. Rolled iron or steel hoops, band, scroll or strip, No. 14 gauge and thinner, and rolled iron or steel sheet, when imported by manufacturers for use only in their own factories in the manufacture of galvanized iron or steel hoop, band, or scroll, strip or sheet. Free. Free. Free.

Sir THOMAS WHITE: I desire to propose a new resolution immediately following 384a in order that the items placed in it shall conform to 384a. I move that the following resolution be inserted as 386:

386. Rolled iron or steel, and cast steel, in bars, bands, hoop, scroll, strip, sheet or plate, of any size, thickness or width, and steel blanks for the manufacture of milling cutters when of greater value than three and one-half cents per pound, 7½ p.c. 12½ p.c. 12½ p.c.

Mr. M. CLARK: Would the minister tell us in a word or two what principle has guided him in making these particular preparations of iron and steel mentioned in 384a free?

Sir THOMAS WHITE: In making changes in the tariff it is necessary to enact two items where one item existed before. For example, there may be one item embracing a number of articles subject to a certain duty. When changes are made in respect to some of these articles it is necessary to re-enact the item as it stood, leaving out the articles which are otherwise dealt with, and then to enact another item. It is on that account that this has been done. The free item is inserted in order to continue in force an Order in Council under which

rolled iron or steel hoop, band, scroll or strip, No. 14 gauge and thinner, and rolled iron or steel sheet, when imported by manufacturers for use only in their own factories in the manufacture of galvanized iron or steel hoop, band, scroll, strip or sheet

were placed on the free list. Now we are placing this item in the customs tariff.

Mr. W. F. MACLEAN: Might we revert to item 356?:

Nickel in bars and rods, sheets or plates. . . . . Free. Free. Free.

I would like to ask the minister whether it is the intention of the Government to pass a non-ferrous Bill similar to that which I understand has been passed in England, and, if such a Bill is not to be passed, why?

Sir THOMAS WHITE: I would ask my hon. friend to explain what he has in mind in mentioning the Order in Council in England?

Mr. W. F. MACLEAN: It is not an Order in Council. They have passed, or are passing in England, a non-ferrous Bill, which practically puts under the control of the Government all metals of the nature of nickel. They are making considerable progress in that respect. I understand this Government has been asked to pass a similar law, and I would like to know from them whether we are to pass such legislation which will be applicable to nickel, and

some other metals, and if no such law is to be enacted in Canada what the reason is?

Hon. MARTIN BURRELL (Secretary of State): In reference to my hon. friend's question I might say that the Non-Ferrous Metals Bill passed by the British Parliament was considered very fully by a special committee, which, as Minister of Mines, I appointed last year. That Bill is designed not so much to serve the object my hon. friend has suggested, but really to get rid of German-controlled interests which were more or less predominant in certain metal interests in Great Britain. The conditions there were not the same as in this country. Our position in respect to our metals was entirely different from that of England. In this country a great many of our metal industries, and certainly a lot of our minerals are out of our jurisdiction and under the control of the provinces. If a law similar to the English Non-Ferrous Metals Bill had been passed here it would not operate in the same way as it did in England, and would have involved legislation on the part of the provinces which might or might not have been put into effect and to some extent might have had a restrictive effect in respect to the investment of American capital, which especially in our western country, is very largely interested in the Canadian metal industry. For these, and some other reasons I need not elaborate now, the Government decided they would not take any action at this particular time but would give the question further consideration if necessary. I may add, however, that even after that law was enacted in England there was quite a difference of opinion as to the wisdom of continuing it exactly in its present shape.

Mr. W. F. MACLEAN: The explanation of the minister who has charge of the Mines Department is not quite satisfactory to me. I am told that the condition of affairs that the British Government eventually found in regard to the essential metals, and nickel is one of them, was such that it was a matter of grave consideration for the home Government, and for the defence of the Empire, that Germany did control these necessary or essential metals and that they did control nickel as made from the ores of Canada, and I have directed attention to it. As one who favours a national policy, I think it is high time we had in this country a national policy controlling these metals, yet we are allowing these metals to come in free. Who makes them? The Mond Nickel Company in Great Britain who control a great portion of the Sudbury nickel mines, and the International Nickel Company that were in New Jersey, but are now in Canada. Neither of these companies up to date, although they have produced millions and millions of nickel and exported it all over the world—and I think in certain instances some of it has got to Germany—have told us anything about their business. I for one tell the Minister of Finance now, seeing that we are talking about nickel, that this same International Nickel Company that were operating in New Jersey a little over a year ago, suddenly paid to the United States Government over $3,000,000 of a war tax on their profits. This money was got, I understand, by the seizure of a large block of so-called nickel matte, which, when examined—I have known this to be the case for a long time, but for some reason we cannot direct the attention of Parliament to it in this country—was found to be full of platinum, palladium, and all the rather precious metals that are in what is called the platinum group. The evidence was so straight that in two or three days this International Nickel Company, which controls the nickel mines of Sudbury, paid to the United States Government over $3,000,000 of a tax on profits, and that out of nickel that came from Canada and was refined in United States. I would ask the minister whether he has ever made an effort to compel this company to pay a war profits tax on the refinements of nickel that come from Canada. Then there is that other great monopoly, the Mond Nickel Company. Sir Alfred Mond is associated in the British Government at the present time. He is the head of the nickel trusts all over the world, I believe, and has had more or less relations with the Germans. He has never disclosed what his profits were on the nickel ore that he took from this country over to Wales and refined, and which may be equally charged with these precious metals. That is the position of affairs in Canada, and shows almost an absolute monopoly not only of nickel but of platinum. Platinum is worth over $100 an ounce, five times the value of gold, and was an essential war metal—the only source of it was in Canada. We have the mines, but these companies take the ore out of the country and refine it, and that is not a national policy, and it is not good business. I want to ask the minister who is in charge of the Mines Department why he, and his expensive department, have not been able to tell the people of Canada what the precious metals content is of these ores

of which we have almost the absolute monopoly. I want a national policy in regard to the refinement of nickel ores in this country and I want the Department of Mines—a most extravagant department, but one well officered by men who know the situation and who know the precious metal content of these ores—why the facts are not disclosed to us. I have read the reports of the Department of Mines year after year, and they hint at the real situation, but that is not sufficient. The Ontario Government have been working on the question and appointed a most expensive commission to investigate it. That investigation was carried on for months, and yet the facts were not disclosed. We have now a refinery, a branch of the International Nickel Company, refining at Port Colborne, and they did a peculiar thing; they suddenly changed their organization. They were a New Jersey corporation, but they came back under the law of Canada, and, as I say, are located at Port Colborne. At the present time I believe their works have suspended operations because of over production. But here we have a Provincial Government, which has a high class expensive mining department, and we have a Federal department of the same type. We have a treasury to-day absolutely in need of money, and there is no place where so large an amount of money can be got to meet the expenses of Canada and to help to pay its war debt, as there is in some kind of a tax which will compel these two enormously rich companies which control these essential ores;—there is no such source of income, to my mind, as there is in these two companies. Take the one fact that the United States Government, under their law for the taxation of war profits, were able to get $3,500,000 in a few days by seizure. The facts have never yet been disclosed, but they can be ascertained; and if there is such a source of revenue open to the people of this country in these times of extreme financial difficulty, and if we have an absolute control of this ore and of the metal produced from it, why do we not avail ourselves of that revenue and assume that control? You talk about the production of iron and encouraging the reduction of iron ores in this country. Why not take charge of the precious metals we have in Canada, which are so rich and can contribute so much to help to pay the public debt.

I am not going into the question much more fully to-day, but I want to warn the Government that there are certain facts soon to be disclosed in London and in Washington in connection with these metals that will startle the world and will show a pro-German leaning during the war that Canadians will be surprised to learn. And yet none of these facts have been brought out so far. I devoted months and years trying to get out these facts. I studied the question, and the further I got into it the more I was convinced of this pro-German influence. I was probably the first one in this House in the old days to set up this doctrine; that of all things we ought to have a national policy in regard to nickel and the other precious metals associated with it. But for some reason or other the hand of the Government in the province of Ontario and in the Dominion has been palsied and nothing has been done. There is a source of revenue, and again I want to call the attention of the Finance Minister to it. If the United States Government by a single seizure could compel the International Nickel Company, which was mining our ore in Sudbury, to pay $3,500,000 in one year—I do not know what they have paid since, because the minute they were caught red handed they jumped out of the country and moved their works into Canada—it will be manifest that we are overlooking a fruitful source of revenue. Let us have a national policy in regard to this nickel. Let us keep this great store of platinum, radium and the other rare essential metals. There is not one of them that is not two or three times more valuable than gold, and they are sought all over the world. When the American Government saw that it was likely to be involved in the war it spent millions of dollars trying to get platinum. We have these precious metals, and they all played an important part in the war—indeed, they were so essential to our success that the British Government, I understand, entered into correspondence with the Dominions in regard to obtaining the maximum output.

Why have we not had a national policy in this country to see what is in these metals and what revenue is to be had from them? But this Government will not move, this Parliament will not move, and the Government of the province of Ontario will not move. The International Nickel Company for a long time defaulted in the payment of their revenue tax to the province of Ontario. Three or four times since I first introduced into this House this question of a nickel policy this so-called International Nickel Company has changed its corporate form, and men who were promin-

ent in it have disappeared. It is known now that the International Nickel Company was controlled in the United States by a voting trust, but nobody has ever told the people of Canada or of the Empire who were behind this voting trust.

Mr. BUREAU: Who do you think it was?

Mr. W. F. MACLEAN: I think it goes back to Germany.

Mr. BUREAU: Hear, hear.

Mr. W. F. MACLEAN: I think Sir Alfred Mond—and I am speaking now of a member of the British Government—I think it may be found out that he has a big hand in the control of the International Nickel Company. He got the privilege of taking out the raw ore of our country to the United States and treating it there, and he also got the privilege of taking it over to Great Britain and treating it there, and yet he does not contribute one cent towards the revenues of this country. Did anybody see the prospectus that the International Nickel Company put out in London recently, I think about eight months ago, showing the enormous profits they had made, and how they control this essential industry? I would not take the word of any member of the British Government in connection with this matter. Such things were disclosed during the war as to German control of these essential metals, that man after man had to get out of public life in England, and man after man had to change his name and declare himself to be a British citizen. The selling agent of all the world's nickel, including the product of the Canadian mines, was discovered to be an alien enemy; and the British Government refused to do any more business with the men who were the selling agents of the products of our Canadian nickel mines, for they were found to be alien enemies. I refer to the firm of Merton and Company.

In spite of the fact of immense stores of these metals being in Canada, and only in Canada, we cannot get a national policy in regard to them. I want to know why, and I am going to make that an issue in this country. I have followed it up, but I have made no great headway yet. However, I am going to follow it up until certain facts in possession of the Government in Washington and in possession of the Government in London—and I believe that our Governments here know something about it, although so far no action has been taken—I repeat, I am going to follow the matter up until those facts are disclosed to the public? Why has no action been taken? I intend to return to this question. The people of Canada, and especially those who fought in the war, will not be satisfied until they know the facts.

Even our Canadian nickel was used to face German bullets, and we know that the German undersea boats that came into New York and other American harbours loaded up with Canadian nickel. We have not protected ourselves. I will not take the assurance of the British Government, even if it is made by Mr. Lloyd George, the Prime Minister of England and head of the Conference now sitting in Paris, if he says that we have taken every measure to control these metals. The fact is that neither the British Government nor this Government took the measures that should have been taken to prevent our nickel reaching the enemy during the war. Intrigue ran through all the metal industries during the war, and enemy influence was in control. Australia, to her great credit, caught these Germans red handed in control of Australian spelter and zinc, and her Government passed a law immediately and took over and administered the mines. I proposed in this House at the beginning of the war that we should take over our Canadian mines and administer them not only for the interest of Canada but for the interest of the Empire.

The CHAIRMAN: I must call the hon. member to order. The speech he is now making, although it would have been in order upon the Budget, is certainly not relevant to the item or clause under discussion, which concerns the admission into Canada free of nickel in bars and rods, strips, sheets or plates. The hon. member will be in order in giving his reasons why this article should not be admitted free into Canada; but he is not in order in making an attack on the Government for what occurred during the recent war.

Mr. W. F. MACLEAN: I respect what the Chairman has said. But I say we should not allow this nickel to enter free of duty until we compel the United States to take its duty off our nickel. We are letting in free nickel refined in the United States, but the United States Government put a tax on our nickel. The very men who control these ores, after they got the right to ship them out of Canada to refineries of their own in the United States, went straight to Congress and got a prohibitive duty put upon pure nickel coming into that country from Canada, made out of ores that could

be found only in Canada. That thing has never been settled. It has got to be settled, and it is one of the things that will have to be settled in the same way as the German control of zinc. I call the minister's attention to it—he may or may not explain it—but it has got to be settled, and I want to know whether the minister who has control of mines will bring down to this House any letter or circular that he has received from the British Government in connection with non-ferrous metals, of which nickel is one.

I may tell the Government that I am going into this matter later on, and the best place to fight it out may be in the country amongst the people. I never saw so much feeling in Canada as I have found to exist in connection with this nickel question. It is a shame that we should allow to come free into this country nickel which has been smelted by companies outside of Canada, who do not pay any business profit taxes to the Dominion treasury, who will not disclose the precious metal contents of the ores they take out of this country and who have renigged on every occasion as regards the payment of every just tax imposed upon them by the province of Ontario.

Sir THOMAS WHITE: A certain part only of what my hon. friend has said is relevant to the item under discussion, and I confess I do not pretend to be able to follow him with regard to many things he has said. He has put forward rumours that he has heard and things that he has read, but there is before this Committee nothing definite to which reply can be made. The item under consideration is No. 356, which provides for the free admission into Canada of nickel in bars and rods, strips, sheets or plates. There is no change in that item; it has been in the tariff, and the reason why nickel has been on the free list is because nickel is not manufactured in Canada. I do not see the reason at the present time for putting a duty upon nickel which has hitherto been admitted free, when there are under construction in Canada large nickel refineries at Port Colborne and Deschenes Falls, which will provide for all our requirements and also for a large quantity of nickel for export. Those who have established these industries are not asking for any duty upon nickel, and I do not follow my hon. friend when he speaks about the national policy requiring us to put a duty upon nickel which has hitherto borne no duty, which is to be manufactured here to a quantity away beyond the needs of this country and upon which the manufacturers ask no duty. That is the position as regards the item in question. My hon. friend has put out vague statements as to the Government's being at fault with regard to permitting the exportation of nickel from this country during the war. The Dominion Government, from the very beginning of this war, has worked in the closest possible accord and understanding with the British Government as regards nickel.

Mr. W. F. MACLEAN: The same thing was done in Australia and what was the result?

Sir THOMAS WHITE: There is this difference between myself and my hon. friend: that I have absolute confidence in the British Government.

Mr. W. F. MACLEAN: Why were firms associated with members of the British Government fined?

Sir THOMAS WHITE: I do not for one moment follow my hon. friend when he challenges the integrity of the Prime Minister of the British Empire, Mr. Lloyd George, in connection with this matter.

Mr. W. F. MACLEAN: I do challenge it as far as the supervision of nickel is concerned, and I do so on my responsibility as a member—

Sir THOMAS WHITE: I do not agree with my hon. friend, and I very much deprecate his doing it. When I was in England in the fall of 1916—there was agitation then about nickel in this country—I consulted personally with members of the British Government, amongst others with Mr. Bonar Law, in whom also I have the most absolute and implicit confidence, and I say that the Dominion Government's action throughout has been absolutely unquestioned and approved by the British Government, which was our senior partner in fighting this war. Suppose that in 1914 the Dominion Government had shut off the exportation of nickel matte from this country. Great Britain was pouring out millions of dollars into the United States for munitions and other supplies, the manufacture of which required nickel. Would we have been justified, after the declaration of war, in preventing the manufacturers of munitions required by the British Government from obtaining the matte with which to manufacture nickel? There were no refineries in this country.

Mr. W. F. MACLEAN: Why were there not?

Sir THOMAS WHITE: My hon. friend raises the question: Why were there not? I am dealing with the situation that existed in 1916 and with the charge put forward that the Government should not have allowed nickel matte to go out of this country. If we had not allowed nickel matte to go out of this country Great Britain would not have been able to obtain the munitions with which she was fighting the war. The British Government had to have available nickel in the United States for the manufacture of munitions and other supplies. The Dominion Government, through its officials, kept as close a supervision as was possible upon the output of nickel by the International Nickel Company. Mr. Graham Bell of the Railway Department, and, I think, another official visited the head office of that company on several occasions and checked up all receipts of nickel matte and all production of nickel. My hon. friend suggests that some of the nickel may possibly have got into the hands of Germans. I do not believe that is so, but it it were so, would the Dominion have been justified, there being no nickel refineries in this country, from shutting off the exportation of nickel matte, on which, as I have said, Great Britain depended for the manufacture of munitions for which she had contracts with the United States' manufacturers?

There is another thing I would call to the attention of the Committee. Had the action suggested by my hon. friend been taken, a difference of a very serious character would have arisen with the United States. The United States depends upon us for nickel matte, but this country depends upon the United States for coal, and the United States has treated us very generously with regard to coal. She has treated us most generously with regard to the coal we got last year and the year before. We depend also upon the United States for raw cotton. We must look at this question as statesmen. To come to the other point: My hon. friend says that the International Nickel Company pays a large business profits tax to the United States. So it should, if its earnings are such as to come within the scope of the United States law. The International Nickel Company is not a Canadian company; it is, as a company, absolutely outside of the jurisdiction of this Parliament. The International Nickel Company has no office in Canada, and so far as I am aware, does not carry on operations here. The operating company in this country is the Canadian Copper Company, and that company, which owns the mines here, under titles granted, I believe, by the Provincial Government, is assessed by the Dominion Government in respect of its excess profits, and we have found that company very ready and willing to pay the excess profits tax to the Dominion Government. I provided in the Business Profits Tax Act of 1915 that, where any contract existed between an outside company such as the International Nickel Company and the Canadian Copper Company operating in Canada, in determining the profits of the latter, regard should be had, not to the contractual price at which its product was purchased, but to a fair market price.

The reason for that provision was that an American company holding the stock of a Canadian subsidiary might make a contract at much less than a fair price. I submit that this Government is not to blame for not assessing the International Nickel Company, which is not within our jurisdiction. The only question that could arise is as to whether we have assessed—and we have—the Canadian Copper Company, which is alone within our jurisdiction.

My hon. friend has spoken about a national policy to develop the nickel industry. I have pointed out to him that two large plants are in process of construction in this country. The Ontario Government required the refining of ore by refineries in Ontario, and as a result we have a large refinery going up at Port Colborne, and there is another large refinery in course of erection by the British-Canadian Nickel Company at Deschenes Falls. So I do not see what ground my hon. friend has for his statement that there has been dereliction on the part of this Government in framing a national policy for developing the resources of this country, or what ground he has for saying that there has been failure to collect the business profits tax. We must deal with facts as they are, and we were obliged in war time to have regard to the international condition that existed and the supreme necessity of the British Government obtaining nickel for the use of its armies in France and Flanders.

My hon. friend puts forward the view that some tremendous revelation is about to take place involving governments, in connection with their acts respecting nickel. I want to say as a member of this Government that we have worked absolutely in accord and in perfect understanding with the British Government, and I cannot understand this House blaming the Dominion Government for co-operating in time of war

with its senior partner, which has played the greatest part in this war, and the integrity of whose Government I never shall question.

If my hon. friend has anything to say respecting what this Government has done with regard to nickel, let him put forward his facts, so that we may answer them. I think I am just about as jealous of the conduct of this Government in time of war as is my hon. friend or any other member of this House, and I do not relish the suggestion that this Dominion Government has in any way played into the hands of the enemy in time of war. I took the matter up, as I have already said, with the members of the British Government, and this Government has an absolutely clean conscience in the matter. If my hon. friend has any charges to make against us touching our conduct of this war, let him bring them forward specifically, instead of simply making insinuations.

Mr. W. F. MACLEAN: I want to answer one or two points of the minister. First of all he says that the International Nickel Company is a corporation outside the jurisdiction of Canada. As a matter of fact it has taken itself out of the jurisdiction of New Jersey, where it was compelled to pay $3,500,000 of its profits in taxation in one year. It has come to Canada; it is here now, and is a Canadian organization.

Sir THOMAS WHITE: My hon. friend is incorrect in his statement.

Mr. W. F. MACLEAN: I am not. The International Nickel Company has its head office to-day in Toronto. It has advertised that it has left the United States.

Sir THOMAS WHITE: My hon. friend is confusing the International Nickel Company of Canada, Limited, with the other company.

Mr. W. F. MACLEAN: I am speaking of the company that controls the products of our mines, and I say that its head office is in Toronto. If the United States could get this amount of taxation out of the profits this company made on the metal which they got from Canada, why was not our policy such as to compel the company to refine the metal in this country? This is a key industry. Sir Alfred Mond, who is head of the nickel trust, and a member of the Lloyd George Government, said in the statement I have referred to: "We have the key industry of the world in nickel, and we have it in Wales. We have it in Wales because we bring our ores from Canada, and Canada does not interfere with us." British workmen get the work that Canadian workmen should have. All this ore should be smelted in Canada, but we have not got a national policy in that respect. He says that none of this metal, so far as he knows, got into Germany. I should like to know where the Deutschland got its cargo of nickel which it took over. It was the nickel refined by the International Nickel Company in New Jersey, refined from the ore taken out of the Sudbury mines. Some hon. member says that the Germans did not get our nickel. If the German undersea campaign had succeeded, and they hoped it would, and if the United States had kept out of the war, they would have continued to supply the German munitions factories and plants with nickel from Canadian mines.

Mr. M. CLARK: Would my hon. friend say that if there was a risk of a little getting to Germany, the whole supply to Britain should be cut off?

Mr. W. F. MACLEAN: If we had control of this key industry, and if Britain or the United States wanted the nickel in a war in which we were associated with them, we should say to them: We want to check this metal off so as to make sure it will not get to the enemy. Before the United States entered the war, factories and foundries all over that country which required nickel for commercial purposes, as they alleged, could get a free supply. As we possessed this key metal, we should have insisted on checking it up. What I proposed at that time on the platform and in the press was that if our nickel had to be refined in the United States because we had no refinery in this country, the refined product should afterwards be sent to Canada, and we would dole it out to Great Britain and the United States. The United States to-day, I have been given to understand, had made an arrangement with this Government whereby they are to be allowed to take out of our country for their own war purposes our raw nickel ore. There has been no disclosure of that fact so far. The Minister of Finance said that I had made no direct charges against the Government, and that I should bring them forward if I have any disclosures to make. I am not in a position to make them yet, but they are coming along in a way which shows that the policy of Canada in regard to nickel has been improvident in every respect. We are not making those who control this nickel industry pay taxation.

The Mond Company of Wales, which is making enormous profits out of the nickel that it smelts from ores which it can only get in Canada, does not pay a dollar into the treasury of this country. I would bring these men out here and put them in the witness box just as the American Government did. It seized their books and found out just what they were doing and made them pay a tax on their war profits. We have up at Sudbury a belt of country thirty miles across, containing the greatest store of precious metals in the world. We have not got this nickel industry under control. We did not control it for some time during the war, and we do not control it to-day. Outsiders control it; it is controlled in England and in the United States.

This key metal would give us absolute control of the steel industry not only of Canada but of the world, and I want to press on my friends from Nova Scotia who are interested in the steel industry, as well as my other friends, that we should have control of this nickel industry and compel refinement. The United States Government has never had any confidence in the International Nickel Company or the American Armour Trust associated with it in connection with United States steel, and that is why they made that contract with the British-American Company. If an industry is being established in Canada at Deschenes it is because the British Government have guaranteed bonds for millions of dollars for the purpose. The British Government will no longer deal with the International Nickel Company and the Armour Trust who endeavoured to make them pay enormous prices for nickel steel for ships. They are looking to Canada, and the United States Government would co-operate with this country in controlling this great industry. We have had it in Canada for twenty years and it is not under our control. Outside companies come in and do what they like with it, and these very companies who are allowed to bring in their nickel free into this country actually went to Washington and conspired to prevent our nickel going in there, with the result that they got a prohibitive duty put on. With regard to the question of accepting the assurances of the British Government, this is all very well, but the British Government have given assurances of all kinds, and the revelations that are now being made in England, after the assurances of the British Government, are simply astounding as to the extent of German intrigue there. I have even heard of the case of a great insurance company in Great Britain that had an immense trust fund for the benefit of its policy holders, and during the war the fact was disclosed that a great portion of this trust fund had been suddenly, by a peculiar influence, switched over to the purchase of bonds of German municipalities and the improvement of German industries. That was only one case. The revelations in England are not yet all in the public knowledge but they are coming out, and they show that intrigue was so extensive that it permeated all America and Canada. From whatever source it originated it has worked to the detriment of Canada for twenty years, and indeed longer, for it is more than twenty years ago since Dr. Mond discovered that Canada had this store of nickel and sought to get control of it, succeeding in a measure. We have been talking about a national policy in this country, but the two Governments in the past have failed to have that industry established in this country and to compel it to pay its just share of taxes including, within the past few years, war taxes. These facts will come out and will be an issue before the country and I warn the minister and the Government that if they do not in the first place make this company disclose the precious metal contents of the ore which it takes from the country we will have no more business with them. Let us prohibit the taking of this ore out of Canada until these two great companies disclose its metal content. Why should we allow foreign companies—in which term I include British companies—to come in and take this most valuable ore which is the source of the great key metal that controls the whole steel and iron industry of the world? The only defence advanced at present is that this Government has every confidence in the British Government and accepts its assurances. After my examination of the subject, and I have looked into it pretty closely, I cannot accept those assurances. I do not think Lord Northcliffe or the American Government will accept them, because they all know better now, and I think it is high time there should be a declaration by a Canadian Government, after the experience of this war and in view of the knowledge we have of German intrigue, that henceforth we will control these ores in this industry and will not allow a pound of ores to be refined outside of Canada. We should be masters of the situation and dole out these ores ourselves, and if they contain any precious metal,

as I believe they do, we should compel the companies that operate here to disclose the fact. I hope the time will come when Canada, with its expensive metallurgical and mineralogical department, will make it possible for the refinement of our nickel in our own country and ascertain the contents of these ores, not only as regards nickel but as regards other precious metals, and also undertake the distribution of it. Time after time public attention has been called to this matter, and the Opposition is just as derelict as the Government may have been. The same thing happened in the province of Ontario in connection with nickel. A clever Order in Council was drawn one day which gave the absolute title to these nickel mines to foreign companies, when, as I contend, they should have been kept on lease. Now, Mr. Chairman, I know that you are going to call me to order, but I have been replying to the minister. I have called the attention of the Government to something in regard to which the people of Canada will demand a satisfactory explanation.

Sir THOMAS WHITE: Mr. Chairman, I cannot allow the remarks of my hon. friend to pass unchallenged. He has made what I regard as a tissue of misstatements. I ask him whether, as a responsible member of this House he thinks that any good national purpose is served by his calling in question the good faith of the British Government merely upon rumours which he says he has not substantiated, and upon revelations which he says are about to be made but of which he confesses he knows absolutely nothing.

Mr. W. F. MACLEAN: No, he doesn't say—

The CHAIRMAN: Order. This debate shows how far the Committee may wander when it once leaves the clause or item under consideration. Probably the Chairman is primarily responsible for not having called the hon. member (Mr. Maclean) to order earlier in the debate, but I trust that hon. members will now keep strictly to the subject under consideration.

Mr. McKENZIE: There is one point about that matter, Mr. Chairman—

The CHAIRMAN: I have ruled that no discussion may take place concerning what occurred during the war.

Mr. McKENZIE: Is this concerning the war? It has been disclosed that metal which is classed under the head of copper or nickel goes out of this country. The hon. member for South York says that other metals of greater value are included. Are we not inquiring into that question?

The CHAIRMAN: No. This item has nothing to do with any metal which leaves the country. It merely covers the importation of nickel in bars and rods, strips, sheets or plates.

On item 384a being again called:

Mr. BUREAU: The member for Red Deer asked a question of the Minister of Finance as to why these articles were put free on the list, and the minister replied that it was to give effect to an Order in Council which had been previously passed. I have not the same faith in the Order in Council as has the hon. member (Mr. Clark). This Order in Council does not satisfy me. Will the minister go further and tell us what inspired it?

Sir THOMAS WHITE: The object of the Order in Council was to promote the galvanizing of iron and steel bands, etc., in Canada, which would otherwise have been done outside of this country if the raw materials mentioned were not admitted free. The Order in Council, which is under the general law, therefore, provided for the free admission of the articles mentioned when imported for use in the manufacture of the finished products. We are now embodying in the statute what has been provided for by Order in Council for the purpose of ensuring the galvanizing in Canada of that which would otherwise be galvanized outside of Canada.

Mr. BUREAU: What is the date of the Order in Council?

Sir THOMAS WHITE: January 19, 1919.

Item agreed to.

Item 386:

Rolled iron or steel, and cast steel, in bars, bands, hoop, scroll, strip, sheet or plate, of any size, thickness or width, and steel blanks for the manufacture of milling cutters when of greater value than three and one-half cents per pound.....7½ p.c. 12½ p.c. 12½ p.c.

Mr. BUREAU: What is the object of this addition?

Sir THOMAS WHITE: To bring it into conformity with item 384, which we have changed.

Mr. LEMIEUX: What is the object of the amendment?

Sir THOMAS WHITE: Item 386 of the present tariff is as follows:

Rolled iron or steel and cast steel, in bars, bands, hoop, scroll, strip, sheet or plate, of any size, thickness or width, galvanized or coated with any material or not, and steel blanks for the manufacture of milling cutters, when of greater value than three and one-half cents per pound.....Free. 5 p.c. 5 p.c.

To which was added the 7½ per cent war tax. It is necessary under this partial revision, which we are making to take out of the item the words "galvanized or coated with any material or not," which now appear in item 384. That necessitates the reenactment of item 386.

Mr. LEMIEUX: Was it an oversight?

Sir THOMAS WHITE: It was an oversight.

Item 386 agreed to.

On items:

446. Cultivators, harrows, horserakes, seed drills, manure spreaders and weeders and complete parts thereof....10 p.c. 15 p.c. 15 p.c.

446b. Ploughs and complete parts thereof.....12½ p.c. 17½ p.c. 17½ p.c.

Mr. MAHARG: Would the minister explain to the committee, if he can, why ploughs carry a higher duty than the articles mentioned in item 446? It seems to me if he is looking to the interest of the new settler, and if we are to have any difference whatever, these figures should be reversed. The plough is the one essential that every man must have. With regard to these other articles three or four settlers can club together and get them but the plough is something that each must have. He cannot join in with his neighbours in the purchase of a plough as he can with regard to some of the articles mentioned in item 446. I would like the minister to explain why the difference is made as between these articles.

Mr. M. CLARK: Before the minister answers, I would like to enforce what has been said by my hon. friend from Maple Creek (Mr. Maharg). What I propose to say may help the minister in giving a little study to this matter before he appoints his commission and it may lessen the work of the commission in the revision which is to precede the next Budget. I need scarcely explain to the minister that the plough, in agricultural operations, precedes the harrow, the manure spreader, the seed drill or the rake. In the figures of these two items we have a striking example of how easy it is for a tariff to be an unscientific thing. It would surely be the scientific procedure to make it easier to get the plough. I am thinking especially of the breaking plough. I remember very well in my earlier years, my poor boy who is now sleeping peacefully in France, tackled the willows in a piece of breaking as manfully as he tackled the Huns, and he said "Father, some of these roots must have been there since the time of Abraham." They looked like it. Would it not be a scientific tariff which may help the early settler especially in the matter of the breaking plough to get that implement which, I can assure the minister, requires nerve and strength to use?

The minister yesterday in a very able and interesting speech—his speeches are always able and interesting to me and I am sorry that one cannot avow the same sponsorship for that which they contain as for the way in which he delivers them—expressed the opinion that if he had some of us in the Finance Department for one week he would make us tariff men. Just to go to the other end of the proposition on this tariff question, may I say to the minister, that if I had him out on the farm and with a breaking plough up against some of those roots, which have been there since the time of Abraham, I would make him a no tariff man in no time at all. He should take it up in the department and say: "Breadner, for goodness sake, let us look into this thing and see if we cannot get the duty off breaking ploughs altogether." I hope my hon. friend will not think I am hostile to him when I am helping him in connection with the coming tariff revision, to arrive at a scientific tariff on breaking ploughs. He says: "Produce"; then he makes dear the very first implement you must have to get out those awful willow roots, and they are fearful things to tackle. I am not sure but that the German business was about as easy as those willow roots. I hope my hon. friend will give attention to this matter. Would he not look into it on his own initiative without any more prodding from the western members and see why this duty on ploughs should be larger than on the other implements which follow the plough? I cannot understand how he has arrived at these figures unless it be strictly on the line of Scripture. On tariff matters Scripture ought to be left out sometimes: "Unto him that hath shall be given and from him that hath not even that which he hath shall be taken away." That must be the guidance of my hon. friend in making the difficulties greatest at the very beginning of the settler's operations. I hope my hon. friend will take these matters into his consideration and I would like him to do it now unless there is something special about the

plough industry which requires this protection.

I am told they are selling these ploughs in the United States quite freely. In that case, why should we not have free ploughs?

Sir THOMAS WHITE: A plough is one of the most competitive articles, as far as business is concerned, of agricultural implements, and that competition is exceedingly keen from outside of Canada. There was a duty of twenty-seven and-a-half per cent, including the customs war tax upon ploughs, but we made a reduction to seventeen and-a-half per cent. I might say to my hon. friend that our mode of approach to the partial revision of the agricultural implement schedule, has been to reduce the duties as far as we could without doing material damage to established industries in this country. I have no hesitation in saying to my hon. friend that, whether I am correct or not, my belief is that if we had reduced the duties further than we have at this revision, we should have closed out many industries of this country employing thousands of men at the present time, and personally I would not take the responsibility of considering that. The partial revision which we have made this year represents a sincere effort on the part of the Government, at a time of great instability and fiscal difficulty to meet so far as we could, the request made by members of the House, and by the Western community, for a reduction in the duty on agricultural implements. Now to show my two hon. friends how close a calculation is made in connection with a matter of this kind, I would say to them, that when in 1914 we reduced the duties upon binders we made a most careful examination into the question, and we found that if we had gone down to ten per cent we would have, without any question and beyond peradventure, closed up the International Harvester Company at Hamilton, thrown out of employment its operatives and transferred the business to the plant in Chicago. I do not think I can answer my hon. friends any more clearly than that, in order to convey to them at least my point of view.

The hon. member for Red Deer has spoken of a " scientific tariff." I do not recall that I have used that expression, although it is used by others, but I think I know what is meant. It is not a happy term, because I doubt if there is such a thing as a scientific tariff. But those who use the term have this in mind: That in considering what tariff duties should be imposed in respect of a particular commodity manufactured in Canada, regard should be had to the duties upon the raw material that is entering into the production of the article or articles in question—the duty upon coal, which is a factor of cost in production, the duty upon machinery, the labour conditions in Canada, and other items of cost upon which it is unnecessary for me to dwell.

Mr. BUREAU: Including the maker of the article.

Sir THOMAS WHITE: There are many makers of articles in Canada that appear to have a very substantial so-called protection, and if regard is had to the duties upon their raw material and upon the other articles which I have mentioned and to their costs, it is rather exceptional to find abnormal profits. My hon. friend knows that, and I am inclined to think that coming as he does from the province of Quebec which, if not the greatest, is a very great manufacturing province, he would not, I think, if he were standing in my place, assume the responsibility, as I said yesterday, of taking off all the duties at this time, or at any other time for that matter, upon the products manufactured by those engaged in production in this province who have to pay, the duties in respect of their raw material, and are confronted with the other items of cost to which I have alluded

Mr. COCKSHUTT: I do not know why the hon. member for Red Deer should single out the Breaker plough in order to " break " an industry. However, I did not rise for the purpose of rebutting the hon. gentleman's argument; I simply want to know why the term " complete parts " is used, and is it intended when the part is incomplete to charge a different duty from that which is levied in the case of a complete part? The term is rather ambiguous and somewhat contradictory, it appears to me, and I want to know why the word " complete " is used in several places?

Sir THOMAS WHITE: The expression to which my hon. friend has called attention, " complete parts," is that which has been used for years past in the tariff and it covers repairs. The idea of course was—I need not say this to my hon. friend—that if, let us say, an agricultural implement is imported free, but a duty is levied in respect of parts, the purchaser of an agricultural implement would consider that fact. He would not like to buy an agricultural implement without being able to obtain the parts, and the question of the

duty upon the parts is a very important one in the schedule dealing with these products. I understand that incomplete parts are manufactured but not sold to the consumer.

Mr. MAHARG: There is something further to be explained in regard to incomplete parts. Take ploughshares for instance. We used to bring ploughshares into Canada and I understand without being bored; that is the bolt holes were not made in the shares; the factory making them left it for the purchaser over here to bore or punch those holes. It was to get over that, I understand, that the word "complete" was used in order that these things could not enter the country unless they were absolutely in shape to go on to the article they were required for. Why they want to draw the line I cannot understand, unless it was for the benefit of some particular concern in Canada.

Mr. HENDERS: I think it would be well that in connection with the fixing of the duty on ploughs, consideration should be given to the suggestions made by the hon. member for Red Deer (Mr. M. Clark) and the hon. member for Maple Creek (Mr. Maharg). As I understand it we have two very large concerns that are manufacturing the major portion of the ploughs of Canadian make that are used in Canada at the present time, and these firms have been in business since the very inception of the national policy. They have had all the fostering of the National Policy up to now, and at the proper time I think it would be wise to consider whether they have not had all the fostering that they deserve.

Mr. BUREAU: May I ask the hon. gentleman who the two great concerns are that manufacture all the ploughs?

Mr. HENDERS: The Massey Harris and the Brantford people.

Mr. BUREAU: Brantford?

Some hon. MEMBERS: Cockshutt.

Sir THOMAS WHITE: Answering a little further the hon. member for Maple Creek (Mr. Maharg), I would refer him to Article 444 of the tariff, which provides for the free admission of mould boards, shares or plough plates and other plates for agricultural implements, when cut to shape from rolled plates of steel, but not moulded, punched, polished or otherwise manufactured. So what he has in mind has been provided for; those incomplete parts are free.

[Sir Thomas White.]

Mr. MAHARG: Provided they are completely finished?

Sir THOMAS WHITE: No, not finished. Article 444 that I called the hon. member's attention to admits free of duty mould boards, shares or plough plates, etc., when they are cut to shape, but not moulded, punched, polished or otherwise manufactured. That is the plain sheet.

Mr. MICHAEL CLARK: With no purpose whatever to retard the item, I would like to say one word with regard to a remark from my hon. friend from Brantford (Mr. Cockshutt). There was not a syllable I uttered which would indicate in regard to the matter before the House that I spoke for any one else than the farmers of the entire Dominion. I have as much sympathy with the difficulties, and especially the early difficulties, which were enormous, of the farmers of Ontario as with those of the farmers of the West. I think my hon. friend from Brantford will find that the point I tried to raise in a perfectly courteous and parliamentary way, drawing my illustration from the West, is interesting the farmers of Ontario to-day just as much as it is the farmers of the West. I am no sectional man in this matter. I believe—we all believe, that agriculture is the basic industry of the entire country. I just wanted to say that in a perfectly courteous but firm way to my hon. friend. I do not understand what good purpose he wanted to serve in calling my attention to the rather elementary fact in Canadian history that there have been roots taken out of the soil in Ontario.

Mr. BUREAU: There are more to be taken out, too.

Mr. ALFRED THOMPSON: I have a matter that I would like to call to the attention of the Minister of Finance, although I am not quite sure that I am in order in doing so. It is in regard to the admission of machinery into this country for the development of new industries. If there is one thing more than another that we should encourage at the present time and for many years to come, I think it is the development of new industries. I am advised that we have very large deposits of shale in this country from which oil of a very good quality may be procured. I am also advised that there is a duty upon the machinery which would have to be imported for the treatment of the shale. If that is so, and I believe I am correct, it seems to me that it would be the part of wisdom for the Finance Minister

and the Government and the people of Canada generally to encourage this industry, which is hardly established in our country, by absolutely removing the duty on any machinery required to reduce the shale from which oil may be procured.

I will give you an instance, Mr. Chairman, of what occurred in the territory which I represent in regard to dredging. Many years ago dredging was in its infancy in the Yukon; to-day it is a highly developed branch of the mining industry. When we were looking around for capital to invest in the gold dredging industry of the Yukon to mine our low grade gravel, we found that one of the obstacles to the investment of capital was the duty on gold mining dredges. There were practically no gold mining dredges in Canada at that time, or at least very few. I went to the then Finance Minister, the predecessor of my hon. friend, and explained the situation to him. He removed the duty. The immediate result of that was that we succeeded in establishing in the Yukon a very profitable industry in the way of gold dredging, in which to-day I think we have invested probably $4,000,000. We have two of the largest gold dredging machines in the world, machines that will dredge 14,000 cubic yards per day.

We have many minerals in the Yukon besides gold. We have tungsten, which is to-day a very valuable mineral; but in order to mine it successfully in competition with the other countries of production we have to have machinery, and that machinery is not now manufactured in Canada. Therefore I think it would be wise for us to permit machinery of that kind to come in free. We have antimony, copper, tin, and platinum—all these require a certain quantity of machinery to mine successfully.

Mr. EDWARDS: Are the machines you speak of made in Canada?

Mr. A. THOMPSON: No. That is the point I am making, that these machines are not manufactured in Canada. If the minister cannot see his way clear to put these machines on the free list now, I hope he will do so when the tariff is being revised, as I understand it is likely to be within the present year. I am satisfied, from the experience we have had in the Yukon, that any legislation of that kind will bring excellent rewards.

Mr. EDWARDS: I would like to say a word along the line of my hon. friend from the Yukon. In the constituency which I represent we have, perhaps, the largest and the purest deposits of feldspar in the Dominion. Most of that feldspar is mined and sent in the crude state to the United States, where it is ground into the finished article, and that ground feldspar is then shipped back to Canada to be used in processes here. A few years ago one of the companies operating in my county undertook to put up a plant for grinding the feldspar locally. I made representations to the Department of Customs and asked that the machinery for that purpose, which was not made in Canada, be allowed to come in free of duty, for the reason that we were endeavouring to start an entirely new industry. That request was acceded to and the new industry was established. I think that is a step in the right direction. I entirely concur with the remarks of my hon. friend, though I do not see the necessity, perhaps, of putting the item on the free list. A remission of duty might be made to those desiring to introduce machinery for the purpose of establishing new industries.

Mr. JOHNSTON: Before we leave this item, I would like to refer to the matter in this light. The hon. minister, I believe, said that if the rate of duty had been reduced beyond the point herein outlined many of these manufacturing concerns would have had to close down, necessitating workmen being laid off.

From the other standpoint, we must take into consideration, as pointed out by the hon. member for Maple Creek (Mr. Maharg) and the hon. member for Red Deer (Mr. M. Clark), the fact that the plough is the one implement every man going on to the land must have. That is the starting point, and if he finds that this implement is costing him more than he can afford to pay, that is likely to keep many people from going on to the land. As pointed out by the hon. member for Macdonald (Mr. Henders), there are in Canada few manufacturers of ploughs. A manufacturer is manufacturing ploughs and has to have a tariff of 17½ per cent, and yet at the same time he is manufacturing cultivators and harrows and is getting along with a tariff of 15 per cent on those articles. I cannot understand why there should be these different rates. If he can get along with a tariff of 15 per cent on cultivators, I think, as pointed out by the hon. member for Red Deer, the tariff should be reversed and the 15 per cent duty charged on ploughs.

Mr. W. F. MACLEAN: We have got into a general discussion on the tariff, and I am not going away from the actual question

before the committee now, but I wish to say this, in connection with these reductions on agricultural implements for the benefit of the people of the West, that I am a firm believer in a national policy and the encouragement of industries of all kinds in Canada. But I want to tell the manufacturers of Canada that there will be much greater agitation for still further reductions if they as a body throughout this country, endorse the resolution that was passed in Toronto the other day against public ownership of railways. If that is traced back to the so-called reconstruction organization in Toronto which is dealing with tariff questions, there will be more demand in this country for tariff reductions of this kind than there ever was in the past, and that will all come out of this fact, that the manufacturers of Ontario, from their association assembled in Toronto the other day, called upon the Government to go no further in the matter of public ownership of railways. Perhaps they were trying to prevent the taking over of the Grand Trunk. It will get very rapidly into the minds of the people of the West, as it will into mine, why the manufacturers should step aside from their special mission in order to warn this Government and this Parliament, which has the jurisdiction in this case, that they must not go any further in the matter of public ownership of railways.

Mr. PEDLOW: Would the minister explain the reason for the different classifications of farm implements for taxation purposes?

As most of these are manufactured in one shape or form in this country, I cannot see why there should be a variation in the protection afforded or the duty collected. For instance, the item under consideration, No. 446, names 10 per cent, 15 per cent and 15 per cent. Then the five succeeding items that have not yet come under discussion, but which are in the same line of products, are classified under a different classification and a different rate of duty collected in each case. Why should they not all come under the same tariff schedule? They are farm implements; they are manufactured in Canada and many of them are manufactured in the same shop. He can certainly get along with the same rates on ploughs or if he must have 17½ on some articles why should a rate of 10 per cent, 15 per cent and 15 per cent be charged on cultivators, harrows and so forth, and 12½ per cent, 17½ per cent and 17½ per cent on ploughs? These two items are produced by the same workmen in the same shops.

Mr. EDWARDS: Is my hon. friend's idea that they should all be subject to a duty of 17½ per cent?

Mr. PEDLOW: No, I think they should all be subject to a duty of 10 per cent, 15 per cent and 15 per cent.

Mr. EDWARDS: The reason why I asked that question was because my hon. friend apparently last night was willing to let them stay at 20 per cent. I do not understand how he can advocate a reduction now and say he wants them all reduced to 15 per cent. He certainly put himself on record as being opposed to the reduction which is being made.

Mr. PEDLOW: It would be well for the hon. member to explain how he arrives at that conclusion.

Sir THOMAS WHITE: The variation in duties is not peculiar to this partial revision of the schedule. The variation has existed for many years.

Mr. PEDLOW: Why?

Sir THOMAS WHITE: I explained a few moments ago, I think, pretty fully as to why. My predecessor, the hon. member for Shelburne and Queen's (Mr. Fielding) had, under his tariff of 1907, a duty on binders of 17½ per cent, and upon cultivators, ploughs, harrows, etc., of 20 per cent. (I am quoting the general tariff.) Upon hay loaders, potato diggers, fodder or feed cutters, etc., the duty under his tariff was 25 per cent.

Mr. BUREAU: That is twenty-two years ago.

Sir THOMAS WHITE: No, it is not twenty-two years ago, if I may correct my hon. friend; it is twelve years ago, but many modifications have been made since then. For example, we have been able to reduce the duty on binders to 12½ per cent, as I stated a little while ago. Many facts must be taken into consideration. In the first place, there is the question of market, and of volume of business capable of being transacted. For example, the Massey-Harris Company, which is one of the largest concerns in the world, has an immense overseas trade, and I need not tell hon. members that the cost of production depends upon the volume of business. In the case of the International Harvester Company and the Massey Harris Company in connection with a standard article like

binders, the duty required after taking into account the duties on raw materials, is not as high as upon an article like a plough which is subject to highly competitive conditions in this country and where the export volume is not as great as in the case of the other article. All these facts have to be taken into account by a Minister of Finance in adjusting the tariff. We might as well make a plain statement about the matter. I think the previous Minister of Finance would say, as I say, that, if to-day, without taking the duty practically off everything that enters into production, we should substantially reduce those duties say five or ten per cent, we would close up those plants. Hon. gentlemen might say: Close them up. There are $70,000,000 invested in those plants, and they employ thousands of men. I will give to the Committee an example that I have in mind at the moment. A year or so ago, in the interest of increased production, we put tractors valued at $1,400 and under upon the free list. Those engaged in the business suffered an immediate and very heavy loss last year, and a great part of the machinery which was manufacturing before is still closed down to-day, and many men have been thrown out of work. The condition of that industry is at present precarious in the extreme, and we can bring all those others to the same condition by just taking the duty off, but I submitted to the House yesterday and I submit to the Committee to-day: Is it in the national interest to do so?

Mr. M. CLARK: I should be very sorry to admit that the minister has, in the last utterance we have heard from him, exhausted the statesmanlike wisdom of which he is capable on this question. I do not believe that the men who are making ploughs are of such weak fibre as my hon. friend represents. I refuse to believe that. I have a personal acquaintance with some hon. gentlemen who are engaged in the plough business and those of them that I know are very, very strong men, men of good fibre. I am sure they would not be put out of business so easily.

There is another side to this question about putting men out of business and throwing men out of work. Is my hon. friend aware that 4,000,000 people have come to Canada since the year 1900? I have heard that phrase "national policy" thrown about here this morning, as if we were not in favour of a national policy. I am tired of hearing that phrase, as if it were the exclusive possession of one particular school of political thought. I believe in a national policy, beginning from the farm upwards, beginning from the coal and the steel and the iron, which we have just had an illustration of in one of the schedules which we passed this morning. Four million people have come to Canada since 1900, but our total population has not appreciably increased in that time. Would it not be a true national policy to find out what is sending these men out of the country almost as fast as they are coming in? That is the other side to this question, and I submit to the minister, rather more emphatically than I need perhaps, but I can assure him that I speak in emphasis and not in anger, that it is worth looking into. I do not like to be personal in this matter, but I should like to ask my hon. friend from Brantford (Mr. Cockshutt) if he really believes that the people who are engaged in the plough business are such weak specimens of Canadians that the taking off of the 2½ per cent necessary to put ploughs on the same level as manure spreaders, harrows, drills, and other implements would put these great manufacturing concerns out of business in Canada. I do not believe it, and that is pretty straight talk. I do not believe for a moment that it would put them out of business; I am too good a Canadian to believe it, I believe that Canadians have a little power of competition in them. They were able to compete on the battlefield, and I shall believe in their power of competition in the plough factory, until it seems they are not of the same type of Canadians as competed elsewhere.

Sir THOMAS WHITE: Would it be fair to the manufacturers of ploughs and other agricultural implements, in view of the duties they have to pay on iron and steel and the other commodities that form their raw material, and upon coal which they use in their manufactures and upon the machinery which they employ in their processes, to expect them to pay the duties on all these raw materials if the duty was taken off their finished product? I do not believe my hon. friend will say that that is good sense. I am sure he will say that if the duty is to be taken off their finished product, it should be taken off all these raw materials that enter into that product. That leads us to the question whether in the national interests—I do not speak in any narrow sense—I do not say for a moment that my hon. friend has not a national policy, as well as the rest of us, in the

broad sense — it would be possible or expedient to take the duties off all of these products of our great industries. I say that if he were Minister of Finance for a week he would not and could not consider it. I said yesterday that the way to make a man a tariff man—I do not say a high tariff man, but a man who favoured raising a very large portion of our revenue from the tariff—was to make him Minister of Finance. Why? Because the bills are coming in every day and they have to be paid. Millions and tens of millions of dollars have to be found, and the money must be in the bank to pay our accounts. We could not find that money without a tariff. No Government in this country since Confederation has found it without a tariff. I am not speaking of whether a tariff should be high, intermediate, or low; I was only putting forward the view yesterday that the Minister of Finance in any administration will look to the tariff for a very large proportion of his revenue.

Mr. M. CLARK: The minister has asked me whether I would knock the duty off altogether. That is not a fair question under the circumstances. I am only asking for the 2½ per cent to be taken off so as to place ploughs on the same footing as manure spreaders. I am glad that the minister is taking my ground that the proper way is to begin with the coal and the iron and the steel. I want to put a question to the minister. The Western farmer has no protection at all, and his argument is that under this thing called the national policy you have to keep the duty on coal and iron and steel and ploughs, and load the whole thing on to the Western farmer. Is that a square deal? I say it is not.

At one o'clock the Committee took recess.

The Committee resumed at three o'clock.

Mr. MAHARG: The minister pointed to the duty on the raw material entering into the manufacture of these machines as one reason why there had to be a duty on the finished article. If I understand aright there is provision in the Budget for a rebate of a certain percentage of the duty on raw materials. I think it amounts to 30 per cent. Does that apply to all implements or only to those dealt with in the Budget?

Sir THOMAS WHITE: Those dealt with in the Budget.

Mr. MAHARG: Taking into consideration that rebate of the duty and the reduction in the freight, is the manufacturer of these articles not in practically the same position as he was before? In other words, the reduction in the duty is practically offset by the rebate of the duty on raw materials and reduction in the freight rates, which leaves him in practically the same position as before.

Sir THOMAS WHITE: Not in quite as good a position, he is bearing a part of the loss. I might point out what I have often pointed out in Committee and to the House: that the existing tariff is to be regarded as a structure. If the duties are reduced on a finished article there must be some modification, generally speaking, with regard to the duties on raw material and other articles purchased by the manufacturer for his production. When the 1907 tariff was devised duties were fixed upon that basis. If, for example, a change is made in a duty, then there is, generally speaking, some corresponding change necessitated in consequence in regard to raw material. The duties on agricultural implements have been fixed having regard to the factors which I mentioned this morning and which I shall not have to repeat to the Committee. In considering the question of how we could make a reduction in the existing duties we provided for the draw back to which my hon. friend has referred and also for a revision of the freight rates which would give a certain advantage. But if you take all the advantages that have been given both by way of draw back and freight reduction, the manufacturers are still bearing a portion of the reduction. I will say to my hon. friend, as I have said to the House, that we have approached this matter with a sincere desire to do all we could this year to meet the requests put forward for lower duties on agricultural implements, consistently with not doing a national damage by closing up very many establishments engaged in this industry. If I were asked whether we could have gone a half point or a point more I would sincerely say to the House that I could not say, nor could any one else. That is one reason why a deliberately considered tariff revision is necessary before duties can be finally fixed. I say quite frankly to my hon. friend, and to the Committee, that in our judgment we have done the best we could in the existing situation.

Mr. ROBB: The Minister of Finance made reference to the changes in the duty on agricultural implements and mentioned the freight concessions granted in regard to

agricultural implements shipped to Western Canada. That does not apply in any way to the farmers of Eastern Canada. How will it be worked out?

Sir THOMAS WHITE: With regard to the railway situation, they have water competition in Eastern Canada, and the question does not arise. But all farmers of Canada, so far as any advantage will accrue by reason of the reduction in the price of agricultural implements, will benefit because we are reducing the tariff upon agricultural implements, not only those sold in the West but those sold in other parts of Canada. There is water competition with the railways in the East, and what we had in mind was placing the manufacturer of implements in the East, as regards the market in the West, in as favourable a position, so far as freight rates are concerned, as his American competitor, who has had the advantage of him in that regard. There is a vast stretch of unproductive railway territory between the East and the West in Canada, and the freight charges which have to be met by the manufacturer in the East in competition with the American manufacturers, are a very serious item. We did not feel we were doing anything that was not strictly in accord with the national interest in placing the manufacturer of agricultural implements, so far as his Western market was concerned, in a fair position with his American competitor. The American competitor is not in as good a position as the Canadian manufacturer in Ontario and Quebec. I have been unable to appreciate the force of the argument that there has been a discrimination in regard to the freight reduction in favour of the West as against the East, especially in view of water competition.

Mr. ROBB: I think the minister misunderstands me. In what regard will the reduction in the freight rates be helpful to the Eastern farmer? The minister has referred to the competition in water rates. As a matter of fact, the manufacturer of agricultural implements in Toronto or Hamilton has the advantage of cheap water rates as far as Fort Willian on shipments to Western Canada. But these cheap water rates are of no value as regards the Eastern Townships, or the northern part of Ontario, or the interior points of New Brunswick, or Nova Scotia. If the manufacturer of agricultural implements in Chicago wishes to take advantage of cheap water rates he can get a water rate from Chicago to such assembling points as Toronto or Montreal, and in that way he will have an advantage over the Canadian manufacturer. That is the point I would like to have explained.

Mr. W. F. MACLEAN: Speaking of freight rates as implicated in these tariff resolutions, I would point out that in government-owned railways, and in the Government having control of freight rates, lies the real adjustment of this great tariff issue that is now being considered in this Committee and that will come up in the country in a wide way. As regards the manufacturing interests of the East and the farmers of the West, the compromise between these conflicting territories lies in controlling the freight rates and in a reasonable tariff in the interests of the manufacturer, and the Government in regulating rates in this way is doing a great work. I desire to point out to the minister, as I had intended pointing out last night in the general discussion on the tariff, that the adjustment of this conflict between the farmers of the West and the manufacturers of the East in the obtaining of their rights, at the same time treating the Western farmer reasonably, lies in the Government controlling absolutely the freights of the country; and they will control it in no better way than by public ownership. That is why I regret that we have not had a full declaration before to-day that the Government had taken over the Grand Trunk, or that it is to be taken over shortly.

By controlling the great Transcontinental Railway system, controlling railway freights and ocean freights, there should be an adjustment. I am glad to hear the minister say that he is trying to find a solution in regard to freights even if only with reference to this one item of agricultural implements. I want to see Quebec, Ontario and the East in a position to maintain a reasonable national policy by the aid of the tariff. While that might create a grievance for the western farmer, it is open to Parliament to so adjust the freight rates as to set off any inconvenience or overcharge that the western farmer thinks he suffers from by reason of the tariff. I want to tell the western farmer that from my point of view there is nothing of greater value to him than controlled freight rates, not only railway and inland waterway, but especially, ocean freight rates. In working out the policy of this country there should be harmony established between the East and the West and there should be an arrangement which will allow manufactures in the East, especially in Ontario and Quebec, to be developed and to keep forever a portion of the market under fair competition in the

West. As an offset against that, give the western farmer the advantage of an improvement in freight rate conditions. The minister has adopted this idea in controlling the freight rates even on these special articles. Carrying out this suggestion to a greater extent will be the solution of the conflict, and there is conflict. As one who believes somewhat in the national policy in regard to manufactures, I should say that the adjustment of that conflict will be reached by taking these two propositions together—the tariff and the relief that can be afforded to those who have to pay the freight rates. Let Parliament and the Government control these freight rates and especially the ocean freight rates.

Mr. BUREAU: Does my hon. friend lay it down as a proposition that Parliament should control and settle freight rates?

Mr. W. F. MACLEAN: Through its control of the railways—yes; first of all getting control of the railway system and then getting control of the ocean freight rates. We have had control of railway rates for a long time but the farmer has got very little benefit from any reduction because whenever a reduction was made in freight rates, the ocean shipping combines took it all away. That still prevails. We have to take these two questions of the tariff and freight rates together. If we take these two conflicting interests of West and East and harmonize them by considering these two matters at the same time we will have a solution of the matter.

Mr. J. H. SINCLAIR: I would like to get a clearer statement from the minister in regard to the difference between the position of the eastern and western farmer as to freight rates. The reason that the minister has given does not apply, when he says that the eastern farmer has already the advantage of cheaper freight rates from points in Canada than the western farmer has. The western farmer has the advantage of cheaper rates from Chicago to points in Western Canada, and consequently the minister gives a reduction to the western purchaser of implements for the purpose of equalizing the rates for the western farmer between Toronto and other points in Eastern Canada and the West. If it is true that the rates from Boston to Halifax are less than the rates from Toronto to Halifax, the same reason applies, and the minister should reduce the freight rates from Toronto to Halifax to make them equal to the low water rate that he speaks about. Perhaps the minister can give us the rates from points in the United States such as Boston to Halifax, St. John and Sydney, and points in the vicinity of Toronto to Halifax, St. John and Sydney. The reason that has has given does not apply, I think, because the rates are not exactly on the same footing. At the same time, if this advantage is to be given to the western farmer, I claim that it should be given to the eastern farmer as well.

Sir THOMAS WHITE: In answer to my hon. friend (Mr. Sinclair), I would say there is no discrimination whatever against the eastern farmer. Let me explain what the situation is. Freight rates from points west of Montreal and the Canadian Northwest were higher than from Chicago to points in the Canadian Northwest. On the other hand, freight rates from points west of Montreal to the Maritime Provinces are not higher than freight rates from Chicago to the Maritime Provinces. A condition of inequality existed before in regard to the West and a condition of equality in regard to the East. We have rectified the inequality existing in respect to the West and left the condition of equality respecting the East as it was. So much for that aspect of the matter. In regard to the price of implements—to the extent that the reduction of the tariff affects any reduction, the farmers all over Canada will get the benefit of it. I think I have covered both points. There is no discrimination in so far as freight rates are concerned, but only an equalizing of conditions which formerly were unequal. In so far as any advantages are to accrue to farmers by reason of the reduction which has been made in the duty on agricultural implements, the farmers of all Canada will participate in its on an equal basis.

Mr. J. H. SINCLAIR: Do I understand the minister to say that freight rates from Chicago to Halifax and St. John are higher than the freight rates from west of Montreal to the Maritime Provinces?

Sir THOMAS WHITE: I said that they were no lower.

Mr. HAROLD: I think that the question of freight rates has been unduly magnified. I have figured it out on a number of implements on which a reduction has been granted and it averages only from three-quarters of one per cent to one per cent. I think the principle involved is perfectly right and that the Minister of Finance is to be congratulated upon having taken these steps. In relation to the water rates, as practically all the implements for the West are shipped in the winter season, be-

cause it would be impossible to carry over these implements in warehouses or factories until navigation opens, the factor of water freight does not enter into the question to any extent. Furthermore the implements would be injured more or less from the handling into and out of the boats. There is another point I would like to speak about because a very false impression has gone forth in reference to the cost of certain articles. I would like to refer to the Trade and Commerce report which shows that the total manufactures of these goods for the year 1917 was $32,000,000; cost of the raw material entering into the same was $16,000,000; or one-half the selling cost of the goods was represented by the cost of raw material. Then there is labour $10,000,000, making a cost of $26,000,000 and leaving $6,000,000 for overhead charges and all expenses. Last evening we had figures presented here that showed a total cost of one-third of the selling price and it is in order to correct that very false impression that I make this reference. Another thing that I would like to refer to is the fact that owing to the necessity of having to give long terms and to carry materials for a long time the total capital is shown to be more than twice the turnover. For that reason the manufacturers are certainly entitled to more of a return in the way of profit on the turnover than those dealing in such articles as permit of the turnover of the capital some three or four times a year.

Mr. MAHARG: In the matter of discrimination I think the minister is absolutely right in so far as the farmers are concerned. I believe the farmer gets no advantage whatever from the lowering of this freight rate; that goes entirely, as he has stated, to the manufacturer to put him in the same position as his American competitor. However, the point I want to emphasize, and it has been demonstrated I think to a certainty by the figures we have just now received, is that the cost of the material equals one-half of the price of the finished article.

Mr. HAROLD: That is right.

Mr. MAHARG: Now see what that means. They get a rebate of practically one-third of the duty imposed and they are rebated the duty on one-half the cost of the raw material going into the machine if they import the goods, and if they export the finished article they get a rebate of 99 per cent. So when you take reduction on the freight rates I venture the prediction, if it is correctly figured out, that an advantage of 2½ per cent will result to the manufacturer.

Mr. HAROLD: I have figured up those costs, I have the actual figures and I can bear out what the Finance Minister says that the two items do not make up the amount of reduction on the general tariff.

Mr. MAHARG: That is taking the average of the 5 and the 2½. My point is that the 2½ per cent is practically, if not wholly, covered.

Mr. HAROLD: It is not; I can show the hon. gentleman the figures.

Mr. MAHARG: Well, if you have the figures, will you be good enough to give them.

Mr. HAROLD: I have not the figures here.

Sir THOMAS WHITE: I want to point out an error my hon. friend has inadvertently fallen into. He states that we are giving 30 per cent drawback on half the raw material that enters into the manufacture of these articles. He has in mind that the 30 per cent applies to the whole of the material, but he has overlooked the fact that a considerable part was free before. Therefore, it is not accurate to make a computation based upon the assumption that we are giving back 30 per cent on one-half of the value of the manufactured goods.

Mr. COCKSHUTT: The practice, as far as I understand it, of manufacturers in this country is to buy all the raw materials that are possible from our own factories that produce them and are called subsidiary interests, or subsidiary factories. For instance, the malleables, which constitute a very large item in agricultural implements, are almost entirely made, and we hope will continue to be made, in Canada. We will only earn the 30 per cent to which the hon. gentleman has alluded, providing we take the unpatriotic course of buying those goods in United States. We do not propose to do that, although we are rather induced to do so if we take a strictly business view and buy absolutely in the cheapest market. My policy has always been, and I hope will always continue to be, to buy all the raw materials made by our subsidiary factories for use in the manufacture of implements or any other line in which I am interested. I think it would be a lamentable fact if this 30 per cent rebate which is proposed were to induce all Canadians who are manufacturing these lines—and they are mentioned

in Nos. 446B, 447, and 591—to buy all these raw materials that enter into the construction of these articles from United States so as to qualify for the 30 per cent rebate. We are already importing far too much stuff from United States, in my judgment, and I would rather diminish than increase those imports if possible. I wanted it to be remembered that this 30 per cent does not go into the pockets of Canadian manufacturers by a long way, and is not likely to go there more than to the extent of 10 to 15 per cent at the outside, because we will continue to buy our raw materials in this country.

Mr. BUREAU: By subsidiary companies, does the hon. gentleman mean companies formed and controlled by the bigger concerns to which he refers who have to buy this raw material?

Mr. COCKSHUTT: No. As a rule, the manufacturer is not interested at all in the investment that is employed in the manufacture, say, of malleables. The paints, bolts, screws, and a thousand and one things that go into the manufacture of implements are made by subsidiary factories or interests, but the stock is not at all the same. I would not say there is never a case where a manufacturer has not stock in some of them, but it is not the usual thing, and so far as I am concerned it is not the case at all.

As to the question of freight rates, I do not think they should be linked up with tariff rates, but the question has been settled by the House, and I bow to the decision which has been arrived at with regard to it. I might point out, however, that the saving is not going to be as much as some imagine. For instance, take the ordinary walking plough—although it is not a plough that walks, it is drawn by a team—which is the ordinary plough used in Canada and weighs about 250 pounds. According to the schedule submitted by the minister the saving in freight rate to nearly all the points in the West is 10 cents per 100 pounds. Now taking a plough weighing 250 pounds at 10 cents a hundred and you have a saving of 25 cents in freight rate. That is not a very enormous saving on the price of ploughs which I believe is ranging at present from $15 to $25 for the ordinary plough in use. I admit that the westerner uses a more expensive plough on account of the stubborn nature of the soil. That is, the soil does not clean from a plough in the West as it will clean from a plough in the East on account of the difference in the nature of the soil. The material for ploughs used in the West has to-day to be of a quality almost comparable to finished steel. It has got to be of a hardness which is extremely difficult to produce and can only be produced by using a special kind of steel of which the United States is the sole manufacturer in the world. Great Britain has never been able to overtake that monopoly. The steel is made from a patent process controlled by the United States Steel Company, and the product is known as "Soft-centred Steel." That is one reason why the plough in Canada or in the United States has a hardness, a finish, and a durability and strength that no British implement has ever been able to attain. For that reason if implements were put on the free list so far as my hon. friend's district of Red Deer is concerned I would not kick at all because it is a competition that does not apply to the class of goods that is used in our country to any great extent. I wish to say further that on the larger implements which weigh say from 750 to 1,000 or 1,500 pounds the freight rate would relatively be the same and would amount to—as my hon. friend from Brant has just said—less than one per cent on the cost of the goods. Therefore, I think members will see this is a comparatively small item that the minister is allowing. I would like to see that the Ontario farmer in this respect is placed at no disadvantage. Of course it is quite true that the Ontario and Quebec farmer is very near to the factory that produces the implements and the freight on the implements that he gets is a comparatively light matter in comparison to what the western farmer is obliged to pay. I hope I have made my point clear and that the House will understand that it is not a very large item that is being conceded to the manufacturer in the matter of freight rates on these implements.

Mr. MICHAEL CLARK: I am afraid the Committee is getting away from the real point of disposing of these items. The freight rates question is very interesting. May I say in passing that I am very glad to have from my hon. friend from Brantford the concession that we have some difficulties in the West which do not prevail in the East. I have no doubt, Sir, that roots are as bad in Ontario as they are in the West. But he admits that the soil is harder to work in the West. I hope he will remember that when getting into a proper frame of mind in regard to the point that is really before the Committee.

My hon. friend from Brant (Mr. Harold) I do not think was in the House this morning, and perhaps I ought to explain to him what was the difficulty. There are six kinds of implements under item 446, which have opposite them the figures 10, 15 and 15 per cent. In the next item, 446b, are ploughs and complete parts thereof, and the figures opposite those are 12½, 17½ and 17½ per cent. Now, it is not entirely that the eye is a little offended by the want of symmetry in the two lines; although the figures 10, 15 and 15 would meet the eye nicer and would be just the same as on the other implements. But as my hon. friend very well knows from his experience in Ontario, in the West we use the plough before we use the manure spreader. Why should the plough have a 2½ per cent advantage in the tariff over the manure spreader? You cannot break virgin soil with a manure spreader; you want a plough. And what is the sense of putting all manner of difficulties in a man's way when he is dealing with the virgin soil and using a breaking plough, and then making it easier for him by 2½ per cent when he comes to use a manure spreader? Before you get your manure spreader you have to use your plough, and you have to get a cow or two. Then you have got to consider the manuring of the soil after it has been broken. But you put 15 per cent on the manure spreader and 17½ per cent on the plough. Is that a scientific method of handling the tariff? I appeal to my hon. friend from Brant, who has a very good mind—a mind that I admire very much—and who comes from a centre where these things are manufactured; I appeal to him because I am not quite satisfied with the explanation given by my hon. friend the Minister of Finance and my hon. friend from Brantford. My hon. friend from Brantford says that he buys all the raw materials he can in Canada. I would tell him that we are just as loyal in that respect in the West. I never want to use a better plough than the Cockshutt plough. When I get back home I shall do all I can to influence my sons to use the Cockshutt plough, after the way my hon. friend stood by us last night and voted against the Budget. But when I acknowledge to my hon. friend that the Cockshutt plough is so good, does he not see that that carries with it the implication that it ought to be able to compete with other ploughs, come from where they may—and, certainly, it ought to be able to compete with the manure spreader. If the Cockshutt plough is as good as I say it is,—and my hon. friend has not contradicted me,—then why not press the Minister of Finance to put it on a level with the manure spreader? That is all we want. I wish the hon. minister would be conciliatory and make the two lines exactly alike. Why should he compel us in the cross benches to adopt almost obstructive tactics? We have practically to be the Opposition because the regular Opposition are gone out of business in regard to these matters.

Mr. BUREAU: I object to that.

Mr. MICHAEL CLARK: I do not want that opposition to be obstructive or obstreperous. I would rather be on friendly terms, as I always have been, with the hon. minister. I would like him to do the big thing. We have a good deal of unrest in the country, and I would ask my hon. friend to soothe the frayed edges of our nerves and put the plough on the same platform, so to speak, as the manure spreader.

Mr. HAROLD: It is my desire to thank the member for Red Reer (Mr. Clark) for his kind remarks. It was not my intention to say anything if he had not brought up certain questions. If the hon. gentleman thinks it will be ever possible to find any uniformity of principle in this tariff now before us, I regret to inform him that he will be disappointed. In the first place, if he is going to follow up that argument, I would call his attention to the fact that he handles the harness before he does the plough, and the harness pays a considerably higher rate of duty.

Mr. MICHAEL CLARK: Not under this item.

Mr. HAROLD: But it is the principle involved in the whole tariff. The fact of the matter is that the manufacturer of implements is already greatly penalized, and these rates as fixed—which I am not voting against—do not do justice to these people as compared with the manufacturers of other lines of goods. I believe my hon. friend is exceedingly fair, and I know he has very sound ideas in regard to things as they should be when many years have elapsed; therefore I hope he will accept the rates as they are, and also consider the fact that a very large quantity of these goods is coming into the country from which the Government will derive revenue.

Mr. McKENZIE: Mr. Chairman, the hon. member for Red Deer thinks that we on this side of the House have abandoned our functions as the Opposition. I notice that not only is the hon. member a critic of tariffs,

but he has lately developed as a critic of scriptural quotations or learning of any kind that we may make pretence to on this side of the House. It will be remembered that recently he brought the hon. member for Brome (Mr. McMaster) to task for misquoting the Scriptures. But I am sure my hon. friend's knowledge of the Good Book is very extensive, and he will remember the very good advice given therein that there is a time to speak and a time to keep silent; that there is a time when there is profit in talking, and a time when there is no profit at all. He will also find recorded there that the noble King David on one occasion had a sick child. While the child was sick the King threw himself down on the ground and prayed and put himself in sack-cloth and ashes, but immediately the child died he got up and washed himself and took breakfast, because there was nothing further that he could do.

We have fought the Government for the benefit of the West while there was any good in fighting. We voted against this tariff and for the amendment that would better conditions in the West; we did the very best we could. Now it has reached the stage when I realize that it is no good to ask the minister to stultify himself and change the tariff. I do not think he will. We are like King David, we have washed ourselves and taken our breakfast. We did the best we could. We stood by the West while there was any possibility of accomplishing anything.

Mr. ELKIN: I would like to ask the hon. member for Brantford a question in connection with this 30 per cent rebate on raw materials which come in for the manufacturer. A large portion of the raw materials to be used in these ploughs and other agricultural implements would come from mills making these basic materials—malleable iron and things of that kind. The 30 per cent, therefore, becomes or is a duty; it is a duty by way of protection to the manufacturers of these basic materials. In quoting prices based on the Pittsburg or United States prices, to what extent do they take advantage of this 30 per cent protection?

Mr. COCKSHUTT: I am afraid I do not fully understand the argument of my hon. friend. We buy these raw materials in Canada. We buy almost entirely the rougher classes of steel in Nova Scotia where the leader of the Opposition (Mr. McKenzie) comes from, and we get a good deal of steel from the city of Hamilton.

[Mr. McKenzie.]

Therefore, there will be no 30 per cent rebate if we continue to buy from those sources, because you get the 30 per cent rebate only if you import the raw material, and that I would not purpose doing even now.

Mr. ELKIN: Perhaps I might make my point clearer if I quoted the figures, although they may not be exact. Supposing the price of pig iron at Pittsburg is $24. I am not familiar as to what the duty on pig iron is, but let us say it is $5.

An hon. MEMBER: $2.80 a gross ton.

Mr. ELKIN: Under this tariff you get a drawback of 30 per cent on the $2.80 if you import the raw material from Pittsburg. What proportion of the 30 per cent drawback on that $2.80 does the Canadian manufacturer take in quoting a price based on the price of $24 at Pittsburg?

Mr. COCKSHUTT: I am afraid that has not been in operation long enough for prices to be settled. If it has, I have not yet heard of any change in the price as a result of the proposals. Any one can see that, as only 50 to 100 pounds of iron would be used in the manufacture of an ordinary implement, with a price of $24 a ton, the amount would be very small if you got a refund on only $2.80 per ton, and under the operation of the tariff as I understand it, you would certainly not get the whole rebate. Prices have not yet been revised and I have not had any opportunity of finding out where we stand in the matter; but as far as I can see, I think the minister stated rightly when he said that under the old tariff the manufacturers were getting what was already an exceedingly small profit—and I say that advisedly and I know what I am talking about. That being the case, then under the new proposals profit is going to be smaller, and because a low tariff means larger imports, and larger imports in the country will, I think the minister will agree with me, result from this tariff, we are, with a reduced tariff, going to be placed in this position that we shall have a circumscribed market and reduced prices, and in face of that, we have demands from labour which are very insistent at the present time for advances in wages of 25 to 30 per cent and, in some cases, for shorter time as well. So, if you take all these things together, the lot of the ordinary manufacturer of implements who is doing his best to satisfy the wants of the country in every respect is not a rosy one at the present time.

Mr. CAHILL: Does the hon. member argue that the raw material is costing him more in Canada than he could import it for?

Mr. COCKSHUTT: On the lower grades, no. The Steel Company of Nova Scotia is able, I think, to produce the lower grades of steel which are used to a large extent, as cheaply or cheaper than they can be bought in the United States. If you take the cost, with the duty added to the price, it would still be cheaper to buy the raw material in the matter of the lower grades of steel largely from Nova Scotia.

Mr. CAHILL: Then where does the hon. member's patriotism come in? Why does he state that it would not be patriotic to buy outside of Canada? If he is buying as cheaply or cheaper in Canada, there would be no call to import from the United States. I took from the argument of the hon. member that he was probably paying a little more for Canadian goods, but that his patriotism would cause him to buy them. Am I correct in my assumption?

Mr. COCKSHUTT: I do not know that a question at issue on the tariff is my patriotism, and it is not a question I wish to dwell upon. I used the term because I believe we should all use Canadian goods where they are as cheap and as good as can be bought elsewhere, and I believe every one will agree that that is a sound policy. It was only in that sense I spoke, and the policy of the manufacturers is to buy all their raw materials in Canada, thus building up our own country, and perhaps if we are not building up our own business, we are building up that of some one who is close to us. I do not want to succeed and see everybody else fail; I want as far as possible to see everybody successful, and for that reason I think the patriotic course of the manufacturer would be to continue to buy his raw materials in Canada so far as market prices will admit of his doing so. I think that is a sound policy.

Mr. ELKIN: I do not want the point I have been endeavouring to make to go by without getting it on Hansard. I used the case of pig iron only to demonstrate the fact that many other things enter into the manufacture of ploughs and reapers and other farm implements, and there is no getting away from the fact that, in rebating 30 per cent to manufacturers of farm implements, a principle is established whereby one-third is added to the present duty on raw material and the protection is made absolute. If you rebate 30 per cent on the goods you place in the farm implements, you protect the basic manufacturer to the extent of one-third; in other words, he, knowing that he is going to get 30 per cent back from the Government on those goods can add a certain portion of that 30 per cent of the duty to his price.

Mr. HAROLD: He has to take it off, not add it.

Mr. COCKSHUTT: Very little pig iron comes from Pittsburg, because I understand Canada is able to produce pig iron as cheaply as any other country in the world if it has a fair chance, and I hope the iron mines will be brought into such a state of perfection that we can get all our pig iron in this country. To say we are going to buy pig iron in Pittsburg is a proposition which I do not think is likely to obtain. I think we will buy our pig iron in this country, and I would like to see every one else in this country follow a similar course.

Mr. ROBB: Will the reduction in freight rates bring the present rate down to the same basis as prevailed prior to 1912, or when the hon. gentleman became minister?

Sir THOMAS WHITE: The rates, as my hon. friend knows, have all been raised both in Canada and the United States owing to the increased cost of operation of railways. I have not the figures before me, but I am quite sure reductions will be made, although not to what the rates were before the war. But the point in this matter is the disadvantage which the Canadian manufacturer has against his American competitor owing to the higher rates in Canada. It is only the reduction that is in question here so far as it has a bearing upon what we have done in the way of reduction in the duty.

Mr. KAY: It was rather surprising to hear the appeal from the hon. member for Red Deer (Mr. M. Clark) for help from the Opposition. His opinion of the Opposition, as expressed frequently during the session has not been very high. Although I cannot always agree with the hon. member, I had a great deal of pleasure in supporting him in his appeal for a lowering of the duty on ploughs.

There is no doubt that greater production and cheaper food is one of the essentials of this time. Now, the plough is the first essential in production, and should be made as cheap as possible to the farmer. A further strong reason why it should be made as cheap as possible is that at the

present time we are trying to induce a great many returned soldiers to take up farming. I would go further than my hon. friend from Red Deer and my hon. friend from Maple Creek. I would suggest that the minister put both ploughs and the raw material entering into ploughs on the free list.

Mr. MAHARG: The longer I listen to this discussion the more convinced I become of the injustice of this duty on the items under consideration. I have heard no good reason advanced why these implements should not all be on the same basis, so far as the tariff is concerned. I therefore beg to move:

That the duty on ploughs and complete parts thereof be made uniform with the rates covering item 446.

Mr. EDWARDS: I have listened with a good deal of interest to the remarks made by certain hon. gentlemen in discussing these items of the tariff. If I may say so without offence, I think that the concern of certain hon. gentlemen for a reduction of 2½ per cent is, to say the least, rather amusing. Hon. gentlemen were here yesterday until an early hour this morning debating the Budget and the counter proposals contained in the amendment of the hon. member for Brome. I can understand certain gentlemen voting for the amendment in preference to the Budget on the ground that it promised more in the way of a reduction in duties than the Budget, but I cannot understand how hon. gentlemen who claim to be following along the line of free trade and are eager to grasp every reduction that is being offered, once they fail to get the whole loaf, can declare, as hon. members did last night, that they would sooner starve than take a part of the loaf; for that was precisely the position taken by those who voted against the Budget last night. They said by their votes: If I cannot get what I want as proposed in the amendment of the hon. member for Brome, then, if my vote can prevent it, we will have no reductions at all. They voted against a reduction of from 2½ to 5 per cent on many of these implements last night, and have agitated for hours here to-day for a further reduction of 2½ per cent. If there is anything consistent in that attitude, I, for one, fail to see it. It has been suggested by some hon. member that it would look better if the 12½ per cent, the 17½ per cent, and the 17½ per cent, covering the last item on page 2 of the resolutions were changed to the figures covering the item immediately above No. 446. There would be more uniformity in the printing; it would look better, they say. I might suggest, then, that perhaps it was an oversight that item 446b was not put on the top of page 3, because then we would have had more uniformity in the printing, which certain hon. gentlemen present as an argument for making a reduction in the item under consideration. If we adopt the amendment to change these figures it seems to me it will be up to the committee to go through the whole thing over again. I contend that the whole matter has been thoroughly thrashed out in the debate which took place in the House, and the proper time for moving an amendment was last night, when this matter was under consideration. If the amendment proposed by the hon. member for Brome did not cover all it should have covered, that is the fault of those who brought in the amendment; that should have been attended to when the amendment was being prepared. The House has expressed its opinion as to what these duties should be. I therefore do not intend to support the amendment of my hon. friend (Mr. Maharg), although I am in favour of a reasonable reduction in the duty on implements required on the farm. But this is not a proper time for a general revision of the tariff. That revision must take place in the not far distant future after careful investigation into what duties should be lowered and what should be raised.

Before I sit down I want to place myself on record in regard to the freight rate arrangement. In my judgment, it is absolutely illogical to combine tariff adjustments with railway rates, and it is bound in the long run to lead to endless difficulty. I trust it has been adopted in this case only as a temporary expedient, which will be done away with as soon as we have a general revision of the tariff.

Mr. M. CLARK: I want to meet one or two points raised by the hon. member for Frontenac. He is a very old member of this House, and has a very strong, and, usually, a very logical mind, but I do think that what he has advanced just now is practically an argument for never considering a Bill in committee at all. So far as the details are concerned, it does not matter how we vote on the principle, which is settled in the main debate, usually on the second reading in the case of a Bill. My hon. friend says that those who voted for the amendment yesterday voted for free agricultural implements. Very well. A

large majority settled that for the moment we were not to have free agricultural implements, but in the details of the schedules each item is presented to the committee separately for separate consideration, I take it, or the reading of the items by the Chairman is surely a gross waste of time and has no conceivable purpose whatever. While we have voted on the principle and the principle has been settled, nevertheless there may be inconsistencies or incongruities which may very well be settled in committee, and that I conceive is the reason why each item is presented separately.

Now our simple, and, it seems to me, logical and extremely supportable position, is that there is no good reason why ploughs, which are the primary and fundamental implements of agriculture should be put under a handicap in regard to the tariff as compared with cultivators, seed drills, horse rakes, manure spreaders, and all the other articles mentioned in the previous item. My hon. friend did not deal with that point at all. He simply seemed to indicate that we ought, having voted on the question of implements being free or not free, to leave the details to be settled without any further discussion or any consideration of them at all. I have only to repeat that that is really an argument against the Committee stage of legislation and is not worthy of what is usually the extremely logical mind of my hon. friend from Frontenac. I do not wish to say more on the subject. I have spoken at greater length than probably I should have done, and it is with the desire that the discussion may not be unduly protracted that I understand my hon. friend (Mr. Maharg) has moved the amendment. I shall vote for the amendment because it seems reasonable and logical, and as we could not get the whole loaf we propose now to take a small portion of it. This position is entirely defensible from my standpoint.

Mr. EDWARDS: I do not intend to boast about my logic in this House when it comes to a question of reasoning, but it does seem to me that the man who took the position in this House that he would vote for the amendment of the hon. member for Brome because it was giving him what he thought he ought to have and who, failing to get that, voted for the Budget because, although it did not give him all he wanted, it gave him some consideration, is in a position to come here and logically say: I voted for the Budget because it gave me something. It did not go as far as I wanted it to go and therefore I am here to ask you to make this further reduction of 2½ per cent. That man would be taking a consistent position. But the man who last night voted against the reduction of 2½ per cent or 5 per cent cannot logically come forward now and ask for the reduction he opposed yesterday. That is my position.

Mr. PEDLOW: Before the Committee rose this morning I raised a point which has been under discussion ever since, and that is the elimination of ploughs from the category included in item 446, cultivators, harrows, horse rakes, etc. I find on looking up the schedule that has obtained up to the present that this item included ploughs, and I should like to know why it is now eliminated. The minister's explanation does not quite satisfy me and I would like to have some further light on the subject. I know that the hon. member for Red Deer and the hon. member for Maple Creek who has moved the amendment are also of the opinion that there is no valid reason why ploughs should not be included in the same list as cultivators, harrows, horse rakes, seed drills, manure spreaders and weeders and complete parts thereof. These were all included in the same list a year ago and there is no reason why they should not be in the same class to-day. I should also like to know the reason for the small variation of 2½ per cent in the duty to be collected on ploughs in excess of the duty proposed in regard to the other items.

Sir THOMAS WHITE: I think I explained fully this morning the reasons why we had to differentiate in the reduction in the articles to which reference has been made. I explained that there were varying competitive conditions. There is a great range of ploughs, drills, etc., and—

Mr. PEDLOW: I would like to know whether—

Sir THOMAS WHITE: Just a moment, please. I would call the attention of my hon. friend to the fact that the importations of ploughs for the last fiscal year from the United States amounted to $2,500,000, whereas the importation of all the other implements embraced in the item amounted to only $860,000. I say again what I have already said two or three times, that we gave this matter our most careful consideration and reached certain conclusions as to the amount of reduction which it is possible to make. Having reached these conclu-

sions, as we believe, soundly and certainly sincerely, we are not able to accept the motion of the hon. member for Maple Creek.

Mr. ROBB: The minister has given a fair reason why the Government will not accept this amendment. They want greater protection to keep these ploughs from coming into the country, and this policy is perfectly consistent with the whole policy of the party on trade questions ever since it came into office in 1911. As was pointed out last night, the Minister of Finance was elected to office in 1911 because he opposed more particularly reciprocity. I am not going to labour that question, but I will say that on four different occasions in this House when the Liberal party presented to the people of Canada through this Parliament their policy in favour of reciprocity the Minister of Finance opposed and voted against it, and on two different occasions he made a speech giving a very good reason, to his mind, for that action. He opposed free wheat because free wheat, along the lines of the United States tariff by which we were also bound to give free flour and semolina would, in his judgment, ruin the dairy industry of Eastern Canada. Having pronounced himself twice in this way, the Finance Minister in 1917 put through an Order in Council placing wheat upon the free list. We are not without evidence as to why that was done. We are not without the evidence of hon. gentlemen who are to-day supporters of Union Government. We have the statement in Hansard of the hon. gentleman who at that time represented Assiniboia and who is now a member of the upper House. That gentleman told us in this Chamber that the Acting Minister of Justice (Mr. Meighen) who was then Solicitor General had made a trip to the West. The supporters of Sir Wilfrid Laurier had intimated their objection to an extension of parliament and the Government discovered that they had to go before the people. The Solicitor General made a trip West, and in the opinion of Senator Turriff as expressed in this House and as reported in Hansard, the Solicitor General had there learned that they must give free wheat or not one Conservative member would be returned to parliament. So they put through a hasty Order in Council of 16th April, after the western farmer had parted with his crop and it was in the hands of the grain dealers and speculators. For that particular crop year, therefore, reciprocity in wheat was of no value whatever to the western farmer.

The Union Government was formed, nominations were all in sight, everything looked safe, there was no danger of the Government being defeated, they had captured the organizations of both parties, and on the 4th of December of that year they put through another Order in Council which practically nullified the Order in Council of April.

I submit that the reciprocity proposal in wheat has never been of any benefit to the West. The legislation put through in these tariff resolutions, 60-61, has no more hope of being useful to the West than had the Order in Council of April 1917. Why do I say that? The Government know very well that the wheat situation is controlled by food boards in the United States and Canada who will see to it that there is no exchange of wheat for the present any way, and that wheat will not go into the United States. Western provinces may pass resolutions and western members may go into private caucus and resolute against this Government, but the fact remains that the Government are in power and supported by the very men who have been calling for relief for all these years. To-day we have the spectacle of the Minister of Finance saying that he is not prepared to grant the simple concession asked for by the western men. He is perfectly right and consistent with his whole attitude since 1911, he is not in the House to legislate for anything that will help the western farmer.

Referring again to this wheat situation; if the Finance Minister says that the Government are sincere and that they intend that wheat shall go into the United States under the provisions of the United States tariff, then I submit to the minister that he must go farther. He is discriminating against, and attempting to ruin, one of the natural industries in western Canada. If there is one industry that is natural to that country it is the flour milling industry. If the Finance Minister is going to create conditions which will enable the United States miller to put flour into Canada free of duty, he must go a little farther and admit to this country free of duty flour mill machinery. He must go still farther and admit free of duty the belting that is used in the flour mill and the bags into which the flour is put before it is shipped. He has placed a duty of 27½ per cent on cotton and on jute cloth. He says that if you employ United States labour to mill flour from Canadian wheat, if you like, and pack it in bags in the United States, he will allow that cotton to come into Canada free.

He allows to come in free with every car load of flour from 850 to to 1,000 yards of cotton or jute cloth free of duty. That is the position that the Minister of Finance has placed himself in after eight years of experience in trying to frame a tariff. Seventy-five thousand dollars will go as far in building a flour mill in the United States as $100,000 will go in Canada. You can buy your cotton and jute bags about ten cents a barrel cheaper in the United States than you can in Canada and under these circumstances who is going to build a mill at Winnipeg, Fort William, or anywhere else in Canada, if you can build a mill in Buffalo and get your flour into Canada just the same? That is the position in which the Minister of Finance has placed one of the industries in this country by his tariff muddling.

My Western friends, who have upbraided us during this session to some extent as having run away from the interests of Western Canada, apparently have short memories. They must not forget that we went down to defeat in the attempt to get free markets not only for wheat but for the barley, oats, grain and cattle of Western Canada. That was refused. After it was refused the United States did a little tariff amending on their own lines and they said: "If Canada does not want to trade fair with us, we will amend the tariff to suit ourselves." So they placed cattle, milk and cream on the free list. We are in this position to-day that our cattle go into the United States free of duty. But if we have a shortage of cattle in this country and want to bring any back, we have to pay the Government, on the basis of a cow worth $100, $34.38 to get that animal in. If we want to bring back butter manufactured from milk shipped by our own dairies into the United States we have to pay the Government four cents a pound. On cheese we pay them three cents a pound. That is one reason why the cost of living has gone up in this country. The tariff is all made one way and we penalize ourselves if we want to buy any article. I am somewhat in sympathy with the views expressed by the hon. member for Frontenac (Mr. Edwards) when he said it is high time that we should go through these items and amend and remodel them so that we can get down to a basis that will be of greater advantage to all Canada.

Amendment (Mr. Maharg) negatived, yeas 40, nays 58.

Item 446 B agreed to.

591a. Freight wagons, drays and sleighs, and complete parts thereof: British preferential tariff, 17½ per cent; Intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. MAHARG: Has not the duty on sleighs been increased under this item? Comparing this item with the tariff set forth in the Canadian Almanac there has been an increase of 2½ per cent.

Sir THOMAS WHITE: The general tariff is 25 per cent and has been. The intermediate is 25 per cent; it was 22½ per cent. There are no sleighs imported.

Mr. MAHARG: Then I am right. There has been an increase of 2½ per cent in the duty on sleighs.

Sir THOMAS WHITE: There are no importations. I have no objection to make the rate 22½ per cent intermediate.

Mr. MAHARG: I was not pressing the point, but merely asking for information.

Sir THOMAS WHITE: We will have regard to it in the general revision.

Mr. MAHARG: Do I understand that the Minister of Finance is now making the duty 22½ per cent?

The CHAIRMAN: I did not understand the minister to move an amendment. If he does I will be glad to put it to the committee.

Mr. MAHARG: I am not very familiar with Parliamentary procedure, but I understand that the Finance Minister said he had no objection to making the change.

Sir THOMAS WHITE: I take it to be unnecessary to make any change; there are no importations.

Mr. MAHARG: Why will the Finance Minister not make the change?

Sir THOMAS WHITE: It would need a formal resolution. The matter is not of any consequence, it does not appear to me to be of importance.

Mr. MAHARG: I do not wish to press the matter.

Mr. ROBB: Let us understand each other as to the point raised by the member for Maple Creek. Is it correct that the duty has been advanced 2½ per cent?

Sir THOMAS WHITE: The intermediate tariff is 25 per cent; it was formerly 22½ per cent. It does not apply to any country from which these articles come.

Resolution agreed to.

Resolved that it is expedient to provide that the following goods shall be exempt from the provisions of section 3 of chapter 3 of the Acts of 1915;

(r) materials imported to be used in the manufacture of goods enumerated in tariff items 446, 446b, 446c, 447, 448, 449, 450 and 591;

(s) olive oil and peanut oil for canning fish;

(t) materials imported prior to the first day of September, 1920, to be used in the manufacture of oleomargarine as described in The Dairy Industry Act, 1914, and amendments thereto;

(u) linen or cotton clothing, n.o.p;

Mr. McKENZIE: Has this resolution reference to the 7 per cent war tax?

Sir THOMAS WHITE: The war tax is 7½ per cent.

Mr. McKENZIE: This is a point that was not sufficiently explained by the minister. So far as I remember he has not dealt with the 7½ per cent war tax as he did with the 5 per cent tax on British goods. When both these taxes were taken off I do not see why the reduction was not made all round. I would like to have some explanation from the minister why he takes the 7½ per cent off in some instances and leaves it on in others?

Sir THOMAS WHITE: My hon. friend has forgotten that I dealt with the matter in the Budget, though probably not in express terms that would fix themselves in his mind. My hon. friend will recollect that we derived last year a revenue of $45,000,000 from the imposition of the customs duty war tax of 7½ per cent general, and 5 per cent British preferential. On account of the difficulty that we have this year in raising sufficient revenue to meet our current expenditure it was not desirable that we should go further than we have in the reduction of the duty of 7½ per cent. We took off the British preferential and by reason of that sustained a loss in revenue of $3,700,000. Then we dealt only with articles of necessity, so to speak, classifying them as foodstuffs, boots and shoes, and clothing, and we took the duty off agricultural implements for the reasons which I have given. The answer to my hon. friend briefly is this: The main reason for not taking the 7½ per cent off entirely is that we shall require the money. I desire to say to my hon. friend and the House, that I do not believe this year, with the reductions which we have already made, and also the increases which we have made in income tax, we shall quite bridge the gap between the ordinary expenditure and revenue; in other words, I should not be surprised if there is a deficit this year on ordinary account. That is the principal reason why we did not take off the entire 7½ per cent, and I would submit that it is a good reason.

Mr. J. H. SINCLAIR: I have not the tariff schedule before me, and therefore I would ask the minister if, in the various items that are mentioned in this resolution, provision is made for taking the 7½ per cent duty off cordage and twine used in the fishing industry, which were formerly free?

Sir THOMAS WHITE: My recollection is, and it is confirmed by the Chief Commissioner of Taxation, that the 7½ per cent duty was not imposed upon those articles in item 15 and they are therefore put in the free list.

Mr. J. H. SINCLAIR: Would the minister tell us how many articles formerly admitted free will be taxable under the seven and-a-half per cent after we pass this new law?

Sir THOMAS WHITE: I cannot tell my hon. friend the number. I can only say to him that $15,500,000 is the estimate of the loss which we shall sustain in duties by reason of taking off seven and-a-half per cent from the articles upon which it had been imposed.

Mr. KAY: Would the hon. minister explain what materials are to be brought in under item (t) for the manufacture of oleomargarine, and also why they are not to be imported after 1920? Is it the intention of the Government to prohibit the importation and manufacture of oleomargarine after that date?

Sir THOMAS WHITE: Oleomargarine is now being admitted free of duty. It is also being manufactured in Canada, and the purpose of this remission of duty upon materials used in the manufacture is obvious; it is to put the Canadian manufacturer of oleomargarine in as good a position as his foreign competitor who has his materials free of duty. The hon. gentleman will observe that the Dairy Industry Act of 1914, and amendments thereto, is referred to. There will be introduced at this session legislation under which—I am speaking from memory—the importation of oleomargarine will be admitted until the first of September, 1920. The matter will then be subject to such further consideration as may be thought proper.

Mr. ROBB: I notice that item 66, biscuits, sweet, is not changed at all; the seven and-a-half per cent surtax still applies.

Sir THOMAS WHITE: It never was on that item.

Resolution agreed to.

Resolved, 1. That it is expedient to amend The Business Profits War Tax Act, 1916, as amended by chapter six of the statutes of 1917 and by chapter ten of the statutes of 1918, and to provide that the provisions of section three of the said Act shall not continue in force after the thirty-first day of December, one thousand nine hundred and nineteen;

Mr. MAHARG: Is it the intention when this is repealed to continue the income tax on profits in connection with incorporated companies?

Sir THOMAS WHITE: The effect of this legislation is merely to continue for a year the Business Profits War Tax Act, which under the legislation of last session would have come to an end on the 31st December last. This does not involve the question of income tax, to which no termination is put by the legislation governing it.

Mr. McKENZIE: I must admit, Mr. Chairman, that I have not given very close study to those two systems of taxation, if I may so designate them, that is, the Business Tax and the Income Tax. I cannot very well understand why there should be both. The profits of an individual from his business constitute his income, and apparently the Government is going to tax him on those profits. Why do they also go after his business? Is it not sufficient to get the tax in one way and with less trouble?

Sir THOMAS WHITE: My hon. friend asks a very natural question. He has not followed the legislation. The justification for the Business Profits Tax is the abnormal conditions prevailing during the war under which unusual and what might be regarded as excessive profits were made—profits beyond the normal return to capital in enterprises of a similar character in peace time. The Business Profits War Tax Act is much more severe in the amount of such profits which it takes than is the Income War Tax Act, which is designed not only for the period of the war, but also for peace times. No citizen is subject to both taxes. Probably my hon. friend had in mind that an individual is liable to assessment under both the Business Profits War Tax Act and the Income War Tax Act. He pays the amount which is greater. Whether one would be larger than the other would depend on the profits being excessive or not. If the profits are very excessive they would come under the Business Profits War Tax, which always governs if the amount is larger than the Income Tax.

Mr. NICKLE: Do I understand that it is the purport of this section necessarily to discontinue the Business Profits War Tax Act for next year?

Sir THOMAS WHITE: Not necessarily. I believe this follows the wording of the Act for the past two years which provided for the termination of the Act at the end of the calendar years 1917 and 1918. Now we are extending it for another calendar year. It will be for the Government to consider in connection with the next Budget whether the Business Profits War Tax Act will be repealed or not, and, if so, to what extent.

Resolution agreed to.

2. That with respect to every business liable to taxation under the said Act the period for which the returns shall be made and during which it shall be liable for assessment shall be at least sixty months, commencing with the beginning of the first accounting period ending after the thirty-first day of December, one thousand nine hundred and fourteen, or for such less period as the business may have been carried on from the beginning of the said accounting period to the end of the period for which the said tax may be levied under this Act;

Sir THOMAS WHITE: Mr. Chairman, the existing legislation provides for assessment for forty-eight months. This merely provides for the sixty months—in other words, for the extension of one year which I mentioned.

Mr. McKENZIE: Sixty months?

Sir THOMAS WHITE: A five-year period altogether from the time it was originally enacted. The amending Act extended it for forty-eight months, now we are extending it a year, which means sixty months to take the place of the forty-eight.

Mr. McKENZIE: That means you are going over the same ground?

Sir THOMAS WHITE: No. The amendment necessary to make the extension will show my hon. friend we are not extending it beyond the period I have mentioned.

Mr. McKENZIE: I rather thought that perhaps parties who had already accounted for their profits would have to make a further accounting, that this was intended to be retroactive. Is it the intention to make this retroactive?

Sir THOMAS WHITE: The intention is not to add anything in the way of retro-

active legislation to that which has already been enacted. When we enacted this legislation in 1916 it was made retroactive because quite large profits had been made in speculation or otherwise in the previous year and a half since the outbreak of the war. That retroactive feature was objectionable, but Parliament enacted it. This does not add in any way to the retroactive aspect of the legislation.

Mr. PEDLOW: From a ruling I received a short time ago, I understood that each accounting period, that is, each financial year, stood on its own basis. This resolution speaks of a five-year period and not each accounting year. I would like to have a ruling on that point, because a man might have an enormous profit one year and be assessed and then next year he might have a loss. Is it the intention of the department to make the assessment over an average of five years?

Sir THOMAS WHITE: No, each accounting period stands upon its own basis. We are dealing with the accounting periods over which the legislation extends and not the accounting period in connection with any business. If this legislation is adopted, as has been the case in previous legislation respecting the Business Profits War Tax Act, all parties will be in the same position so far as accounting periods are concerned.

Mr. PEDLOW: This means that even if a man has paid his income tax for 1917 the department can go back to 1914 and exact a statement from him for 1914, 1915 and 1916, and collect taxes under this legislation.

Sir THOMAS WHITE: Not unless he was taxable before. If a man started a business in 1917 he would not be taxed in respect of 1915 and 1916, because he was not in business in those years. But if a man was in business in 1915 and 1916, but was not assessed, then, if found to have been liable, he would be subject to assessment for the previous years.

Mr. PEDLOW: Notwithstanding the fact that he was not assessed before?

Sir THOMAS WHITE: Notwithstanding that fact because he did not pay what he should have paid.

3. That the word "commencing" be replaced by the word "ending" in the proviso to section twenty-six as enacted by chapter ten of the statutes of 1918.

Sir THOMAS WHITE: That was a typographical error last year which completely reversed the intention of the Government and Parliament in respect of the Bill. We are correcting it this year.

Resolved, That it is expedient to amend the provisions of The Income War Tax Act, 1917, as amended by chapter 25 of the statutes of 1918 and to provide,—

1. That income liable to taxation shall include the salaries, indemnities or other remuneration of members of the Senate and House of Commons of Canada and officers thereof, of members of Provincial Legislative Councils and Assemblies, of Municipal Councils, Commissions and Boards of Management, of any Judge of any Dominion or Provincial Court appointed after the passing of this Act, and of all other persons, including those whose salaries, indemnities or other remuneration are paid by His Majesty in respect of His Government of the Dominion of Canada, or of any Province; excepting therefrom the income of the Governor General of Canada.

Mr. CAHILL: What amount of income tax was collected last year, and what did it cost the country to collect it?

Sir THOMAS WHITE: The total number of assessments up to June 17, 1919, was 46,176, and the amount of assessments approved was $11,000,000 in round figures. The number of assessments paid was 39,000 and the amount of assessments paid was $9,000,000 in round figures. I have not the precise cost, but together with the business profits tax administration, the cost will be about $400,000, that is to say, for the administration of the two. I am unable to separate them.

Mr. CAHILL: Are they kept separately at all, or are they combined?

Sir THOMAS WHITE: The expenditures are not kept separately because they are administered to some extent by the same office.

Mr. LEMIEUX: Have there been any appeals?

Sir THOMAS WHITE: Notices of appeals have been received in some cases under the income tax. With regard to the business profits tax, usually, after an investigation, we have been able to make an assessment that is accepted, and thus an appeal is avoided.

Mr. J. H. SINCLAIR: How many parties made returns?

Sir THOMAS WHITE: About 150,000 the majority of them not assessable.

Mr. ROBB: During the debate on the Address there was an expression of disappointment at the amount collected from the income tax, and that brings us back to the proposition submitted from this side of the House when the Act was first intro-

duced, as to the method of collecting it. I should like again to ask the minister if he does not think he could obtain better results by collecting this income tax through the secretary-treasurers of the different municipalities? They know every man in their community and his business, and if we made them officials of the Government, we could obtain much better results with a minimum of expense. Surely we should be able to collect a greater revenue from this income tax than was the experience of the past year.

Will this income tax apply to Government pensions, whether paid to judges or colonels or generals drawing large pensions?

Sir THOMAS WHITE: My hon. friend has called attention to two matters. Personally I do not think it would be practicable to have the income assessment made as he suggests. I do not believe it would give us as good results as we are getting now, or nearly as good results as we shall get when the organization is more complete. My own view is that instead of the cost of administration being high, it is too small. I believe that to render the organization completely effectual for the administration of the income tax in Canada there must be a very considerably increased expenditure. The Commissioner of Taxation may not altogether agree with me. He is very desirous of keeping the cost down to the lowest possible point, but if the income tax is to be administered with a high degree of efficiency I think we must have a much greater organization than we now have. We might even be obliged to have an organization—it would be an immense one—under which practically every individual in the country would be visited and assessed as men are now assessed under the municipal administration. We naturally have been anxious not to increase beyond what is absolutely necessary the administrative expenses in connection with this legislation, but the task of administering the income tax in Canada is a very great one indeed. I pointed out yesterday that in the United States it had taken them some nine years to render their system reasonably effectual. The first few years they encountered all the difficulties that we have encountered. I would weary the Committee if I mentioned all the obstacles which present themselves to the efficient administration of the income tax. I will give this one example which I recall at the moment. The inspector who is in charge of the taxation administration in one of the western provinces told me that he had found insuperable difficulties in attempting to assess a large farming section of that community, in which, he said, twenty-one different languages or dialects were spoken, and from which he could get practically no returns. I do not want to dwell upon the difficulties because it might be answered that difficulties are to be overcome. That is true. When you have an income tax in effect in the country the Government must do its very best to administer it; I am the very first to say that, but hon. gentlemen here, all of whom are practical men, will realize the very great difficulty we have in enforcing this taxation in many of the sections of Canada. I called attention yesterday to the extreme difficulty of ascertaining, for example, what is the net income of a farmer. Why, with the best intentions, it is very difficult for the farmer himself to know what his net income is. Again, in a province like British Columbia you may have a man liable to assessment who is engaged to-day in mining, and who a week or ten days from now may be in the timber industry or may be in another part of the country. I am not using that illustration to magnify the difficulties, because hon. gentlemen may say that that is an exceptional case. I am simply putting forward to the Committee that the administration of an income tax in a country of the size of Canada, with the diversity of occupations that we have, is a very difficult one indeed.

Some criticism has been made of the fact that we have collected only $10,000,000 from the income tax which was imposed a year and a half ago. I called attention to the fact, in replying to the leader of the Opposition some time ago, that if an individual, or a firm, or a company was liable for a higher assessment under the Business Profits War Tax Act than under the Income Tax Act, the higher assessment was made. Now if we eliminate the cases in which the assessment paid was on the basis of the Business Profits War Tax Act, and not the Income Tax Act, and consider what would be the additional amount payable if the parties in question were subject to income taxation and not to the Business Profits War Tax, our estimate is that $10,000,000 more would be derived, so that if the Business Profits War Tax Act were to-day repealed and we were thrown back solely upon the income tax, the revenue for this year, on the basis of the rates of last year would be about $10,000,000 more.

Mr. LEMIEUX: I was one of the first to agree with the Minister of Finance that the time had come to impose income taxation in Canada. I think it is the fairest mode of taxation in the world because it reaches the man most able to pay, and furthermore, it makes the citizen a little more attentive to the activities of public men, and especially of the hon. gentlemen who hold the country's cash box. My only regret is that under the present proposals the big man does not pay enough income tax, but I suppose that every year there will be an increase in the rates.

The minister says that the task of administering the Income Tax Act is most difficult. As income taxation is new in Canada I can understand that it would be rather difficult at first to put the machinery in motion; but in other countries, in England, for a century I believe, and in France, for the same length of time, they have had an income tax, and I think that we might very well adopt the methods which are followed in those countries in administering the Act. I quite agree that conditions are somewhat different, that Canada occupies a vast area and has a diversified population, but I think there must be some system which can be adapted to every country. The main thing is to have an efficient board of administration. I have known for many years the chief Commissioner of Taxation, and I must congratulate the Government on their choice in that regard. I think no man knows better than Mr. Breadner how to administer such a complex taxation Act. The officers who are employed in this branch of the service in Ottawa and Montreal and throughout the country, do not come under the Civil Service Commission, I am told. I do not know why, and I should like to know if there is any special reason why they do not come under the Civil Service Act. I would urge the minister to see to it that these officers who are called upon to administer the Act should not be appointed, unless Mr. Breadner is satisfied that they possess the necessary qualifications.

There have been some complaints and I personally interviewed Mr. Breadner who gave me satisfactory explanations. I would urge upon the minister the necessity of appointing without any reference to political parties the men who have charge of that administration. As the minister said a moment ago, it is a very delicate matter to scrutinize and investigate the private business of any individual and if the appointments were made—I do not say they are—only at the dictates of political proclivities, my hon. friend would encounter some trouble in parts of the country, for human nature is universally the same. My hon. friend said there were difficulties in certain sections of the Northwest where there was a medley of various races. May I ask him to bear in mind that we have only two official languages in Canada, and also to inform him that in my province last fall and winter there were legitimate complaints that the blank forms were not issued in one of the official languages? Remonstrances were made and after a while the blank forms were sent. It is quite natural on the part of the habitant in Quebec to say: I received a blank form in English but that is not my language. I want the blank form in French and I shall keep Mr. Breadner waiting until I receive it. I think the grievance was remedied at the time, but the department ought to see to it that such remonstrances are unnecessary. These blank forms should be circulated in our province to preclude the possibility of any delay. I want to know from the hon. gentleman, in view of the amendments contained in this year's resolutions, what are his expectations for the coming fiscal year? In view of these amendments, what does he expect to obtain from the income tax source?

Sir THOMAS WHITE: My recollection is that in the Budget I estimated $15,000,000 or $20,000,000 additional.

Mr. LEMIEUX: Why is it that the officers are not selected by the Civil Service Commission?

Sir THOMAS WHITE: The hon. member will recall that when the Business Profits Tax Act was first enacted it was regarded as of a temporary character, and it was considered that it would not continue more than three years. A staff was got together of as efficient officials as could be had for the administration of the Act throughout the country.

Mr. LEMIEUX: In other words, they must be practically experts?

Sir THOMAS WHITE: Yes. My hon. friend has put his finger precisely on the point. We do not believe that we can get by advertising, as the Civil Service Commission advertise, the class of expert ability required for this work. It is work that is of a highly confidential nature and all the men engaged in it should be exceedingly competent. We aim to get men having in some cases, in addition to the other necessary qualifications, legal experience. Let

me say to my hon. friend further that except on the occasion of their coming here last February for a conference, I do not know personally one single member of the staff, nor have I recommended any member to the Commissioner of Taxation. My hon. friend will gather from that how much political patronage has been exercised. I have said to the Commissioner of Taxation, in whom I have the utmost confidence—and what my hon. friend has said about him is wholly deserved; I hold you responsible for the administration of that department. I give you a perfectly free hand in selecting and recommending to me men who you think are competent to carry out this work. I have not interested myself in these appointments beyond discussing with Mr. Breadner the importance of getting the best men we could, and it has been exceedingly difficult to get men, especially during the last year of the war. I have had many things to engage my attention and have fully appreciated the importance of the efficient administration of this department; and if there is any fault in connection with it it certainly does not lie in any endeavour on the part of the minister to exercise patronage. Of that I can assure my hon. friend.

With regard to the other question raised by my hon. friend, namely, the use of the French language, we have always realized in our department the fact to which he has called attention, of the French language being official for certain purposes. In the case to which he referred the order was given originally by the department for the returns to be printed. I think there were a million for Quebec in both French and English. There was a slight delay in translating from English into French and consequently the French printing was retarded. It might have been by inadvertence that the citizens to whom the hon. member referred received their returns in English. I am quite aware that in Quebec there are tens of thousands of people who are familiar only with the French language, and the department, I can assure the hon. member, is anxious to meet their convenience and live up to its obligations in furnishing returns in French to be filled in by those who speak that language.

One other point was referred to in regard to pensions. I am not sure that I quite recollect what the hon. member who raised the point required. Subsection (b) of section 6 on page 5 reads:

> Any part of the remuneration of a taxpayer retained by his employer in connection with insurance, sick benefit, superannuation, pension fund or plan shall be allowed as an exemption or deduction from the income of the taxpayer for income tax purposes, and any payment to an employee out of such fund or plan shall be included as taxable income of the employee.

Is that the section to which the hon. member refers?

Mr. ROBB: I was speaking more particularly in regard to judges' pensions.

Mr. LEMIEUX: Before the minister answers the question may I be permitted to say a word or two on the question? If my hon. friend (Mr. Robb) wishes to apply this principle to pensions received by judges who have retired, I would not approve of retroactive legislation. Judges who have retired and who receive a pension from the state are exempted by the Judges' Act from all taxes from any source whatever. I do not think it would be fair to have retroactive legislation apply to them. There are old gentlemen—one of whom I have in mind—who have been on the bench for many years and who have now retired. Possibly within the next few months or the next year or so they may not be of this world. Their pensions, under the present high cost of living, afford them a bare subsistence. And in regard to civil servants, I might mention the case of my own father. He was in the Civil Service for fifty years and receives a very small pension.

Fortunately, he has something else; he has his boys and he has himself. But would it be fair to apply this principle to those who received a pension based on salaries of fifteen or twenty years ago? Civil servants since that time have obtained increases and if they were retired they would obtain much better pensions than the old superannuated civil servants receive. I do not believe in retroactive legislation. As to the future, it is different. Let us respect rights which are real vested rights.

Mr. EDWARDS: I do not think that the words "retroactive legislation" are used in the right sense at all. There will be no attempt made, in asking judges or those receiving a pension to pay income tax, to compel them to pay it on income received five or ten years ago. They will pay it on what their income or pension is to-day.

Mr. LEMIEUX: I speak of retroactive legislation in the case of judges who were retired and who are pensioned by the state. According to the Judges' Act, the moment they are appointed, their salaries and pensions are debarred from all taxes in the future.

Mr. EDWARDS: I understand that and that is what I protest against. There is always a sufficient number of lawyers in this House to look after any and every member of the legal fraternity and there is no reason under heaven that you can give and that is logical why a judge, any more than anybody else, should be exempted from taxation on his income.

Mr. LEMIEUX: It is the law.

Mr. EDWARDS: It is no answer to say that you have a Judges' Act which exempts them. An Act passed by this Parliament can be changed by this Parliament. My contention is that we have laid down a principle here that an unmarried person is exempt from paying income tax up to a certain amount, that a married person is exempt from paying income tax up to a certain amount, but if an unmarried or a married person has an income which comes within the schedule provided under the law, he is liable to pay the income tax and I do not care whether that income is derived from a pension for services that a man has rendered as a civil servant, if the income reaches the amount stipulated in the law, that man has to pay income tax just the same as any person else. If he happens to be a judge who has retired and has an income within the meaning of the schedule I do not see any reason under heaven why he should be exempt from payment of the tax. We pay entirely too much attention to judges and we give them certain privileges in this country that they are not entitled to any more than any person else. They are not white winged angels in my estimation, and I do not propose to place them on any pedestal of superiority over any person else. Let them meet their obligations to the State just as every other person has to do. Who is to provide for the old age of the farmer who has worked all his life trying to get a little property around him? Talk about the high cost of living! My hon. friend speaks about the retired judge who has been pulling down $5,000 and $6,000 of a pension, but there is no consideration for the man who has worked hard all his life trying to get a little property together and to give his children an education. He can get along as best he may. Judges should be made to conform to the laws of the country and to meet their responsibilities just the same as other men.

Mr. J. H. THOMPSON: I quite agree with the hon. member for Frontenac (Mr. Edwards). I am in favour of the income tax, but I think that it will take time to get it working smoothly. On going through the country I find there are a great many farmers and people in villages who do not understand the Act. The form sent out for them to fill in is too complicated. I believe that ninety per cent of the people do not understand it. They are quite willing to pay the tax, providing that they feel that their neighbour is paying it also. If a man is conscientious in filling in the form, he is taxed highly, while another man who thinks that he does not have income enough and does not go into the matter closely, gets off scot free. There should be a change. I am quite in accord with the hon. member for Huntingdon (Mr. Robb). I believe that the work of collection could be managed better by the secretary treasurer of the municipality. If that is not workable, I would like to ask the minister if it would not be possible for the income tax collector to be moved around from place to place. I will give you an instance. In my riding there are five villages. A great many people live in those places who do not understand how to make the return. If the collector would spend a week in those different villages, assisting farmers and others in making out their returns, it would go a long way in helping the situation. I am sure that these people are willing to pay. But there are questions on the form that no farmer can very well answer. There is one question in connection with horses: How much does it cost to produce a horse? Different farmers have spoken to me about this. One year hay is worth $10 a ton, while another year it is worth from $20 to $30. No man can tell what it costs him to produce a horse. That form might be simplified, and, if it cannot be, I would like to see the income tax collector spend a week in different parts of the riding to assist the farmers and others in making out their returns. They are willing to make them out, but they do not understand them.

Mr. LALOR: I do not know what system is followed in Hastings or in other parts of the country, but I do know how the system is administered in the Niagara district. I would like to compliment the minister upon the man that he has appointed there. We have a very competent man in that district who can give any person any information that he requires in connection with the income tax and advise him as to the proper manner of filling out the form. He is located in the county town and he looks after Haldimand and Norfolk. If such as he are appointed throughout the country

generally the Government have good officials in that particular line. It was not a political appointment, because the man I speak of held for many years the position of secretary of the Liberal Association in the county of Haldimand. He lost his son and son-in-law, both officers, overseas, and he deserved the appointment. He was formerly in the registry office, he is a first-class official, and I want to take this opportunity of complimenting the Government upon appointing such a man.

I believe there should be such a man in every district of the country. As the member for East Hastings (Mr. T. H. Thompson) has stated, the idea is that people should get this information in order that they may be instructed as to what the law is, and how the tax should be paid, and that they should get the proper forms and fill them out correctly.

Mr. T. H. THOMPSON: Perhaps my remarks were misunderstood. The officer in charge, in the case referred to, is a competent man and I believe is trying to do his duty. I was speaking in the public interest, and dealing with the distance that people will have to travel in order to get in touch with the officer.

Mr. ROBB: Before the clause carries, I would point out that owing to the discussion which has taken place I have not received a reply from the Minister of Finance.

Sir THOMAS WHITE: My hon. friend from Maisonneuve has raised the question of the principle that is involved in the exemption of judges from the provisions of the Income Tax Act. The point is that a bargain was made with the judges when they accepted office that they would receive their compensation, including their pension, free of any deduction whatsoever made by, or under the authority of, the Parliament of Canada. Now let us regard the situation for a moment. Take the case of an eminent lawyer who is making twenty-five, thirty, or forty thousand dollars a year, or not so much for that matter. Say he goes upon the bench. He accepts a salary of $8,000, let us say, or $10,000, with provision for a retiring allowance. Now, the terms of his engagement are governed by the Judges Act, which expressly provides that he is to receive the whole of that amount without reduction. That is the bargain that is made between him and the Government, and Parliament, for that matter, when he accepts office, and I submit that the question before the committee is as to whether the Government would be justified in imposing income taxation upon those judges who have accepted their appointment on a definite, positive understanding governed by legislation. I have no hesitation in saying for myself that I think it would be inadvisable for the Dominion Government to enact legislation of that kind. I understand, I think, fully, the views of hon. members who feel that the judges should be assessed. They proceed upon the assumption that as everybody else receiving an income beyond the exemption is liable for income tax so should the judges be. I submit the distinction lies in the bargain to which I have referred between the judges on the one hand and the Parliament and the people of Canada on the other. It is a question of whether we are going to follow a contract or not. In the amendment which we suggest we propose that income taxation shall apply to those who are appointed from the date of this legislation. In other words we are not adopting retroactive legislation, which would have the effect of breaking contracts entered into by the judges with the Government and people of Canada, but it will apply to future appointments. The justification of the amendment which we propose is this: that although we have the Judges Act, no laywer accepting appointment as a judge hereafter can allege that he should not be liable to assessment under the income tax by reason of the provisions of that Act because he will be aware, as all citizens are deemed to be aware, of the provisions in the legislation which we are now enacting. It is undoubtedly a question of whether the Government should break its contract with the judiciary. The judiciary has always been regarded as being in a peculiar position, and rightly so, under the constitution, a position of great independence so far as the Government of the day is concerned; and I believe it is in the national interest that any contract or agreement that we have with the Judiciary enacted in a law by this Parliament, as it is in the case in question, should be scrupulously observed. It may be that no untoward results would ensue if we were to make all judges, who are exempt under the Judges Act, liable to income taxation, but I submit that the preservation of the principle is important and should be respected by the Government and by Parliament.

Mr. McKENZIE: I fully agree with what the Minister of Finance says that the statute governing the appointment of judges and their responsibilities, as far as contribution to municipal and other taxes are

concerned, should be observed. In my opinion it is a very grave mistake for any person to think that it is all right to commercialize a judge like any other person in the country, and that he should be subject to the same commercial laws and conditions. A judge may be getting $8,000 a year, and a railway manager may be drawing the same salary, but the two positions are entirely different; and we would be sorry to suppose that the judge was not on a higher plane, as far as independence, mentality, and frame of mind in dealing with his business is concerned, as compared with the railway manager. I am not saying that the railway manager must not be a good man in every sense of the word, but the duties of a judge are of a peculiar cast. It has always been said that the law is a very jealous mistress, and that the man who desires to have a proper knowledge of the law and be able to apply it properly, is a man who gives his entire time, attention, and ambition to its study and its application. For that reason it is in the best interests of the country that certain safeguards should be thrown around the judiciary, not for the sake of the judge alone but in the interests of the people in general. I am not only in favour of leaving the Judges' Act as it is, but I am entirely opposed to this amendment which will be drawing a line between the judge that will be appointed after this legislation is passed and the judge that is now holding that exalted position. It is the law that a judge is not subject to those exactions and it should stay that way. I think it would be a pernicious distinction, and a highly pernicious system of legislation that the judges of the land who are to-day appointed and occupying those positions are exempt under the present Judges' Act, whereas the man who is appointed to-morrow, or any day after this legislation passes, shall be under a different law and different conditions entirely. I think it is entirely a mistake, and I hope that whatever law is enacted in regard to judges that they shall all be in the same position and subject to the same conditions.

Mr. NICKLE: Last year when this subject was under discussion I took the same position as the Minister of Finance takes to-day—that a contract was entered into by this country with the judges who had been appointed prior to the income tax becoming law entitling them to exemption from taxation under this Act. I think that in all human probability when the Judges' Act was passed it was never contemplated for a moment that income taxes would ever be effective in Canada; but whether that is so or not it is a matter of no very great importance when one considers it in relation to the maintenance of the national integrity. A contract was made between this country and those who have been appointed to the judiciary. It may not have been a wise contract—I am not discussing that, I am not saying that it was or was not right. But when a bargain is made, even if it is a bad bargain, I believe that it should be respected. I therefore agree entirely with what the minister said: That those who were appointed before the Income Tax Act became effective should continue to enjoy the exemption that that Act gave them.

Mr. LEMIEUX: Otherwise it would be simply a scrap of paper.

Mr. NICKLE: Otherwise, as the ex-Postmaster General remarks, it would be a mere scrap of paper. But I am quite at variance with the position taken by the leader of the Opposition. A judge may or may not be in a different position from other men in some respects, but when it comes to his bearing his share of the burden of the war, I think, provided he was appointed after this Act became effective, he should bear his fair share of the taxation imposed upon him. To do anything else would be to pass class legislation of a most pernicious character, and I think that the people at large would have reason to complain, as the hon. member for Frontenac did this afternoon, that those on the bench were given exemption—provided, of course, that their appointment was subsequent to the passing of this Act. It is quite true that the hon. member for Frontenac went further than the leader of the Opposition; he thought the legislation should be retroactive. I do not agree with his argument. It would be a mistake, a breach of contract. But in relation to those judges who were appointed subsequent to the passing of the Income Tax Act, I think they should carry their share of the burden of taxation the same as any other citizen.

Speaking for a moment or two on the general principle of income taxation, in my opinion, though I have no specific cases by which I can back my judgment, I think there are scores of people evading payment of this tax, and I think they are evading payment for the reason that they are only asked to certify as to their incomes. Being legally educated, I have great faith in the restraining power of an affidavit, coupled

with the possible penalty that may follow if the affidavit is false. Under the Income Tax Act all a man is asked to do is to sign a form. There may or may not be an investigation as to the correctness of the return. If there is an investigation, and the return is found to be incorrect, there is no criminal penalty incurred. I have on several occasions submitted to the officer who is responsible for this Act that all these returns should be made on oath, because I do not believe there is any restraining pecuniary disadvantage that can be compared with the sanction of an oath. I think that every return should be sworn, and that in the event of its being found to be false, that is, not having been sworn to in good faith, there should be a possibility of punitive results. We have it under our income tax legislation in relation to municipal taxation, we have it in relation to succession duty taxation, and if you have it in respect of these classes of taxation, why should this Government make the Dominion income tax a matter of less importance than a municipal or a provincial tax? I believe the people would take the situation in more serious spirit if they had to swear to their returns, and I urge on the minister that he give consideration to my suggestion, although I know that his officer, with his broad experience, is distinctly and flatly opposed to it.

Mr. J. H. SINCLAIR: There is a very general suspicion throughout the country that we are not getting income tax from the men who are liable to pay it. I do not know what steps have been taken by the department to see that every man with an assessable income is taxed. I do not know whether any prosecutions have been instituted or whether much energy has been spent in that line. The Minister of Finance will excuse me for saying so, but a few weeks ago, at the request of a prominent merchant in a certain Canadian city, I asked the hon. gentleman if he would give me a list of the men in that city who had made returns. My friend was suspicious that some of his neighbours had not made a return, and that they were escaping from year to year. He said to me, "I do not want to know what they are assessed for, I do not want to know how much income they have returned; but if you will get me the names of those men who have made returns, that is all I want." The hon. minister gave consideration to my request, and he very politely told me that he did not think it advisable to give me such a list. I can see very grave objections to giving out any information as to what the returns contain, but I am not able to see any good reason why the names of the men who have actually made returns should not be given. If the Minister of Finance has any good reason against granting the information, I would like him to place it on Hansard, because I feel if there was some publicity with regard to men who are making returns it would assist his officers in various parts of Canada to do their work properly.

Sir THOMAS WHITE: If my hon. friend, as a member of Parliament, desires information regarding the assessment of any citizen, he may obtain it by applying to the Commissioner of Taxation. But it was common ground at the time the Income Tax Act was passed that it was undesirable that the incomes of private individuals throughout the country should be published to the world. It may be that we shall come to the time when that is required and desirable; there is a good deal to be said in favour of it; but I believe that the view of Parliament at the time the legislation was enacted was against such action. If any member of Parliament desires, for his own information and not for publication to the world, to know what income is assessable, or what business profits are assessable against any individual or firm, he can get the information by applying to the Commissioner of Taxation. If that were not so it would remove a rather valuable safeguard upon administration. I do not say in regard to the present administration, because I know the Commissioner of Taxation desires to do only one thing, namely, his duty. But it would be possible to have these matters too secret, and I have always taken the view that a member of Parliament desiring to obtain information as to assessment should get it, but I do not believe that he should publish it to the world. There is a good deal of spiteful feeling existing in this world, and very often people take a certain amount of satisfaction in rather maliciously publishing statements about neighbours which may place the latter unjustifiably and unwarrantedly in a false position. My own experience has been that if a man is reputed to be wealthy, his wealth is always exaggerated in the public estimation. On the other hand, if it is reported that a man has lost a certain amount of money, that also is exaggerated. People like sensational news. Very few men indeed are found to be nearly as wealthy as they are generally supposed to be, and many who are reputed to be wealthy are

poor indeed. I remember for several years after I came down to Ottawa I laboured under the most unjust odium of being a well-to-do man. The House has long since realized how unjust was the feeling against me.

Mr. J. H. SINCLAIR: I do not want to be misunderstood. I was not asking for a statement of the assessment.

Sir THOMAS WHITE: I did not misunderstand my hon. friend at all.

Mr. J. H. SINCLAIR: I am simply asking for a list of those who have made returns, merely for the use of the gentleman who requested me to obtain it for him. I was going to send it to him, and he would see if Mr. John Smith of his city had made a return, and, if not, he could write a letter to your officer.

Sir THOMAS WHITE: I think he should see the income tax inspector in the district and communicate his view to him as to the assessability of the parties in whom he is specially interested. The gentleman referred to is not an official. His motives may be of the very best—I have no doubt they are—to get the information, but it would be a violation of the Income Tax Act if such information were given to him, that is to say, made public.

Mr. PEDLOW: It is the practice in Great Britain that where life insurance premiums are paid by individuals, up to, I think, one-fifth of their income can be used for the payment of premiums, and that amount is exempt from income taxation. I submitted this proposition to the manager of this department, and his ruling was that no exemption would be made of the premium paid and that the returns from life insurance policies would not be included for taxation purposes in an estate. That is perhaps a fair ruling, but insurance should be encouraged to the limit, not only with those who are able to carry large amounts of insurance on their lives for the protection of their wives and families, but with those who are able to carry only smaller amounts. The minister should consider the advisability of exempting from income taxation up to a certain amount of the income of an individual when applied towards payment of premiums on life insurance.

Sir THOMAS WHITE: I think, if my hon. friend will reflect, he will see it would not be sound to grant exemption to the extent of premiums paid for life insurance. Life insurance is an asset. A man might pay out of an income of $10,000 a year premiums on a very large insurance payable during his lifetime if he should live a certain number of years, and he might deduct that from his income. Especially is it objectionable where you have a sharply graded income tax. A man with an income of $10,000 a year is assessed on a higher basis than a man who has an income of $5,000 a year. If you were to exempt premiums paid on life insurance, the man with an income of $10,000 a year might take out a very large amount of life insurance, either on the tontine or straight life plan and thus get the benefit of a lower income tax rate. To safeguard against any injustice, we, in this Income Tax Act, provide that moneys derived from life insurance is not assessable as income. For instance, an estate or a beneficiary of a deceased person receiving a large amount upon the death of the testator is not assessable in respect of that amount. It would not be fair to assess it as income. We considered that matter very carefully, and my recollection is that it was debated pretty fully at the time the income tax measure was introduced, and we have not been able to see our way to allow it.

Mr. PEDLOW: When a premium is paid on a life insurance policy, the actual cash paid is not the value as an asset from year to year. Therefore, it is hardly fair that the insurer should be compelled to pay an income tax on a value that is only apparent and that is not real.

Mr. CAHILL: What is the particular objection to a little more publicity in regard to income tax collection? In the United States, I understand, they have had considerable difficulty for eight or nine years in getting it on a sound basis. I presume the tax commissioner has had consultations with experts from the United States and possibly from Great Britain. Do they give publicity to income tax collections? I cannot see any reason why the tax collector should not give any man who cares to go into his office and ask for it the amount of money any individual in the community is paying. Until you have that publicity the feeling will prevail that some people are dodging their income tax. It seems to be a pretty general feeling in the country that people are dodging the tax, and I do not know that publicity would do a great deal of harm or hurt the false pride of people who are allowing others to think they have very large incomes when they have not, or

people who have the false modesty of gathering a large amount and who want to make it appear small. At present there is no way of finding out whether a person has paid the tax or not.

Sir THOMAS WHITE: The practice in the United States and Great Britain is precisely the same as ours; if anything, it is more strict. I remember when the question was asked in the House as to what our policy would be with regard to making public assessments made under the Business Profits War Tax Act, I cabled the Canadian High Commissioner in London to find out the British practice. The reply I got was that under no circumstances would they bring down the information to the House of Commons. I am not saying that because they do that we should follow their example, but the British Government have had a long experience with income tax administration, and they are pretty efficient in their methods, and they have thought it undesirable to give publicity to the details of the taxation of individuals under the Income Tax Act or the Business Profits taxation measure which has been in effect during the war. The reason for their attitude is that which I have mentioned, namely, that people's private affairs are brought into publicity in an undesirable way, and that a great deal of injustice may be done to individuals who may have made perfectly fair returns and who yet may not appear to have done so in the eyes of the public. There is a great deal to be said for publicity. Personally, I am a great believer in publicity along all lines, but I would hesitate, without a very full expression of opinion on the part of the House, to consider favourably making public the details of income and income assessments. If you take the case of municipal assessments of income, I had a good deal of experience in that years ago in Toronto, the assessment rolls contained the names of all individuals who were subject to assessment and any citizen could come in and look them up. I found there was practically no interest in them, and I do not think there is anything gained in Toronto to which I specially refer because of my long experience there years ago, by reason of the fact that individuals may come in and look up assessments, because the great body of the people certainly do not bother much with it. The only recollection I have of the income tax assessment in the city of Toronto was that I almost became a convert to Henry George's theory that the only kind of assessment was against land, because he held, for the reasons which he elaborated in his work, that it was absolutely impossible to assess justly or fairly either personal property or income.

Mr. McKENZIE: I realize this resolution is going to pass, but I wish to register my most emphatic protest against making this distinction between the judges. The Minister of Finance will find no precedent for it in England or France or the United States, or any where in the world. I wish to protest in a most emphatic manner against legislation under which three judges of the Bench will pay taxation while three others on the same Bench will be exempt, under which one county court judge will be taxed while the judge sitting by his side will be exempt. I realize that I cannot prevent this resolution from passing, but I say it should not be passed. Whether men are judges of the Supreme Court or of any other court in this country they should all be in exactly the same position with regard to taxation. It is pernicious taxation to tax the one and exempt the other. So long as the law is that they are subject to taxation, that law should prevail with regard to all the judges.

Sir THOMAS WHITE: I may say that one reason why this resolution was brought down was that there was a very strong view prevailing in the House last year that the judges' incomes should be liable to assessment. I confess to having a good deal of sympathy with the views put forward by the leader of the Opposition, but on the other hand I realize the strength of the feeling which exists that all should contribute to income taxation, especially at a time like this.

Mr. McKENZIE: What the minister gets will be a mere trifle.

Sir THOMAS WHITE: I appreciate my hon. friend's point, but what appealed strongly to Parliament last year when the matter came up was the principle involved, and this resolution has been brought down in deference to what the Government believe is the majority opinion of this Parliament with respect to the matter. Personally, I think there is a great deal to be said for the view of my hon. friend. I have a great regard for his opinion, but I think I must ask the House to adopt the resolution.

Mr. ROBB: I do not share the views of my leader or the leanings of the Minister of Finance. I believe that the feeling in the country is that judges must share the obli-

gations of the country with the rest of the people. I think Parliament will only be interpreting the view of the country if we put through legislation compelling the judges to pay their fair share of taxation.

Mr. FIELDING: I took part in the discussion of this question last year and my view was emphatically in accordance with that which the Minister of Finance now presents. I am therefore not able to agree with the leader of the Opposition. I think if a vote had been taken in the House last year there would have been no difficulty in carrying a motion to abolish the exemption from taxation of the judges, but some good Conservatives like the hon. member for Kingston and myself paid due regard to vested rights and said: "A bargain is a bargain, and must be kept." I would suggest one way of removing the inequality, which perhaps will satisfy the leader of the Opposition. There is a movement, which may or may not take effect this session, to provide an increase in salary for the judges. If that matures, I would suggest that a condition should be made that on any increase in salary being granted, all the judges shall be subject to the income tax without any exception.

At six o'clock the Committee took recess.

After Recess.

The Committee resumed at eight o'clock.

Mr. JACOBS: Mr. Chairman, now that the question of judges and the taxation of their incomes under the new resolution is being discussed, I think it is not inappropriate that I should make a personal statement. When the Judges' Amendment Act was before the Committee of the House on May 30 I had occasion to make some observations and I brought to the attention of the committee the fact that certain judges in Quebec, in my opinion, held cases pleaded before them, too long under advisement. I said that within the last few years there had been appointed to the bench some judges who I thought delayed their decisions too long. Hansard has me reported as saying "five" judges instead of "some" judges, and as a result I understand that five of the most recently appointed gentlemen have taken this to mean that my remarks were intended to apply to them. These judges are: Justices Allard, Tellier, Duclos, DeLorimier and Loranger. I wish to say that I did not have in mind any of these gentlemen. They are expeditious in the handling of their cases and in delivering judgments as those who practise before our courts know quite well. What I should have done, was to ask for an Order of the House for a return showing what judges have had cases before them for two years and upwards without delivering judgments thereon, and when the return was brought down discussion could have been had. I have made the necessary correction in revised Hansard and have written to express my regret to the complaining judges. My object in rising on this occasion is that this explanation may be given the same publicity as my remarks on May 30.

2. That the exemptions and deductions allowed from taxable income by paragraph (a) of subsection one of section three of The Income War Tax Act, 1917, be amended to provide for such reasonable allowance as may be granted by the minister, in his absolute discretion for depreciation; by striking out the exemption for any expenditure of a capital nature for renewals or for the development of a business; and by adding the provision that the minister when determining the income derived from timber limits shall make an allowance for their exhaustion.

Sir THOMAS WHITE: In estimating the net income of a business it is proper to deduct a reasonable amount for depreciation. Under existing legislation depreciation is a question of fact and I need not suggest to the committee that a great number of parties subject to assessment are exceedingly desirous of wiping off as large a sum as possible for depreciation. It is very desirable that regulations should be made, having regard to various classes of business, providing for scales of depreciation so that all may be dealt with, as far as possible, on the same basis. I need not say that the department will act in no arbitrary or high handed manner. Our administration, I think, can be trusted to allow a reasonable amount of depreciation, but we have found that advantage is sought to be taken of the provisions of the Act and demands are made for an unreasonable amount of depreciation, with the result that the net income is reduced below the figure at which the assessment should be made.

The second part of the section, the question of renewals and the amount of expenditure for development of business, under existing legislation, lends itself as in the other case, to demands that are in many cases unreasonable. We propose, therefore, to strike out the provision permitting a certain amount to be set aside for renewals and development of business. Men's ideas as to the amount of earnings which should be kept back for development or renewal vary greatly. In sound income tax legisla-

tion allowance should undoubtedly be made for depreciation, and the taxpayers should be given the benefit of any doubt; but where large profits are made and are put into renewals of a capital nature, or set aside for development of business, it is obvious that net earnings are cut down very materially. During the war, I think, it was proper that we should have those provisions, because many firms, for the purpose of getting war business, put up additions to their plants which would not represent in peace time the amount of capital invested in them. The cost of everything was very high and to meet war conditions there were expansions of plants which would not be required in a time of peace. But now that the war is, we hope, practically at an end and conditions are more normal, we propose to strike out the provision under which exemption is made for expenditure of capital for renewals or for the development of business.

As to the third matter mentioned in the section, it is of course only reasonable that in determining the net income derived from the working of timber limits, allowance should be made for exhaustion. That principle is applied in the case of mines, oil wells and other businesses.

Mr. LEMIEUX: Real estate?

Sir THOMAS WHITE: Yes. The depreciation varies according to the business. In one business it might be proper to allow 2 per cent and in another 5 per cent, while one can imagine a business in which as high as 10 per cent or more should be allowed. It depends on wear and tear of machinery and strain generally upon plant.

Mr. PEDLOW: Are the provisions of this paragraph intended to refer to retail merchandise on hand?

Sir THOMAS WHITE: No.

Mr. PEDLOW: Is any provision made covering the handling of stocks in retail merchandise on hand?

Sir THOMAS WHITE: My hon. friend has reference to depreciation in value of goods on hands. The inventories show that. There is a valuation of the goods on hand, and allowance is made for any fall in price.

Mr. PEDLOW: If the merchant has to give a return of merchandise on hand at cost under present conditions, it would be absolutely unfair, because the fluctuations are very great in the market on all kinds of merchandise. Certain merchandise may be valued at so much to-day, and be very much less a month hence. A merchant buying merchandise to-day may have goods on hand a year from now, and when he takes stock his goods may not be worth the present cost price. What latitude will be allowed the commissioner in dealing with a case of that kind? It is important that there should be a decision along definite lines.

Sir THOMAS WHITE: Under our regulations adjustment may be made within a year. My hon. friend has in mind that a fall in price occurs. If within a year after the close of the accounting period it appears that a fall has taken place in the price of the goods from that shown in the inventory, allowance is made by the department. But it would not do to allow for depreciation on an apprehension that goods may fall in price, because, on the other hand, they might go up. The fall has actually to occur, and a year is given within which claim may be made for a reduction by reason of such fall.

Mr. PEDLOW: I understood that each accounting period had to be dealt with by itself.

Sir THOMAS WHITE: The Commissioner of Taxation tells me that the matter is being carried out.

Mr. CAHILL: With regard to the income derived from timber limits, what is the basis of estimating profits? I would suppose that the difference between the value of the standing timber and the cost of taking it out would represent the profit. Is that the basis?

Sir THOMAS WHITE: Yes, and on the basis of stumpage, which varies according to the different provinces. I need not tell the hon. member how difficult it is to ascertain what the net income is from the working of timber limits. The estimate has to be made as nearly as possible on net profits, and one of the items of deduction—I think a proper one—is depreciation in the exhaustion of the limit by reason of the cutting that has taken place.

Mr. CAHILL: You know what it costs to cut the timber and you know just what the timber is worth standing, so that your profit would be the difference between the worth of the timber standing and the cost of putting it on the market, and I do not see why special provision is made in regard to timber.

Sir THOMAS WHITE: If this special provision were not made the department could not allow an amount for exhaustion. In the present Act provision is made in the case of mines.

For example, if you simply take all the revenue from a coal mine, on the one hand, and deduct all the expenditures on the other, the net income that will be derived will be too great, because you have made no allowance for the exhaustion of capital, so to speak, from taking out the coal. The principle in the case of timber is precisely the same. The reason why we are inserting this provision in the Act is that there is no provision in the present Act relating to timber and the wastage of the property. We have legislation which enables us to allow for the exhaustion of mines and oil wells.

Sir HERBERT AMES: In the original Income Tax Act there are two clauses which allow for exemption—clauses 3 and 5. We have been dealing with clause 3. I do not see that clause 5 is dealt with at all, but it relates to exemptions. I would like to make a few observations with regard to a matter that I desire to call to the attention of the Minister of Finance (Sir Thomas White). Paragraph (j) of clause 5 provides that:

> The military and naval pay of persons who have been on active service overseas during the present war in any of the military or naval forces of His Majesty or any of His Majesty's Allies.

——shall be exempt from taxation. I would like to put in a plea for the same provision with respect to the pension that may be awarded to the widow of a man who has been killed in service, or afterwards, or the pension that is derived by a person who is disabled. It is quite possible that there may be a little other revenue in addition to the pension. If the widow of a colonel or a major has an income derived from life insurance, her pension income and life insurance income might bring the amount up to the point where a portion of her income would be taxed. I think the principle having been once adopted that the military pay of persons engaged in the war should not be taxed, the same principle should be applied to pensions and disablement allowances. Strictly speaking, the Government simply pays with one hand and takes back with the other. As these deserving people will have to live mainly upon the pension allowance, I do not think this Government should exact from them sums that might otherwise be properly collectable, and I would ask the minister, when the Bill comes down, to please include a clause to that effect.

Mr. LEMIEUX: I wish to support with all my heart the proposal or suggestion made by my hon. friend from St. Antoine (Sir Herbert Ames). I think that just as the military pay was placed beyond the reach of the tax collector so ought the pension paid to the widow. As my hon. friend says, that pension at the present time, until further amendment—and I hope amendment may come—is small and gives the recipient just the bare necessities of life. Under these circumstances I would certainly support any amendment which would provide for an exemption in favour of the widow who receives a pension.

Sir THOMAS WHITE: I am disposed to regard very favourably the suggestion put forward by the two hon. members. The hon. member for St. Antoine (Sir Herbert Ames) had drawn the matter to my attention and it strongly appeals to me. It is not necessary to make any amendment to the resolution, because it is open to us, when the Bill is in the committee stage, to extend the exemptions by cutting down and not adding to the burdens of taxation. I will have a note made of the suggestions and get an appropriate amendment to the Bill when it is in the committee stage.

Mr. PEDLOW: There is another matter that possibly I might call to the attention of the minister. One of the provisions in regard to making up the schedule that the department requires is that no deduction shall be made in the case of a merchant for bad debts that have occurred outside of the accounting period. If there are no transactions within the year it will not be permitted to be deducted in the statement in order to determine the actual incomes of the merchant. That is a very exacting provision. It is hardly fair, because in many cases amounts are carried from one year to the succeeding year in the hope that it may be collected before the current year ends. If that requirement were followed out it would impose a hardship in many cases. There should be some more elastic ruling in a matter of that kind.

Sir THOMAS WHITE: The ruling applies only to bad debts incurred prior to the Act coming into effect, 1st January, 1917. These debts were treated as capital at the time the Act commenced to have effect. It would, I think, be unwise to consider bad

debts that had occurred prior to the coming into effect of the Act, when such debts had been treated as capital because the Business Profits War Tax Act has regard to capital in the determination of the amount that shall be payable.

Mr. PEDLOW: You can easily understand that in many cases a merchant would carry an account when there was no provision to be made for a payment of that kind to the department. He would not be as careful in his accounting in a matter of that kind. When there was no object in deleting such accounts he would allow them to be carried on from year to year in the hope of eventually having them paid. He may have discovered since that that is impossible and that the accounts have to be written off. I think it is hardly fair to ask a merchant to pay income tax on an account that is actually worthless.

Sir THOMAS WHITE: Bad debts incurred since the Act came into effect are allowed, but in dealing with the matter of income it would seem to me that one would not be on sound ground in going back prior to the passage of the Act and making allowance for bad debts then existing which were assumed to be good. I think we can only deal with the accounting period since the beginning of the Act, making whatever adjustments may be necessary in respect of depreciation in the face value of the accounts since that time.

Resolution agreed to.

That the allowance of two hundred dollars for each child under sixteen year of age who is dependent upon the taxpayer for support as enacted in paragraph (b) of subsection one of section three of The Income War Tax Act, 1917 as amended by chapter 25 of the statutes of 1918 be allowed for the purposes of the normal tax only.

Mr. LEMIEUX: It seems to me that my hon. friend should encourage the increase of population in Canada.

Mr. JACOBS: Produce and save.

Mr. LEMIEUX: Instead of making an annual allowance of $200, my hon. friend should base his exemption in the case of children upon the well known rule adopted by all political economists. A child, according to the doctrines of political economy, is worth to the state $1,000. That is the average value of a citizen to the state, and it seems to me that the allowance provided for here does not give justice to those who are accomplishing their duty towards the state and towards the country. I am sincere in making this plea. Our country will not, in spite of all the expectations and the hopes which I would like to share with my hon. friend, get in the years to come a large increase of populations for reasons which are very obvious. The countries of Europe have been devastated. Millions have died on the battlefield. From some allied countries we cannot, under any consideration, expect any flow of emigration. Even from the British Isles, I think, the tide of emigration towards Canada will be rather limited. I am not referring to the enemy countries. From that source the Minister of Immigration and Colonization will not and cannot expect any population for this country. So that we will be limited, so to speak, to the continent of North America. We will encourage the coming of immigrants from the United States. They may not come in very large numbers on account of our financial situation, but many will come because we have such fine lands yet available for settlement left in the West. American settlers will be attracted to Canada only to a certain extent, and we must base all our hopes and expectations, and they are the only legitimate ones, on the birth rate in Canada. Now I do not wish to draw any invidious comparisons between the provinces, but the comparisons are self-evident. In some provinces the people have deserted the old homestead and have drifted to the cities, and in the cities, it is noticed by statisticians, the rate of population has decreased —for what reasons I do not know, and if I did know I would not care to state. At all events, the fact exists that the birth rate in this country has not been as high as it should have been during the last decade. Now, what is the first duty of a government if it is not to encourage the settlement of the country out of its own population? That population must not remain stationary, and it is the duty of the State, as it is the duty of all constituted authorities, lay and civil, to encourage the increase of population, to view favourably a large birth rate. The income tax is an excellent mode of taxation. I have said so on many occasions before the Government adopted the policy, and I repeat it to-night. It is the best mode of taxation, but it is nevertheless taxation and it should rest upon the shoulders which can carry it the more easily. The father, or the mother, of a large family should be considered favourably by the Minister of Finance, and it should be proclaimed throughout the country that the larger the family the lighter the taxation. In the old motherland, France, the birth rate has decreased

enormously, especially since the Napoleonic wars. After those glorious but deadly wars the people of France realized that the procreation of children had had until then only one effect—it had swelled the ranks of the army. In those days people thought only of war, of conquest, and as a matter of fact, I am sorry to say, the old motherland, led by Bonaparte, did not live up to the best traditions of the race as regards population. I have seen statistics on that point which are simply appalling. France faced the stern reality at the beginning of the recent war when realizing that she, at one time the great nation of the continent of Europe, had dwindled in population to a point where she was dangerously threatened by her neighbour, Germany.

There was a feeling of anxiety among all patriots in France at the beginning of the war. They had the spectacle of that nation of 70,000,000 facing their Motherland which should have had a population at least equal to that of her enemy. They realized that her birth rate had dwindled to such an extent that her population did not reach the 40,000,000 mark. So the best minds of all churches—and I may say that there are many churches in France—the various academies and the moralists of all shades, started a movement to promote the legitimate increase of population. Of course, this is a very big subject and I might dwell upon it until late this evening. But, to be brief, let me say in just two words that the question came up before the House of Representatives in France and a law was introduced embodying exactly the principle that I am now propounding. The Bill did not meet the fate it was expected to meet, but the question is still a very live one in France as to whether or not the State should not revert to the laws of Augustus and of Louis XIV and give a bounty to the fathers and mothers of large families—so much per child. The French income tax—I have not the law under my hand—is graduated according to the number of children, the amount payable decreasing as the number of children increases.

A gentleman who visited Canada some four or five years ago, a very distinguished writer, M. Etienne Lamy lately gave his whole fortune, which was quite large, to be applied in the shape of bounties to large families amongst the peasantry, and I am proud to say that he has succeeded in his patriotic appeal to the French peasantry to create a public opinion on the matter. M. Etienne Lamy in one of his writings, recalled the fact that in 1759, at the time of the defeat of the French on the plains of Abraham, the French colony was composed, in round figures, of only 60,000 souls, and that at the last census it had reached the figures with which hon. members are familiar. He said that it was a miracle; he called it "the miracle of French colonization in New France;" and he appealed to his fellow men in France to rejuvenate themselves and to take example from French Canada.

I am only making these remarks, Mr. Chairman, to seriously call the matter to the attention of my hon. friend so that he may consider whether he should not extend the principle of tax exemption for children up to $1,000, which is the amount fixed by all economists as being the average value of a child to the State.

Mr. BURNHAM: I have heard with considerable pain the doctrine laid down by the hon. gentleman who has just resumed his seat, and whose opinions I have always respected, as, indeed, I do the gentleman himself. He has enunciated clearly and absolutely a utilitarian doctrine. The old-fashioned idealism, if it is not now the subject of universal laughter and ridicule according to the speaker, has almost disappeared. That idealism meant belief in the efficacy of prayer; belief that man was in touch with a providential God, that when man appealed rightly to that God, he was sustained, that God watched over the world, and that not all the force of Germany or of the Bolsheviki could overcome one single man if he were under the protection of the Almighty. But having forgotten that old idealism, having seen it recede from a philosophy and a religion to a theory, and then into thin air, we find the disposition is to trade off all the old idealism of the efficacy of prayer and the intervention of Providence for a good battalion; people, apparently, are prepared to give a bounty for flesh and blood. They revive the common utilitarianism of the negro era of the South, when the slaves who were strong of limb were led around like stallions, and population was increased in that way. This is utilitarianism. It has crept upon us like a thief in the night. We must either face it or succumb to it. It is, in the last analysis, the doctrine of materialism, the doctrine of force. If, then, we have nothing to rely upon but our good right arm, the subtlety of our intellect, our cunning, or the genius of a Foch,—if there is no longer a God that rules over us, let us know and we will put the mat-

ter in the Estimates and rely upon what we can do for ourselves!

Sir THOMAS WHITE: In answer to my hon. friend (Mr. Lemieux) I think the principle of an allowance for each child is sound. We have recognized that principle by an effective allowance of $200. I would call the attention of the Committee, however, to the fact that under our income tax legislation there is already an exemption of $2,000 in the case of married people or of widowers or widows having dependent children. I have thought the matter over somewhat, and will consider increasing the age from sixteen to eighteen years so that the $200 allowance will be made in respect of children up to and including those of eighteen years of age. That will be an extension, and at the same time it will not seriously affect our revenue—after all, this is intended to be a revenue-producing Bill.

Resolution agreed to.

4. That in lieu of the provisions of paragraph (d) of subsection one of section three of The Income War Tax Act, 1917, it be enacted that dividends received by or credited to shareholders of a corporation which is liable to taxation under the provisions of the said Act shall not be liable to normal tax in the hands of the shareholders but shall be liable to the supertax and surtax provisions of the said Act and to the surtax provisions of these resolutions. The amount of the exemption from normal tax to the shareholders shall not exceed the net amount of such dividends after the deduction of the interest or carrying charges, if any, in respect of such dividends. Provided, however,

(a) that in determining the income no deduction shall be allowed in respect of personal and living expenses, and in cases in which personal and living expenses form part of the profit, gain or remuneration of the taxpayer, the same shall be assessed as income for the purposes of this Act;

(b) that deficit or losses sustained in transactions entered into for profit but not connected with the chief business, trade, profession or occupation of the taxpayer may not be deducted from income derived from the chief business, trade, profession or occupation of the taxpayer in determining his taxable income.

Mr. CAHILL: Does paragraph (a) apply to farmers?

Sir THOMAS WHITE: Yes, it always has so applied. When the Income Tax Bill was before the House in 1917, it was provided that the net income should be assessed, and that all incomes should be taken into account and that no deductions should be made for living expenses. The Bill went from this House to the Senate, who tried their hand by way of an amendment, which, as a matter of constitutional practice, they had no right to do. They inserted a provision which was intended to make clear that there should be no exemption by reason of living expenses, but they worded it in an ambiguous manner. For example, take the house of a bank manager or other cases that will occur to the Committee. The Senate amended the Bill by putting in this provision:

Provided, however, that in determining the income, the personal and living expenses shall not be taken into consideration.

That language is equivocal. The Senate, no doubt, intended to make it clear that if a man got his living in addition to a certain income or had any allowance by way of a house, his net income should be determined by the addition to the amount of money he received of a fair amount in respect of the other advantage that he got. But unfortunately the wording is such as to lend itself to another interpretation. Therefore, it has been put forward that a man who has his living expenses or an allowance by way of a house in addition to his salary should be assessed for income in respect of that advantage which he has in getting his living or in occupying his house. The department, in interpreting and administering the Act, takes the view that was taken by the House of Commons and that was undoubtedly meant by the Senate. This provision is to make it perfectly clear that, if a man gets his living expenses in addition to a money income, the two shall be taken together for the purpose of computing the income upon which he should be assessed.

Mr. J. H. SINCLAIR: This section provides that a shareholder of a corporation shall not be liable to normal tax provided the tax is paid by the corporation. I understand it is also provided that he shall be liable to the supertax. Is there a change in the law in this respect?

Sir THOMAS WHITE: There is no change in this respect. My hon. friend is aware that we tax the corporation in respect of its net income, and we have increased that to ten per cent. The dividends a man receives into his hands are not liable to assessment in respect of the normal tax. The principle of the law is not changed, although we have increased the normal tax to eight per cent in respect of incomes over $6,000. The supertax applies to dividends in the hands of shareholders, and that is a sound policy. Let me explain a little further in regard to this section, because I think that would be helpful to the Committee in considering it. The section reads in part:

The amount of the exemption from normal tax to the shareholders shall not exceed the net amount of such dividends after the deduction of the interest or carrying charges, if any, in respect of such dividends.

Let us say that a shareholder is carrying shares with a bank, upon which shares he derives dividends to the amount of $1,000, and let us say that, to carry the stock, he has borrowed from the bank an amount which would cost him $1,000 a year by way of interest. He has no net income from that stock. But some shareholders have desired to set off against their whole income the amount of money that they pay the bank by way of interest for carrying their stock, and at the same time, to claim exemption as to the normal tax upon the whole amount of the dividends which they receive from their shares. They, as the saying is, " want it coming and going," and this is to make it clear that only the net income in the hands of the shareholders, that is to say the difference between the amount he receives from his dividends and the amount he pays out by way of interest for carrying charges, shall be taken into account in exempting him in respect of the normal tax.

Mr. J. H. SINCLAIR: Would it not be better, when he is allowed to debit any interest he pays during the year, if he paid his tax on his dividends and charged the interest on the other side of the account? Then he would not come under this section at all.

Sir THOMAS WHITE: I do not agree with my hon. friend. He would take the $1,000 he paid by way of interest in carrying this stock and deduct it from the income which he receives, say, in his calling, and in that way cut down the gross amount. The amount of income is important because of the imposition of the supertax. Under the suggestion made by my hon. friend, he would get exemption as to normal tax upon the whole amount of the dividend, and on the other hand, he would apply the $1,000 in cutting down the amount of his income otherwise received.

Mr. NESBITT: Is the report in the press that 31,000 people are the only ones who paid income tax in Canada for 1917 correct? And does the minister expect to get any more income taxes for the year? Was the amount reported in the press only for 1917, or was there any amount for 1918 mixed up in it?

Sir THOMAS WHITE: This afternoon, I gave the committee information showing that 46,176 assessments had been made in respect of 1917, aggregating an amount of assessments of over $11,000,000, of which 39,496 assessed parties had paid a total sum of over $9,000,000. I would point out also—and this is apt to be lost sight of—that with the Business Profits War Tax in operation there are many firms and companies which, but for the Business Profits War Tax Act, would pay on income account, because, as my hon. friend will remember, an assessable party pays whichever amount is the larger. If we did not have the Business Profits War Tax Act and were operating only under the Income Tax Act we would have received last year in income tax about $20,000,000. The amount of income tax which we received is apt to mislead by reason of the fact that so many individuals, firms and companies are assessed under the Business Profits War Tax Act for higher amounts than they would have been liable to pay under the Income Tax Act; in other words, instead of paying income tax they paid the Business Profits War Tax.

Mr. NESBITT: It is reported in the press that 31,000 individuals paid income tax for 1917: Was that the total number of individuals who paid income tax for that year?

Sir THOMAS WHITE: That report was published some time ago. The number is greater than that. There were 46,000 assessments altogether, and I understand that 37,000 of these were individuals. It must be borne in mind that when the income tax was first brought down an exemption of $3,000 was allowed, so the tax applied only to those in the country having an income of over $3,000.

Section agreed to.

On section 5:

5. That it be enacted in lieu of the provisions of subsection four of section three of The Income War Tax Act, 1917, that the share of a taxpayer in the undivided or undistributed gains and profits of a corporation shall not be deemed to be taxable income of the taxpayer unless the minister is of opinion that the accumulation of such undivided and undistributed gains and profits is made for the purpose of evading the tax and is in excess of what is reasonably required for the purposes of the business.

Mr. J. H. SINCLAIR: What change in the law does this section make?

Sir THOMAS WHITE: Under the present law it is provided that:

For the purpose of the supertax only, the income of a taxpayer shall include the share to which he would be entitled of the undivided or undistributed gains and profits made by any syndicate, trust, association, corporation or other body, or any partnership, if such gains and profits were divided or distributed, unless

the minister is of opinion that the accumulation of such undivided and undistributed gains and profits is not made for the purpose of evading the tax, and is not in excess of what is reasonably required for the purposes of the business.

With regard to partnerships, we find that profits are allowed to accumulate. The partners do not mind very much if the profits are left in the business. They will draw only a certain amount, and claim only to be assessable for that amount. But it is perfectly clear that if a partnership of two persons makes a net profit of $100,000 a year they should be assessed for that full amount, because they have made it. The two partners in question might say "We will leave $50,000 in the business and draw out $25,000 apiece," because the present supertax is a pretty serious thing. We are repealing that clause in the present Act and providing, with regard to corporations only, that the profits shall not be deemed to be taxable unless the minister is of opinion that the accumulation of such undivided profits is made for the purpose of evading the tax and is in excess of what is reasonably required for the purposes of the business. A corporation with a great many shareholders divides substantially all its earnings, setting aside a balance for reserve. The department will have to determine whether the amount set aside is an unreasonable amount or not. Many joint stock companies earning ten per cent net profits pay out seven per cent to the shareholders, and carry three per cent to reserve or to undistributed profits, which in time may be distributed to shareholders, or may become reserve so-called. We desire to improve the legislation so as to get at the profits of those engaged in syndicate operations and partnerships, and others whom now we have great difficulty in getting at. We also want to bring it about, so far as we can, that companies shall distribute the amount which may fairly be distributed to their shareholders. If they did not we would have to try to assess the shareholders, although that is a very difficult thing to do. It must be borne in mind as a safeguard in the case of a corporation that we are increasing the income tax upon a corporation to ten per cent of its net earnings, so that any company to-day earning $100,000 net profits will pay the Dominion Government $10,000 to start with, no matter what amount it may set aside or distribute. If it distributes $70,000 of its net earnings, then we assess the $70,000 in the hands of the shareholders in accordance with the law.

Mr. CAHILL: Suppose that this company making $100,000 net profits per year was investing $10,000 a month of its net profits in tax-exempt bonds; what taxation would it pay?

Sir THOMAS WHITE: If the company's net profits were $100,000 they would be assessed for $100,000, no matter what they invested the money in, because they have earned that amount; but supposing that in that year they had made no distribution to their shareholders, but had carried those bonds to reserve, from which the shareholders would draw earnings later—that is, added to their capital—the income from those bonds would be exempt. But their earnings, whether they were invested in Victory Bonds or not, would be assessable.

Mr. McMASTER: Does the minister regard the sums which a shareholder might obtain by selling his rights to shares as income or as an accretion of capital?

Sir THOMAS WHITE: I am not sure that I follow my hon. friend. If a man owns shares and sells them, that is a realization of assets.

Mr. McMASTER: I do not mean that. Let us take a case which happened very recently, and which I had in mind. The Bell Telephone Company recently increased their capital stock, and every shareholder had the right to subscribe for a certain amount of the new stock. Those rights were quoted on the exchange at a few dollars per share. Would the minister regard the money which was obtained by a shareholder disposing of his rights in that way as income which could properly be assessed for income tax, or as an accretion of capital?

Sir THOMAS WHITE: If a company distributes any part of its earnings by issuing stock, then that would be income. On the other hand, if there is a mere distribution of capital stock representing reserve, and a sale of that, I should say off-hand that that would be a matter relating to capital, provided the reserve was there before the first of January, 1917.

Mr. McMASTER: I have not made myself quite clear. Let us take the case of the Bell Telephone Company. Quite recently that company increased its capital stock. It invited its shareholders to take up new stock.

Sir THOMAS WHITE: At what rate?

Mr. McMASTER: At par. For every four shares which a man held he was allowed

to subscribe at par for one share of Bell Telephone. People sold their rights that were inherent in the old issue of shares to subscribe for new shares. It went first to about 5½ or 5¼ and then to 2¾ and up again to 3. I would be glad to know the minister's view as to whether, when a man sold that right that would be income that would be properly chargeable with income tax or whether it would be regarded as an accretion of capital.

Sir THOMAS WHITE: My view would be—but I would not like to commit the department to it—that that is an accretion of capital. He would not be able to sell it at a premium unless by reason of the reserve of the company which would give it a value above par. The company could issue it to him at a premium representing its real value so that he would not be able to sell it on the market at a higher figure than that. Suppose they had issued at 125 and there was no value in the rights on that. That would mean that the company had distributed part of its reserve to its shareholders. They issue stock to the shareholders at 125. Why would it be worth 125? By reason of the value of the assets or earning power of the company. That being the case it would seem to me, speaking off-hand, that that would be an accretion of capital. I do not say that positively, because it often requires a court of last resort to determine whether receipts are assessable as income or should be treated as accretion of capital. It is difficult to answer these questions, which depend upon the interpretation of the Income Tax Act and upon decided cases. But speaking off-hand I would say it is an accretion of capital.

Mr. NICKLE: If the Minister of Finance is correct in his contention, an anomaly is created. Take three instances. First a stock dividend is declared and given as a stock bonus. This has been held assessable as income. That happened to myself last year, therefore I speak with authority. I also happen to be a shareholder in the Merchants Bank of Canada which issued at 150 one share of stock for every four shares held by the shareholder. But before that stock reached us it was worth 195 or thereabouts. There was an increase of 45 a share in that which entitled us to participate in the advantage of the increased dividend and in the reserve and which meant $45 profit on each four shares of stock by virtue of one new share issued. To an extent the same thing occurred in the case of the Bell Telephone Company. It would seem to me that in all these cases the increase in value, that is, the difference between what the stock was sold for to the shareholders and the market value of the stock when sold, should be treated as income and income tax should be paid upon it. I fail to see how a distinction may be made between a bonus of stock issued as bonus without anything being paid by the shareholder and an allotment of stock sold to the shareholder for much less than the market value of the stock. In each case the difference in value in the hands of a shareholder should be treated as income. In regard to the first case to which I directed attention, where stock was granted as a stock bonus and the income tax was collected on it, the result of the transaction was that the holdings of the shareholders were worth proportionately less than before the stock was issued, and yet it was held that being a bonus the tax had to be paid on it. I should be sorry indeed to think that the position taken by the minister was going to be regarded as a rule in relation to these stock dividends or bonuses or allotments to participations in reserve, because certainly it is a very subtle and gentle way of getting around the income tax.

Mr. LALOR: I do not agree with my hon. friend. If stock is worth $45 more in increased value the man who holds it pays an income tax upon the dividend he receives, which must be large or the stock would not be worth so much. If you assess the man for the increased value of the stock and then assess him again on the dividend he receives on the stock you would be assessing him twice, which would be unfair. If the view of the hon. member prevails, any stock which a man held that increased in value could be assessed on the increase. You must assess a man upon the dividend and revenue he gets, not upon the increased value.

Mr. NESBITT: If you pass a law like that there will be no increased value and you will not get dividends.

Sir THOMAS WHITE: It is a legal question which we shall be glad to look into.

Mr. CAHILL: How are the rest funds of the banks treated, as for instance in the case of a bank declaring a dividend of say 8 per cent and putting a rest of a similar amount?

Sir THOMAS WHITE: We assess the banks upon their net profits whether they

distribute them to their shareholders or carry them to reserve. Where a bank distributes $600,000 to shareholders and carries $400,000 to reserve we make an assessment of 10 per cent on the whole million.

Mr. PEDLOW: With regard to the point raised by the hon. member for Brome (Mr. McMaster) I think the ruling of the department which is already in force is quite clear. Suppose a man speculates outside his own business and loses. He is not allowed to deduct that amount from his income or his capital. The same law ought to apply the other way around.

Sir THOMAS WHITE: That is my own view but I do not like to commit myself to a decision involving a legal interpretation of the statute. The Commissioner of Taxation is of the opinion that there is a decision in England on the point, and that the sums in question are regarded as a return to capital.

Sir HERBERT AMES: As I expressed acquiescence in the ordinance of silence in the Budget debate, I want to take this occasion to say a few words with respect to the income tax. Before the war we were enjoying an income of about $100,000,000. Now we are endeavouring to raise a new income, under present conditions, of about $300,000,000. We have put that additional taxation at about the amount that we are called upon to raise. In doing that we have not only strengthened our previous sources of revenue but have introduced new modes of taxation. In strengthening previous sources of revenue we naturally availed ourselves of both the customs and excise taxes. In the increase of these two taxes the amount levied fell upon all parts of the population, but when it came to the business profits war tax and the income war tax the impost bore more heavily on one class of the population than on another, because the class that was presumably able to pay was marked out as the one from which it might be expected to secure the extra amount that was required.

When the income tax was first put on we started at a fairly reasonable low rate. We started out to raise about $10,000,000. In the second year the income tax was increased so that we planned to raise $15,000,000. It is now being increased so that we plan to raise $20,000,000. We are constantly being told in the House that the income tax should be increased, especially on the incomes of the millionaires and on the wealthy men of the country. The Government is being repeatedly told that it would not be necessary to do anything else than to increase the taxes of the millionaires. The Government has already made two very material increases in the income taxes. When we compare the three years, 1917, 1918 and 1919, we find the following results:

Income Tax.

Married man.

Income.	1917.	1918.	1919.
$ 5,000	$ 80	$ 100	$ 120
10,000	300	329	590
15,000	660	887	1,200 est
25,000	1,620	2,042	2,850 est
50,000	4,980	5,782	9,190
100,000	14,310	17,607	31,190

You see that the original income tax, which was moderate and which was more or less experimental, was increased, first in 1918, and is again now being very materially increased. I do not think, judging from the debate that I have listened to in this House, that hon. members realize to what a very considerable extent the income tax is being increased by the legislation now before the House. I think we should all realize that a very heavy burden has been placed by way of income tax. Of course we are not being taxed as they are in England. Canada does not begin to possess the amount of liquid wealth they have in England. We do not begin to have the number of people who can pay heavy income taxes that they have over there, where they have a country that has been accumulating for a thousand years. We have comparatively few wealthy men in this country, and if we tax these out of existence we shall have none left. Our income tax differs very little from the American income tax. It is only a trifle lower.

Mr. M. CLARK: Has my hon. friend any comparative figures as to that?

Sir HERBERT AMES: Yes, I have the figures of 1918, if you wish them. They are as follows:

Income Tax.

	Canadian, 1919	American 1918
$ 5,000	$ 120	$ 180
10,000	590	830
16,000	1,370	1,850
24,000	2,690	3,490
30,000	3,890	4,930
50,000	9,190	11,030
100,000	31,190	35,030

Ours is slightly but not very materially lower.

Mr. LALOR: Is that the present American income tax?

Sir HERBERT AMES: That is the American income tax for the year 1918. The

Americans have since decreased their income tax. It was higher than ours until we made this last increase. I want to point out further that some of the provinces have income taxes and very severe ones. Do you realize that the province of British Columbia is taking more from its people by way of income tax than has the Federal Government by its income tax. The Provincial Finance Minister estimates in his Budget speech, delivered on the 4th April, 1918, that the provincial income tax in British Columbia should yield $2,215,000. That is more than we have taken out of British Columbia in any year so far by our income tax. For the man living in British Columbia and in some of the other sections of Canada there is a double income tax. If you add the two together it makes a very material burden.

I have listened many times to members who have been getting up and saying: "Tax the millionnaire; if you will only tax the millionnaires who are rolling in wealth you will not need to do anything else." That may sound very well when it is given to a popular audience on the street corner, but when we are seriously considering how to raise revenue we have to look such statements fairly in the face. I moved for a return which was brought down on the 9th June, 1919. That return gave information up to April 30 of the operation of the first Income War Tax Act. It set forth that there were 31,310 people who had paid income tax up to April 30, and that of those 31,310 people three per cent only had paid on incomes of more than $20,000. Ninety-seven per cent had paid on incomes below $20,000. I took the precaution of asking that they be put into categories. I think we may reasonably believe that with these categories we have a fair inventory of the rich men of Canada because the income tax gatherers had been at work for a year and being after the largest sum of money they could get they would regard as a shining mark every man with a considerable income and they would naturally first collect all that it was possible for them to get from that source. I think we may safely conclude that out of the 31,310 this three per cent represents pretty nearly all the men who have big incomes in Canada.

Let us see then how that figures out. Of men with incomes exceeding $100 000, according to this return, there are twenty-four in Canada. That is one out of every 1,300 of the income tax payers.

[Sir Herbert Ames.]

There are in Canada 125 men who pay incomes on amounts between $50,000 and $100,000, or one in 250 of the total number of income tax payers. There are 241 who pay on from $30,000 to $50,000, or one in 130 of the total number of income tax payers. There are 461 who pay incomes on from $20,000 to $30,000, or one in 67. All told, you will see, there is just about 3 per cent of the total number of people who have paid up to the 30th of April, who enjoy what may be regarded as large incomes. But you will say: "Oh, but get after the millionaire. Make him disgorge. Use him as the means of meeting all your war obligations." Very well, supposing we do, let us see how we will come out. Let us get after the millionaire. We will strip that terrible millionaire down to a point where he will enjoy an income not exceeding $20,000. A man does not need to have $1,000,000 of invested capital to have an income of $20,000 you all know that a man may have an income of $20,000 with perhaps a capital of $200,000 of $250,000 which would be a very reasonable return. So we are getting down from the millionaire to the semi-millionaire and the quarter-millionaire. Let us see how we will fare if we get after all of these. Let us hang them up, strip them of every dollar they have, and see how far it will go to meet the needs of the State. There are twenty-four of them whose incomes exceed $100,000. Those twenty-four pay $994,552. You will see that averages out at $41,500 each. Now if you take the old rates that were in force under the first income war tax you will find that a man to be assessed $41,500 income tax would need to have an income of $190,000. Therefore, the average income of these twenty-four is $190,000. All right, hang up the twenty-four men, strip them of every dollar they have got, and how much do you get. Why you get twenty-four times $190,000, or only $4,560,000. Very well put that to one side. Let the twenty-four millionaires get along as best they may without a penny left of income.

Now let us get after the second category: 125 men under the first war income tax up to the 30th of April, 1918, paid between $50,000 to $100,000. They paid altogether $881,153, or an average of $7,050 apiece. That sum will pay income tax on $55,000 of revenue at the rates that were in vogue at that time which of course, were very much lower than the rates in force to-day. Now let us take those 125 men. Each enjoys an income on the average of $55,000. Multiply 125 by 55,000 and you have $6,875,000. That is their whole combined income,

every penny of it. So strip them all of it and put it into the fund you are trying to meet your indebtedness with.

Now let us take the third category. Two hundred and forty-one persons have an income between $30,000 and $50,000. They have paid a total to the treasury up to 30th April, 1918, in the way of income tax of $821,659, or an average of $3,400 each. That amount is the tax that would be collected under the first Income Tax Act upon men having an income of $39,000, therefore, $39,000 is the average income of those 241 persons. How much would the whole 241 receive as an income? They receive $9,400,000. Very well, take it all and put it towards meeting your war indebtedness.

Now we come to the fourth category, the persons who have an income of from $20,000 to $30,000—461 persons. They are paying $700,216, or an average of $1,500 apiece. Now $1,500 is the tax a man would pay, under the first Income Tax Act, on $24,000 income. Very well, the average income for these 461 persons is $24,000 a year. Let us take every cent and the total amount is $11,064,000. That takes in the whole of them.

Now then to recapitulate. We have twenty-four millionaires with an income of $190,000 apiece; 125 semi-millionaires with an income of $55,000 each; 241 one-third millionaires with an income of $39,000 each; and 461 quarter-millionaires with an income of $24,000 each. Add all these amounts together and you get 851 so-called rich men whose total income amounts to $31,899,000. But under your present taxation you are going to take from these people $4,750,000. Consequently if instead of assessing at usual rates your 851 millionaires, semi-millionaires and demi-semi millionnaires you would strip each one of his total income you are going to get $27,000,000 more than you otherwise would. That is not going to go very far towards meeting $300,000,000 required. Of course, this is ridiculous, and we all admit it. No government outside of Russia, would undertake to strip a man of every dollar he receives of income over $20,000. Suppose you leave them with $20,000 each and deduct $17,000,000 income from their combined total income and you would get just $10,000,000 if you took every dollar that every man in Canada who made return, has by way of income in excess of $20,000 a year. I only need to lay these figures before the House in order to show you how ridiculous is the argument that we hear so constantly put up: "The only thing we have to do, is to make the income tax press more heavily on the millionaire." Of course the state could take every penny a man has over $20,000 income. If you do that it will not increase your total revenue to an extent that will make any appreciable difference in the immense total that you have to raise.

Now let us take another phase of the subject for a moment before I sit down—and I do not want to speak very long tonight. Nobody likes to pay taxes. We city men do not like to pay taxes; and the farmer has shown that he does not enjoy this any better than we do. In the legislation we have had since the beginning of the war the farmer has not had much to complain of; for whenever a new tax is put on he has not been called to pay it to any considerable extent. When we come to put on a business profits tax—yes a business profits tax—oh, what care we take to put in a clause that the business of farming and live stock raising shall pay no business tax. Yet there are ranchers in the West who have been reported to have an income of $100,000 a year, and there are some grain growers that make almost as much. I think I can point to one in Alberta who made that much in one year.

Mr. J. F. REID: Would the hon. gentleman give us the average?

Sir HERBERT AMES: I cannot give the hon. gentleman the average. I would if I could because I have nothing to hide. Now we will take up the matter of the income tax paid by the farmers. I had the curiosity to ask a question as to how many farmers paid income taxes and my hon. friend from Maple Creek (Mr. Maharg) who spoke last evening, and who is the President of the Grain Growers' Association I think, attributed to me sinister motives. I did not have in my mind any intention of placing any section of the country in unfavourable contrast with any other section; I simply wanted to learn how much the farmers paid in income tax. The farmers are 54 per cent of our population. I think we all admit they enjoy a very considerable degree of prosperity at the present time and therefore we hoped they would pay some income tax. Out of the 31,130 income tax payers, I find in that first return there were 3,623 farmers. In other words 14 per cent of the total payers of income tax were farmers, and 86 per cent consisted of the rest of us. I find that the farmers paid 3½ per cent of the total sum collected while the rest of us paid 96½ per cent.

Mr. BOYCE: Do you mean that the farmers are practising fraud ?

Sir HERBERT AMES: No, Sir, I do not. I mean that nobody enjoys taxation, but I would point out that the farmers are enthusiastic in the support they give to a tax on business, to a tax on income, and to these other taxes which they themselves pay in a very small measure, indeed. That is only natural. But "the worm will turn," and some of us who have to pay these taxes feel that it is desirable that the real facts should be known.

Mr. BOYCE: You will find no farmers getting big contracts for boots and making millions of dollars of profit.

Sir HERBERT AMES: I do not know that anything is to be gained by being personal. I was trying to deal with a general matter.

Mr. EDWARDS: Just while you are on that point, you stated that the farmers paid three and-a-half per cent——

Sir HERBERT AMES: I stated that out of the total amount that had been raised under the first income tax up to the 30th of April, the farmers had paid three and two-fifths per cent, while the rest of the population of Canada had paid ninety-six and three-fifths per cent.

Mr. EDWARDS: The information I would like placed beside that, if you have it available, is: What proportion of the total income collected in the United States, was paid by the farmers?

Sir HERBERT AMES: I cannot give you that.

Mr. EDWARDS: I think the information is in the hands of the minister, or of Mr. Breadner. I would like that put on record.

Sir HERBERT AMES: I am afraid I cannot give you the figures so far as the United States is concerned. Our own figures are bad enough, and I give them for what they are worth. We are all willing to do our share in meeting taxation, but when it comes to making sacrifices, I contend that one element of our community should not be constantly clamouring for relief, but that we should all bear our due share of taxation and not grumble over it. We city men are perfectly willing to shoulder our share. There is no section of the community that suffers more to-day under taxation than the business section under the excess profits tax, which is much heavier in Canada than it is in the United States, and which we hoped would be discontinued this year. Was there any murmuring when we found it was to be continued ? No, Sir. If necessary the business community will go on paying it for five full years—— although Parliament is very careful to see to it that no farmer or stock raiser shall pay a business tax. We are adding to the weight of income tax year after year, the Americans have found it expedient lately to reduce theirs. The American scale I mentioned to-night, I am now informed by Mr. Breadner, has been reduced so that it is now the same as ours. There, again, the farmer does not pay the income tax as a rule; it is the other classes of the community. We are paying, but we are not grumbling. We only ask the other people that they do not make excessive and continuous demands for relief.

Mr. EDWARDS: I would like permission to place on the record along with the very interesting figures the hon. member (Sir Herbert Ames) has given, this information, that the American farmers paid 1½ per cent of the total amount collected for income tax.

Sir HERBERT AMES: Undoubtedly there is the same enthusiasm for income tax among the farmers in the United States that our farmers have. I listened with a great deal of interest to what the ex-Minister of Agriculture (Mr. Crerar) said about the method of raising taxation. I know nothing at all about the single tax, or the tax on land, but I can imagine that if the tax was made on farm land generally throughout the whole Dominion it would not meet with very great approval by those who have to pay it. But I do know something about succession duties and income tax. I have already pointed out that one province at least to-day is collecting by way of income tax from its own citizens as much as we are collecting in that province, and a resident in British Columbia when the two Governments get through with him, and perhaps municipal governments as well, has mighty little income left. As far as the succession duty is concerned, that is a line of taxation that has been worked to the limit in many of our provinces. I know the figures for my own province. We have had the succession tax there for many years, and we have collected from $1,500,000 to nearly $5,000,000 in one year, the duties being very heavy. If you are going to levy a federal succession tax as well, you are going to make exceedingly heavy taxation, and you will incur the enmity of the provincial treasurers, who feel that that money should be used for their own purposes. In Ontario that is the tax

the universities depend upon, and they would resent very much any attempt to cripple them in that respect.

There are two fields of taxation then: Income tax, which has been already exploited to the limit; and succession duties, which really belong to the provinces and are thoroughly worked by them, and therefore should not be considered as a possible means of additional federal revenue, notwithstanding the opinion of the ex-Minister of Agriculture. Whether any money can be raised from a tax on land I do not know; I leave that to the western gentlemen to take up. But I say we none of us enjoy paying taxes. Taxation, to be fair, should be levied on all classes of the community as nearly as possible in equal ratio. There are a certain number of taxes being levied which do not hit certain classes. Those who are paying those taxes do not grumble, but they do think it is scarcely fair to load such taxation on one section when other sections which do not pay those taxes are constantly asking for consideration which is not awarded to the section which is already bearing its full share.

Mr. LALOR: We hear a good deal of discussion about farmers not paying taxes. Although not a farmer, I represent a farming community, and I just want to give my view on that class of people in the county which I represent. The county of Haldimand is a large and successful farming county. The farmers are prosperous—we will admit that they have done well during the war; prices are good. But I have thought it over carefully, and I do not know five farmers in the county who have an income of $5,000. It is all right to look over the list of income tax payers and say that not enough farmers are paying the tax, but it must be acknowledged that farmers with incomes of $5,000 to $10,000 are scarce in Canada, and in the county of Haldimand I cannot think of any man with an income of over $10,000, and we are a pretty good county in the Niagara district. Farmers have not large incomes, but they are doing well. A farmer thinks he is doing well in the province of Ontario if he is making $1,000 a year over and above his living expenses. When you search for farmers with incomes of from $3,000 to $5,000 you do not find them in the province of Ontario, or, if you do, they are very exceptional indeed. I think a lot of stress is laid on our farmers not paying income tax that is altogether unwarranted when you consider that they have not large enough incomes to bring them under the income tax law. In the western country they may have a class of farmers with large incomes, but in Ontario we have not got them. The hon. member for St. Antoine is generally correct in his figures, but I think he is mistaken about the income tax in the United States. He is figuring his income tax a year too early.

The latest income tax in the United States is almost absolutely identical, dollar for dollar, with the present income tax now proposed. So the figures my hon. friend has presented do not give the American income tax correctly as compared with ours. Ours are just as large as theirs; I have compared them, and they are identical except that in respect of some of the very large incomes there may be some slight differences. I do not believe the farmers have incomes sufficient to make them liable to income tax as some of us in other lines of business think they have.

Mr. SEXSMITH: The hon. member for St. Antoine (Sir Herbert Ames) seems almost to lay the charge at the farmers' doors that they have incomes that would come within the limit of the law, and that they are shirking the tax.

Sir HERBERT AMES: Please, may I interrupt the hon. member to this extent: If in anything that I said I should be interpreted as saying there was any intention to avoid legitimate taxation on the part of the farmer I want it to be understood that that is taken back. I simply say that the figures show that they are not paying the tax; they are probably not being asked to pay it.

Mr. SEXSMITH: They are asked to pay it if they have the income. In my opinion, outside probably of a few big grain growers and an occasional farmer between the Atlantic and the Pacific, very few farmers come within the limit of the income tax law. The agricultural statistics of 1917 show that the total capital invested in farm properties, land, buildings, machinery and stock, is in round figures $5,200,000,000. The same year, on a high scale of prices for wheat, flour, butter, cheese and all other farm products, the earnings, as estimated by the statistical branch of the Department of Agriculture, amounted to $1,600,000,000 in round figures. Therefore, the gross earnings of the farmers in the Dominion of Canada in 1917, with all the high prices, amounted to only 31·1 per cent of the capital invested. Will any one tell me that the farmers on an average were, in 1917, making 6 per cent on the capital invested? Because, if he does, he does not know what he is speaking about. There is not in the Do-

minion of Canada to-day a better class of men than our farmers, and there is no class more willing to pay their taxes. While the farmers do not come under this income tax, they are paying taxes all the time in other ways just as the rest of the community, and they are willing to do so. It is unfair to insinuate that the farmers of this country are not willing to pay their taxes. The very argument that the hon. member for St. Antoine has set forth here is the best argument under Heaven why our farmers are leaving the country and why the young men will not stay on the farms. Why do they not stay there? I have discussed the matter with people throughout the country and I find the young farmers go to school and they absolutely refuse to go back to the farm because they have to work from twelve to fifteen hours a day. And what for? Not for an income of $2,000 a year, but, as the farmers have done for the last half century, to feed the people of the urban centres for less than it actually costs to produce the food at an average wage of $2 a day. There were no complaints from the city people when they got butter at fourteen, fifteen, or sixteen cents a pound, but there is a serious complaint when the farmer can get enough to break even, let alone make a dollar. I wanted to say a few things last night, but at the late hour I would not impose myself upon the House. If you take the best one hundred acres in the experimental farm at Ottawa, or the best one hundred and fifty acres in the experimental farm at Guelph, and run that on a mixed farming basis, producing butter and cheese and other farm produce at the average wages men are asking from the manufacturers—still more, at the minimum wage that Ford is giving his men—you cannot produce butter at $1 a pound and make a profit. I hope the people of this country will not think that the farming community are trying to shirk their duty. When I went through my riding in 1917, when the cry went out for more production, I saw old men with hair like the snow of winter out between the plough handles, and when their work was finished, their limbs were trembling. Were they there to make a dollar? No, they were there to try to help out in the war.

Mr. BOYCE: I heard an hon. member saying that he was not a farmer, but that he knows a good deal about them. I am a farmer and I know a good deal about farmers, and they are not making the fortunes that are attributed to them. Since I came into this House, I have found that when any hon. member ran short of a subject and wanted to get one, he started to say hard things about the farmers. I want to tell those hon. gentlemen that, as long as I remain in this House, let that be long or short, I will, as far as lies in my power, put a stop to this habit of saying harsh things about the farmers. The farmers contributed both men and money when they were needed, and they will be only too glad and proud, if need be, to do the same again. My hon. friend (Sir Herbert Ames) made some insinuations that we were not paying our share. Let me tell him that to make an income of $2,000 off a farm comprising 100 or 150 acres is pretty hard to do. He seems to think not, and he seems to have produced those figures to make a kind of assault, if I may say so, upon the farmers. Before the hon. gentleman begins to make any insinuations against the farmers, I would advise him to take some of the surplus money he has and visit them and make close inquiry, and if any farmers are making above the minimum, we are the men who will pay our share just as readily as my hon. friend or any other capitalist or millionaire raised in the Dominion of Canada. This discussion will probably do him good and do me good because I have sat silent here for quite a while. I thought I would have been able to say something upon the tariff, and I may be able to say a word or two later on. This discussion will only make us better friends, and I trust when he makes that visit, he will call upon myself and I will drive him around. I am not like my hon. friend here making a poor mouth—

The CHAIRMAN: Order. I am sorry to have to interrupt the hon. gentleman. He is not to blame. The fault is that of the Chairman in allowing a miniature Budget speech in Committee. That started the discussion. It is not relevant to the clause under consideration and I cannot allow it to proceed further except by unanimous consent.

Some hon. MEMBERS: Carried.

Mr. BOYCE: I am not a law breaker although I am a farmer, and I obey your ruling, Sir, gladly. I do not, however, want to sit down as a criminal or a law breaker, but as one of the independent farmers of the Dominion of Canada, and I may say, of the county of Carleton.

Sir HERBERT AMES: I do not wish my farmer friends to imagine for a moment that I insinuated that there is any deliberate evasion on the part of any portion of the farming community of the payment of their just dues. I was giving certain figures, which establish certain contentions, and I want them to be accepted in the spirit in which they were given. I did not make any insinuations, and I therefore trust that my figures will be taken on their merits. I stand by them.

Mr. CAHILL: The hon. member for St. Antoine claims great credit for the people of the cities and towns for paying something like $8,000,000 or $9,000,000 in income tax. He stated that about 54 per cent of the population of Canada was rural. Now this year we paid something like $140,000,000 in customs taxes, and I think my hon. friend will give the rural population credit for paying half that amount, which would be about $70,000,000. I have also heard it stated in this House on numerous occasions that Canadian manufacturers, through the policy of protection which prevails in this country, were collecting from the consumers of this country, chiefly from the farmers, between $300,000,000 and $400,000,000 per annum. If you take 50 per cent of $300,000,000, which the farmer presumably pays, it means the farmer is paying $150,000,000 to the manufacturer, out of which the manufacturer pays about $8,000,000 or $9,000,000 in income tax. That is what it amounts to. The farmer is the man who is producing. He supplies the money to the manufacturer to pay his income tax. He pays taxes on all his farm implements, and I think it is very unfair to attack him for not paying more income tax, when as a matter of fact he is paying all of the taxes, not only to the Government, but to the manufacturer and the city man as well.

Mr. NICKLE: Before this section is passed I should like to say one or two things in reference to the figures of the hon. member for St. Antoine. I am inclined to think that the income tax returns in the future will be a great deal better from the point of view of the country than the figures quoted by the hon. member might lead the House to believe. The figures he gave were figures up to the 30th day of April, 1919, under the Income War Tax Act of 1917. I would assume from the return which he has handed me that those figures were the return for incomes for the year 1917, that is, the fiscal year ending on the 31st of December of that year. That is a most unfortunate year to choose for the purpose of comparison, to indicate what will likely be collected from incomes in Canada in future. For this reason: Those of you who were privileged to file statements and were called upon to pay income tax for that year, will remember that the taxes were levied—if my memory serves me right, and if not, Mr. Breadner will correct me—on incomes earned and collected during the year 1917. In other words, if the dividend on a stock or the coupon of a bond were payable January 2, 1917, the amount of money paid in respect of that dividend or coupon was not assessable for income tax because the money from which that return was made was earned in the year 1916. The returns for the year 1917 in reference to income tax only show the incomes that were taxed in respect of moneys, putting it generically, paid and earned in the year 1917. Any payments made on stock or bonds in respect of dividends or interest which was earned in the year 1916 paid no income tax for that year. Take, for instance, Canadian Pacific Railway. Dividends on that stock, I believe, are paid on January 2, and quarterly thereafter. Numerous other stocks pay on the same day, many of them in February, some in March or April, and so on throughout the year. Now in respect of all these stocks, and bonds, unless my memory fails me absolutely, an allowance was made in respect of the amount that was earned in 1916, although the money was paid to the person receiving it during the year 1917. My inclination would be to assume roughly that the year 1917, the return for which the hon. member for St. Antoine has quoted, would probably not show more than from 50 to 66⅔ per cent of the incomes in Canada upon which income tax might be hereafter collected. My hon. friend remarks that we get all the big ones. I do not think we get all the big ones. The big ones are the very ones who would escape. Their dividends are largely from debentures and stocks, and they were the class of people who could show beyond possibility of contradiction that their incomes was not earned in 1917—although paid in that year—but in 1916. I make that explanation because I do not want it to go out to the country that we are not likely to get from the income tax a greater amount than the hon. member for St. Antoine appeared to show by his return.

There is one other point. I have not the figures before me, nor the legislation, but I am credibly informed, and my recollection is that the United States last year

varied its income tax, it lowered the amount and I think the income tax in Canada this year approximates, and probably equals, the income tax levied in the United States.

There is another point to which I should like to direct the attention of the House and particularly of the Minister of Finance. On two previous occasions I have discussed the matter here without very great success, although the Acting Minister of Finance last year held out the hope that this year my contention would have weight and might be crystallized into legislation. What I have urged, and what I am urging now, is this: That in the case of married people the extra exemption be not given to both the husband and the wife. Under the resolutions brought down, an unmarried person is entitled to exemption up to $1,000, and a married person up to $2,000. Now the fundamental of the distinction would appear to be that a married person, having the responsibility of a family on his shoulders—I use the masculine, because as a rule, the responsibility for the household is on the man of the House—an additional $1,000 exemption should be given before any income tax is collected. But the way the resolution is drawn, and as the law has always been in Canada, if a woman also has an income she is entitled to the same exemption as a married woman as her husband is entitled to as a married man. Now why should a man and a woman, because they are married, be entitled to an exemption of $3,950, whereas a brother and sister would only be entitled to an exemption of $1,950? I think that is one reason why our income tax has not brought into the coffers of the country just as much as we expected it would, because the great majority of incomes are small incomes, and when you start off with an exemption for a married couple of approximately $4,000, it necessarily follows that the great majority of the families of the country escape. It has always seemed to me it was but fair that only one exemption should be given to man and wife, and that the aggregate income of the two should be taxable thereafter. I think it should be taxable for this reason: There is no class in the world that can more easily escape income taxation, if they desire to do so, than a man and wife who are not prepared to accept the legislation in the spirit in which it was enacted.

For instance, if a man has an income of $3,800 and he desires to escape, or have his family escape taxation altogether, it is the simplest thing in the world for him to transfer half of his stocks into his wife's name. All he need do to make that transfer is to send one-half of the stock certificates to the headquarters of the company or the trust company that looks after transfers for the company and have the transfer made and the stock issued in his wife's name. If he desires to protect himself from any possibility of her keeping the stock and not being willing to return it to him later on, he can insist that she endorse the certificate in blank back to him, and all that he has to do is to keep it in his strong box and when the time comes he can use the certificate because it has been endorsed in blank. The income on the stock will be paid to the wife because the record of the company shows the stock in her name. But while the stock is in her name the actual ownership of it is in the husband. I do not say that much of this is done, I do not know of any case in which it has been done, but I think we should endeavour to frame our legislation so as to avoid subleties of the kind to which I have drawn attention, and to provide that married people should not be afforded an exemption to which they are not entitled.

Resolution agreed to.

On section 12:

Sir THOMAS WHITE: I move that this section be struck out, as it is not necessary.

Motion agreed to.

On section 13:

13. That every person required to make a return of his income under subsection one of section seven of The Income War Tax Act, 1917, who fails to make a return within the time limited therefor shall be subject to a penalty of twenty-five per centum of amount of the tax payable, and every other person who is required to make a return under the provisions of the said section who fails to do so within the time limited therefor, will be subject to a penalty of ten dollars for each day during which the default continues, and all such penalties shall be assessed and collected from the person liable to make the return in the same manner in which taxes are assessed and collected. Provided that the minister may on application extend the time for making a return in such circumstances as he may approve.

Mr. J. H. SINCLAIR: Has the minister any power to enforce penalties under this section?

Sir THOMAS WHITE: The minister has no power. Under existing legislation the only thing the minister can do in the event of a party who is assessable failing to make a return is to summon him before the magistrate. I need not enlarge upon the difficulty

of administering the tax. After giving the matter careful consideration we determined upon the imposition of penalties. I am greatly impressed with the necessity of efficiently administering this income tax, and we must have power to compel the making of returns.

Mr. J. H. SINCLAIR: Whose duty is it now to institute prosecutions against those who fail to make returns?

Sir THOMAS WHITE: The department.

Resolution agreed to.

On section 14:

14. That the date of assessment fixed by subsection one of section ten be changed from the thirtieth day of April to the thirty-first day of October, and in default of payment within one month from the date of the mailing of the assessment notice, a penalty of five per centum of the amount of such tax shall be added thereto, and thereafter a further penalty of one per centum per month shall be added for each additional month or portion thereof during which the said tax and penalty remain unpaid.

Mr. J. H. SINCLAIR: What is the reason of the change?

Sir THOMAS WHITE: It is quite impossible to get in returns by April 30. We are getting in returns now of over a year ago. It is necessary to extend the time to October 31. Although the legislation of to-day calls for a reply by the 28th of February, the returns do not come in and you have to extend the time, we are providing to make assessment may be made up to October 31.

Mr. COCKSHUTT: Is it intended that this penalty shall be enacted in the case of delay for which the party assessed is not responsible but which is attributable to the department? Frequently matters are not absolutely clear as to what the amount of taxation should be in respect of some claims, and in the result there is a delay on the part of the department in informing the assessed person how much his tax is. If the delay is due to no fault of the man who is assessed is it intended to exact a penalty from him?

Sir THOMAS WHITE: The penalties are intended to effect the making of returns and the payment of the tax. Governments are always very lenient in the exaction of penalties and in a case such as that suggested by the hon. member, if the party assessed were not responsible for the delay one could not conceive of the penalty being fairly exacted.

Mr. McMASTER: May I make one suggestion at this time which I made in my address on the Budget? The Government could receive a considerable portion of the tax long before it does by allowing people, when they make out their returns, to assess themselves and send in their cheques, subject, of course, to correction afterwards either by way of refund or the payment of any amount payable.

It has come under my observation that people have been quite ready and willing to pay their assessment under the income tax and the Government might have got very substantial sums a few months before they actually touched the money. Is there any practical objection to that?

Sir THOMAS WHITE: I see no practical objection to it. I think it is a very valuable suggestion. The Commissioner of Taxation tells me that as a matter of fact he is quite willing to do that. If a party in making his return sends his cheque along he will be credited with the amount. If it is necessary, upon examining the return, to add to it the party can be billed for the additional amount. In that way the money can be got in more rapidly.

Mr. ARGUE: Last year, in March, I sent in my return, and, when I went home in June, I got a notice from the department in Regina stating that there were discrepancies in my return. I went in and fixed them up satisfactorily to the collector there. When I came down in February I got notice from the department that I had not made my return for 1917. I informed the department that I had made my return in June of that year in the office in Regina. I never heard from them afterwards.

Sir THOMAS WHITE: That would appear to be a case in which the department had made a mistake. The commissioner states that the inspector at Regina informed the department he had not received the return. It was clearly a departmental error. I am sorry.

Resolution agreed to.

On section 16:

16. That any chartered bank of Canada shall receive for deposit without any charge for discount or commission any cheque made payable to the Receiver General of Canada in payment of tax or penalty imposed by this proposed legislation, whether drawn on the bank receiving the cheque or on any other chartered bank in Canada.

Mr. J. H. SINCLAIR: Does the department pay for that service?

Sir THOMAS WHITE: The cheques are paid at par. It is a great convenience to the taxpayer.

Resolution agreed to.

On section 17:

17. That excepting such provisions as are applicable to income tax returns and assessments of income for the year 1919, and accounting periods ending in 1919 and subsequently, and as are applicable to income tax returns and assessments of income for the year 1918, and accounting periods ending in 1918, and subsequently, all other provisions of the proposed legislation shall, for the purpose of administration, be deemed and construed as having force and effect as from the date on which The Income War Tax Act, 1917, came into force.

Mr. J. H. SINCLAIR: What is the meaning of that?

Sir THOMAS WHITE: That is to legalize rulings that we have made, some of which are embodied in this legislation which we have passed to-night.

Resolution agreed to.

Resolutions reported, read the second time and concurred in.

Sir Thomas White moved for leave to introduce Bills founded on the resolutions. Motion agreed to and Bills read the first time, as follows:

Bill No. 142, to amend The Customs Tariff, 1907.

Bill No. 143, to amend The Business Profits War Tax Act, 1916.

Bill No. 144, to amend The Income War Tax Act, 1917.

RAILWAY ACT AMENDMENT—CONFERENCE WITH SENATE.

On the motion of Sir Robert Borden the House returned to the Order of Motions.

Sir ROBERT BORDEN (Prime Minister) moved:

That Messieurs Bristol, Bureau, Cahill, Calder, Henders, Lemieux, Mowat, Reid (Grenville), Rowell, Sinclair, and Tweedie be appointed managers on behalf of this House of the free conference with the Senate with respect to Bill No. 19, (Letter A of the Senate) and any amendment thereto, and that a message be sent to the Senate to acquaint their Honours therewith.

Motion agreed to.

CANADIAN PATRIOTIC FUND.

On the motion of hon. Mr. Calder Bill No. 134 respecting the Canadian Patriotic Fund was read the second time, and the House went into Committee thereon, Mr. Boivin in the Chair.

Mr. CALDER: I think that a brief explanation of the purposes of this Bill may be given. It has come to the Government from the officers of the Patriotic Fund, and as the member for St. Antoine (Sir Herbert Ames) has been largely connected with that organization and its work I think a brief statement from him as to the purposes of the measure would be acceptable to the Committee. It is proposed to add one other section to the Bill as printed, viz.:

Subsection 3 of section 1 of chapter 2 of the statutes of 1915 is hereby repealed.

I have not had an opportunity of looking into this section and do not know exactly what the effect of it is, but I think the hon. member for St. Antoine will be able to give the necessary explanation.

Mr. McKENZIE: We are anxious, of course, to get away in view of yesterday's prolonged sitting.

Sir HERBERT AMES: Knowing the good-will of the House towards the Patriotic Fund and hon. members' knowledge of all its activities, I do not feel it is necessary to make an extended explanation, further than this: Demobilization has taken place much more rapidly than was expected, and as a result the Canadian Patriotic Fund finds that it will cease its regular labours for the dependents of relatives of men in the service with a considerable surplus on hand. Our executive met in conference a few days ago and unanimously decided that they should ask Parliament to permit them to continue their work for the families of discharged sailors and soldiers while their funds lasted, feeling that was in conformity with the wishes of the subscribers. That is all this Bill does. First of all, it takes away the restriction that has been on us heretofore whereby we were unable to assist the dependents of soldiers after the man was discharged; it secondly provides a method by which, when the fund's moneys are exhausted it could be legally closed up and the association declared to have finished its labours; and thirdly, the repeal of the clauses in the amending Act which limited our operations for six months from the expiry of the war. That is all the Bill contains. I will be very glad to answer questions that any hon. gentlemen may desire to put, but I felt it was necessary for me to make this explanation.

Mr. BELAND: Without any desire to delay the business of the House in the slightest degree, I would like, and I think the committee would be interested to know what is the total amount that was received or collected by the organization, and also

what amount is still at the disposal of the Patriotic Fund Committee?

Sir HERBERT AMES: I am most happy to give these figures to the House although they will be in round numbers. The Canadian public have been extremely generous to the Patriotic Fund. We have raised altogether about $47,250,000, we have expended to date about $40,000,000, and we have at the present time in hand and collectable —for there are some moneys yet to come in—somewhat over $7,000,000. We expect to finish our regular legitimate work by the time the troops are discharged, that is by September 1, with about $6,000,000 in the treasury which will enable us for some time to do supplementary work for the dependents of soldiers. The Pensions Board and the Department of Soldiers' Civil Reestablishment cannot meet the necessities of a number of families that are in chronic need, or families that are temporally in hard luck. We hope in that way to be able to alleviate suffering wherever it occurs in the families of men who have fought for us overseas.

Mr. McKENZIE: Does the organization propose to continue the machinery which it now has in different parts of the country in order to carry on the remainder of the work as it has been carried on during the war?

Sir HERBERT AMES: The machinery for the distribution of relief will be continued and will in some cases have to be strengthened, because our task in dealing with post-war cases will require even more careful investigation than the work that we have been doing, but our machinery for the collecting of money will not be continued as we do not expect to ask the public for any more money.

Mr. JACOBS: Will the hon. gentleman be good enough to tell us how these accounts are audited, whether they are audited officially by the Auditor General or privately?

Sir HERBERT AMES: The Auditor General is the auditor of the fund. The treasurer of the fund is the Finance Minister, and the head office books are nominally kept by him, although they were actually kept by a very able member of his staff, Mr. E. L. Brittain. The Auditor General is our auditor, and he takes such steps from time to time as he sees fit to secure a proper audit at the end of each fiscal year, 30th of March. We ask, in this Bill, that before the Fund can be closed up, a comprehensive audit, satisfactory to the Governor in Council, shall take place. Then there must be published in the Canada Gazzette our intention to close up, together with a statement of this audit, before the Fund can be declared to be officially at an end. I might say that at our principle branches like Montreal and Toronto we have our own auditors; for the Montreal branch, P. S. Ross & Sons, and for the Toronto branch, Price, Waterhouse & Co. Our several large branches also have their own auditors. To our knowledge there has never been a dollar stolen or misappropriated by any official of the Fund.

Mr. KAY: What is the present cost of distributing and managing this Fund?

Sir HERBERT AMES: I might say that the operating expenses of the head office and all its branches—for we have had to have a certain amount of clerical assistance, although the great bulk of the work for the last five years has been done by volunteers —has not exceeded the amount of interest that the banks have paid us on our moneys on deposit, so that we are in position to say to-day that every dollar that has ever been contributed to the Patriotic Fund has either been paid to the soldiers' wives, to the extent of one hundred cents on the dollar, or is in the bank, and the interest earned while the money was lying in the bank has paid all the operating expenses.

Mr. JACOBS: Then the interest has amounted to a very considerable sum?

Sir HERBERT AMES: The interest during the last two years has amounted to a considerable sum. Our expenses all told for the head office and branches ran to about $25,000 a month.

The CHAIRMAN: Shall the amendment carry?

Mr. McKENZIE: We are taking the clause entirely on faith. I do not know what you are repealing, but I presume it is all right.

Sir HERBERT AMES: I will be glad to read the clause that is being repealed. The Patriotic Fund Act was amended in the second year of the war, and in that Act was contained this clause:

> The corporation may also during the war and for six months after the termination of the war, assist in case of need incapacitated officers and men—

Then follows the description:

> No assistance shall be given to any person under the provisions of this subsection for a longer period than six months, or to any person who is in receipt of any gratuity, pension

or allowance paid by His Majesty or by any foreign government in consequence of incapacity or death occurring as aforesaid.

Now that we have decided to go on doing post-war work we would like to have that limitation removed.

Mr. JACOBS: Have these large sums of money been deposited in one bank or in various banks?

Sir HERBERT AMES: In twenty banks. That has been done at the discretion of the Finance Minister. The method of distribution was this: In every part of Canada we have branches of the Fund raising money. Very often a branch secured the local banker as its treasurer. We always made it a practice that whatever bank a cheque was drawn on should be the bank in which the money was deposited in the branch of that bank here in Ottawa.

Mr. MANION: I had the pleasure of hearing the member for St. Antoine explain this proposition to a number of us returned soldier members, and I think in five minutes he could give the House an explanation which would be exceedingly interesting.

Mr. JACOBS: We adjourned at half-past three this morning.

Amendment agreed to.

Bill as amended reported and read the first and the second time.

Mr. CALDER: There is no objection to this Bill being now read a third time. I think it would be desirable to do so, because there are a good many cases that will have to be treated under this new law, and they are waiting to be dealt with just as soon as it is put through.

Bill read the third time and passed.

Sir ROBERT BORDEN: To-morrow we will take up the resolution respecting Vancouver Harbour Commissioners standing in the name of the Minister of Marine and Fisheries; also Bill No. 39, to amend the Fisheries Act; Bill No. 131, for the Promotion of Technical Education; the resolution in the name of the Minister of Marine and Fisheries concerning the Canada Shipping Act. We shall also ask that public Bills and orders be taken up, and that the second reading of Bill No. 77, respecting divorce, be proceeded with.

On the motion of Sir Robert Borden the House adjourned at 10.40 p.m.

[Sir Herbert Ames.]

Friday, June 20, 1919.

The House met at Eleven o'clock.

CHARTERED TRUST AND EXECUTOR COMPANY.

On motion of Mr. Nesbitt, Bill No. 141, (from the Senate), respecting the Chartered Trust and Executor Company was placed on the Order Paper amongst Private Bills for second reading this day.

FIRST READING OF SENATE BILLS.

Bill No. 146, for the relief of Herbert John Lawrence.—Mr. Ross.

Bill No. 147, for the relief of Annie Miville.—Mr. Mowat.

THE WINNIPEG STRIKE.

TRIAL OF CERTAIN ARRESTED PERSONS.

On the Orders of the Day:

Mr. McKENZIE: Mr. Speaker, in the absence of the hon. the Acting Minister of Justice (Mr. Meighen), I desire to bring to the notice of the right hon. the Prime Minister the reports that have appeared in the press this morning about the strikes at Winnipeg. It is said that certain men who have been arrested are to be tried before a lay commission composed largely of officials of the Department of Immigration. I submit to the Prime Minister that such should not be the case, that these are grave charges, and that they should be tried before the best trained jurists of the land, or judges. I wish to know from the Prime Minister what method of trial is proposed.

Right Hon. Sir ROBERT BORDEN (Prime Minister): I think the hon. gentleman (Mr. McKenzie) is labouring under a misapprehension in regard to the matter. The Acting Minister of Justice (Mr. Meighen) has telegrams this morning from Winnipeg, which I have not seen. I therefore speak under reserve and subject to any information which may be contained in these telegrams. There are two entirely distinct proceedings so far as my information goes. The men were arrested under the criminal law of the country, upon the charge that they had engaged in a seditious conspiracy, and they were placed under detention upon that charge. In addition to that, there was a proceeding taken under the Immigration Act for the deportation of some or all of them—I am not quite sure which. That is entirely distinct from the criminal proceeding. They, of course, could not be tried under the Immigration Act on a crimi-

nal charge; they would be tried upon such a charge under the ordinary criminal law of the country, according to the proper criminal procedure established by law. The procedure under the Immigration Act is one which was established many years ago, which has been acted upon many times in this country during the past fifteen or twenty years, and which can be carried on, as I understand—I still speak under reserve—concurrently with the proceeding under the criminal law. That is all the information I can give to my hon. friend at the moment. The Acting Minister of Justice may be able to give further information.

REPATRIATION OF CANADIAN SOLDIERS.

STRIKE OF SHIP LABOUR IN LIVERPOOL CAUSES DELAY.

On the Orders of the Day:

Mr. J. W. EDWARDS (Frontenac): I desire to ask the Overseas Minister of Militia (Sir Edward Kemp) if the strikes in England have interfered, or are likely to interfere, with the repatriation of our Canadian soldiers, and if so, to what extent?

Sir EDWARD KEMP (Minister of the Overseas Military Forces): There have been strikes at the docks in Liverpool for the last ten days or more, and these have very seriously interfered with the embarkation of Canadian troops. No Canadian troops have been embarked from Liverpool since about the 14th inst. Our programme for the month of June contemplated the repatriation of some 55,000 Canadian troops. We brought back in the month of May about 55,000, and we had hoped that by the end of July, or even a little before that, we could get nearly all the Canadian troops back to Canada. I am inclined to the view, however, that the strikes will seriously interfere with that programme. It is feared, and it is possible, that the strike may extend to Southampton, where the very large ships sail from. However, I have information this morning which gives reason to hope that the strike may be settled to-day.

CANADIAN TROOPS FROM NORTHERN RUSSIA.

Sir EDWARD KEMP: There are a certain number of Canadian officers and men who have been in the vicinity of Archangel in Northern Russia. Twenty-two officers and 455 other ranks were due to arrive in England yesterday. There will be a few still to be repatriated, but we hope to bring them back at a very early date.

RIOTING BY NEGROES IN ENGLAND

On the Orders of the Day:

Hon. JACQUES BUREAU (Three Rivers): I notice from despatches which appeared in the press that negroes rioting in England cannot be deported on account of their British citizenship, but will be invited to leave that country by the offer of their passage money. I would like to know from the Government if any steps have been taken to ascertain whether any of these men are Canadians whom it is intended to return to Canada and if so, what action the Government intend to take as to their reception in this country when they arrive?

Sir EDWARD KEMP: Do I understand my hon. friend to inquire whether or not these negroes are Canadian citizens?

Mr. BUREAU: I am asking if any steps have been taken by the Government to ascertain whether any of them are Canadian citizens, and if so what action the Government intended to take with respect to their return to their own country, and what disposition would be made of them as being undesirables?

Sir EDWARD KEMP: I did not gather from the information which I read in the press that the negroes at Liverpool to whom my hon. friend refers were Canadian citizens. If there are any negroes in the Canadian army that are Canadian citizens they would be scattered throughout the forces—one or two here, and two or three elsewhere—and they would be treated exactly the same as other Canadian citizens.

Mr. BUREAU: My question is, have any steps been taken to ascertain if there are any Canadians among them? If so, how many are there and how is the Government going to dispose of them in view of their being undesirable?

Sir EDWARD KEMP: No such steps have been taken with respect to the negroes referred to, because it was not supposed there were any Canadians amongst them.

BUSINESS COMBINES IN GREAT BRITAIN.

On the Orders of the Day:

Mr. J. H. BURNHAM (Peterborough West): I hold in my hand an excerpt from a local paper containing a despatch from London, which states as follows:

> Business rings, combines and trusts, perfected during the war, are controlling Great Britain's industries, according to the findings

of a Government Committee appointed by Sir Auckland Geddes, Minister of Reconstruction.

If this report is true will the condition referred to have any effect upon the trade relations of Canada?

Sir ROBERT BORDEN: The attention of the Government has not been directed thus far to the communication in the press to which the hon. gentleman refers.

VANCOUVER HARBOUR COMMISSIONERS.

ADVANCE OF $5,000,000 FOR TERMINAL FACILITIES.

On motion of Hon. C. C. Ballantyne (Minister of Marine) for the House to go into Committee of the Whole to consider the following proposed resolutions:

Resolved, That it is expedient to provide,—

1. That the Governor in Council may, from time to time, advance and pay the Corporation of the Vancouver Harbour Commissioners, hereinafter called the "Corporation," such sums of money, not exceeding in the whole the sum of five million dollars, as may be required to enable the Corporation to carry on the construction of works to provide such terminal facilities as are deemed necessary for the proper development and equipment of the harbour of Vancouver.

2. That during the period of construction of the works referred to in these resolutions, the interest payable on the debentures deposited with the Minister of Finance and Receiver General under the provisions of the Act to be based upon these resolutions, in respect of the construction of such works, shall be deemed to be money required to enable the Corporation to construct the said works, and to be a part of the cost of the construction thereof, and the said interest may be paid out of the said sum of five million dollars. The period of construction herein referred to shall begin on the day when the first advance is made on account of the said construction, and shall terminate on such date as the Governor in Council shall fix and determine.

3. That no construction of any works shall be begun, and no advances shall be made under the proposed legislation, until the necessary plans, specifications, and estimates in detail to govern the construction of such works have been submitted to and approved by the Governor in Council.

4. That applications for the said advances shall be made monthly by the Corporation during the period of construction of said works, with statements detailing the total expenditure on any work in the month which the requested advance is to cover, and such other statements and information as the minister may require, and no payment shall be made on any application until the application has been approved by the Governor in Council.

5. That the Corporation shall, upon any advances being made, deposit with the Minister of Finance and Receiver General, debentures of the Corporation equal in par value to the advance so made (which debentures the Corporation is authorized to issue by the proposed legislation), and each such debenture shall be for such amount as the Minister of Finance and Receiver General shall prescribe. The debentures shall bear date of the day such advance is made, and shall be repayable within twenty-five years from the date of their issue. They shall bear interest at the rate of five per centum per annum, and such interest shall be made payable half yearly on the first day of July and the first day of January in each year.

6. That the principal and interest of the sums advanced to the Corporation under the authority of the Act to be based on these resolutions, shall be payable by the Corporation out of all its property and assets, and out of all its tolls, rates, dues, penalties and other sources of revenue and income, and shall rank as a charge thereon next after, and have precedence in regard to payment next after, the principal and interest of all debentures or bonds heretofore issued by the Corporation to the public and amounting to the sum of three hundred thousand dollars, said debentures or bonds having been issued under the provisions of chapter 54 of the Statutes of 1913.

Mr. D. D. McKENZIE (Leader of the Opposition): Will the minister please explain the resolutions.

Mr. BALLANTYNE: This legislation is to empower the Government to loan to the Harbour Commissioners for the port of Vancouver a sum of $5,000,000. I wish to explain that while there is a Board of Harbour Commissioners at Vancouver, no moneys have as yet been voted to them by Parliament. The terminal facilities at that port are very inadequate for shipping, more particularly in view of the fact that the Dominion Government now owns and operates what will soon be a very large mercantile marine. It will be necessary to build one or two deep-water berths there to accommodate not only the Government vessels but also the ships of other companies that ply to the port of Vancouver. It must not be understood that the $5,000,000 is to be expended immediately at this port. The Bill to be passed will merely be an enabling Act so that the money may be voted to the Harbour Commissioners and expended from time to time subject to the approval of the Governor in Council. Fees will be collected by the Harbour Commissioners of Vancouver, from wharfage dues and other sources, similarly as fees are now collected at the ports of Montreal and Quebec. The revenues so obtained will, it is considered, be sufficient to enable the Harbour Commissioners of Vancouver to pay five per cent on this loan.

Mr. McKENZIE: I would like the minister to give the House a statement, if he is in a position to do so, as to how we stand with respect to these different loans. My experience is that they merely amount to giving money away; we never get that money back and we never get the interest.

Mr. CHARLES MARCIL: The port of Montreal pays its interest.

Mr. McKENZIE: The result is that these ports get more rapidly into debt. They come back for a further loan and the old debt and the new borrowings are incorporated in a new Act, and further sums advanced by the Government. Would the minister be kind enough to tell us how we stand with respect to these various loans made from time to time to ports such as Vancouver?

Mr. BALLANTYNE: I will be very glad, indeed, to give the hon. gentleman the information. As I have already stated, no advance whatever has been made to the port of Vancouver out of money voted by Parliament. A few years ago the Harbour Commissioners floated a loan of $300,000, but no extensive work has been undertaken there. I think we will all agree that the port of Vancouver is a very important one and that it is going to become more important, but we cannot accommodate the Government steamers, or the other vessels entering the port, unless piers are built. With regard to the port of Montreal, the Dominion Government has from time to time advanced sums totalling $26,485,000, the rate of interest on some of which loans has been three per cent and on others three and a half per cent. That port has always paid interest on these loans—

Mr. CHARLES MARCIL: Hear, hear.

Mr. BALLANTYNE: —and will continue to do so. There is a Bill now on the Order Paper standing for second reading, under the provisions of which the rate of interest on loans to all harbours that are now under the direct control of the Minister of Marine will be advanced to five per cent, so that the port of Montreal in the case of any future loans will pay five per cent instead of three and three and a half per cent as in the past. I am quite satisfied, from an intimate knowledge of the affairs of the port of Montreal, that it will have no difficulty in meeting its interest even at the advanced rate. The port of Quebec, which is also administered by Harbour Commissioners, has been advanced the sum of $11,732,548, and the outstanding debentures amount to $1,150,000. I regret to say that the Harbour Commissioners of Quebec have never received sufficient revenue to enable them to pay any portion of the interest on the moneys that have been voted to them in the past. However, as Quebec is one of Canada's national ports, and its maintenance is necessary in the interests of the whole country, the successive governments have deemed it advisable to incur the expenditure I have just mentioned. The only three ports that are under commission and to which loans have been, or will be, made, are Vancouver, Quebec, and Montreal.

Mr. J. H. SINCLAIR :Mr. Speaker, could the minister tell us—

Mr. SPEAKER: This proceeding is most irregular. At the instance of the leader of the Opposition, it was understood that an explanation should be offered by the minister at this stage, but that any further questions should be put in committee. The motion is that I do now leave the Chair for the House to go into Committee of the Whole to consider this resolution.

Motion agreed to, and the House went into committee on the resolution, Mr. Boivin in the chair.

Mr. J. H. SINCLAIR: This method of advancing money to the great ports of the country is much better than the method adopted in Halifax, where the Government themselves built the docks, and consequently all the incidental expenditure is a burden on the whole country. My idea is that the ports ought to pay the interest on these loans; the whole country should not be taxed for it. Of course, advances should be made with care, and I would like to be assured by the minister that the revenue of Vancouver Harbour is sufficient to warrant our embarking on this expenditure.

Mr. BALLANTYNE: I went over this matter very carefully with the Vancouver Harbour Commissioners when they were here a few weeks ago. The revenue in the past has been very small, and would not meet the interest on the loan I am now proposing unless the dues were collected at that port as they are collected at Montreal and Quebec. I have instructed the Vancouver Harbour Commissioners to follow the same procedure as is followed at Montreal, and from the figures which they presented to me, they will have no difficulty in paying the 5 per cent interest on this loan.

It is my view that the various Harbour Commissioners ought to provide a sinking fund so that when these debentures fall due the Harbour Commissioners may themselves be able to take them up out of revenues collected. At present these debentures have to be taken up by the Federal Government when they fall due. I hope to make these advances real loans to the various Harbour Boards, so that they

shall not only pay the interest on them, but also meet the debentures when they fall due; and to that end I am taking steps to provide for a sinking fund at the various ports.

Mr. J. H. SINCLAIR: What was the revenue of Vancouver harbour last year?

Mr. BALLANTYNE: I had thought that this morning we would simply give notice that the resolution be considered in Committee of the Whole to-morrow; and therefore I have not before me, the statement which I have had prepared showing the present revenue and the estimated revenue for the ensuing year. I shall be glad to get the information for my hon. friend, but I point out that the revenue has been extremely small, because they had no interest to meet except the interest on the loan of $300,000.

Mr. J. H. SINCLAIR: When the Bill based upon this resolution is brought down, I would ask the minister to have the details of the revenue of the port and of the tonnage which entered the harbour during last year.

Mr. MICHAEL CLARK: I suggest that the minister give us, at the same time, information respecting the arrivals and departures of ships from the port during that period.

Mr. COPP: How much is it proposed to advance to the Harbour Commissioners during the present year?

Mr. BALLANTYNE: The programme has not really been decided upon. Representations have been made to me that these deep water piers should be erected at False Creek, on the Kitsilano Indian Reserve. Representations have also been made that that is not the most suitable place; that the piers ought to be built in Burrard Inlet—that is, in the harbour proper. I intend to go to Vancouver about the end of August to look over the ground, and after obtaining local and technical advice on the subject I shall recommend to the Government as to where these piers should be built. In any event, the expenditure during the next two years should not be more than $2,000,000. From what I learned from the Harbour Commissioners, I am under the impression that if they had two deep-water piers each of which would accommodate four ocean ships, that ought to be enough to carry them along for some years.

Mr. COPP: Will the loan of $300,000 already outstanding be paid off out of this advance?

[Mr. Ballantyne.]

Mr. BALLANTYNE: I have not before me the date of maturity of the loan of $300,000, but I understand that the bonds will not mature for some years, and I hope that by that time the Harbour Commissioners will be able to redeem them out of revenue. But if the revenues should not be sufficient to take these bonds up, they would have to be redeemed out of this loan.

Mr. McKENZIE: I am not opposed to the development of the harbour of Vancouver, or of any other national harbour, but I differ from my honourable friend (Mr. J. H. Sinclair); I believe that the harbours of all national ports, and all expenditure in connection with them, should be under the control of the Federal Government. I submit also that one or more engineers who are specialists, should be appointed to look after the necessary engineering in connection with the building of these docks. We cannot expect local commissioners to have the knowledge that is necessary to the proper carrying out of this work, because the harbour dues are not sufficient to enable them to engage such expert engineering services as are necessary to the proper construction of these docks. In a sense, docks are world-wide property; they do not belong to us. in a way, any more than to any other part of the world, because ships from all parts of the world must use them. We must, therefore, have men in charge of the construction of these docks who have wide knowledge of matters of this kind, and it is impossible to expect that from a harbour commission.

Mr. J. H. SINCLAIR: While I do not want to enter into any controversy with the leader of the Opposition (Mr. McKenzie), I still maintain my position that these great national ports can better be handled under local control than they can from Ottawa, and I think that is sound. We have the experience of the port of Montreal to fall back upon. It is the one bright spot in the management of the ports of Canada, and it has been managed in that way, that is, the Dominion Government have guaranteed the bonds where it is necessary to make large expenditures, and the port of Montreal has undertaken the full responsibility of paying the interest. It has continued to pay the interest for many years, and the whole arrangement has been very satisfactory. Who should know better how the port of Montreal should be run than the city and the people and merchants of Montreal? If you want to undertake to run the port of Montreal from the city of Ottawa,

you will have the same kind of trouble we are experiencing in other directions. What is true of the port of Montreal is true of the ports of Quebec, St. John, and Halifax. If you are going to adopt a system of this kind, you will be following the example set in the port of Montreal. The same is true in all parts of the world. The great works on the Clyde are managed by the city of Glasgow. The Clyde has been dredged; great docks have been built; it is one of the cheapest and best ports of the world, and the whole matter is under local control. The city of Glasgow is proud of the work on the Clyde, and the whole matter is well managed. It could not be managed in the same way from London. The same thing is true of the ports of Liverpool, London, Hamburg and all the other great European ports, which are all under local control. I have no doubt, with our vast distances in Canada and the difficulty of managing the port of Vancouver from Ottawa, it would be a great mistake to introduce such a system as is suggested by my hon. friend (Mr. McKenzie).

Mr. MICHAEL CLARK: I have no desire to delay this matter at this time, but I should be untrue to what I know to be economic truth if I did not, in a single sentence, dissociate myself from the somewhat antediluvian views of the leader of the Opposition and associate myself most heartily with the up-to-date and progressive views of the hon. member for Guysborough (Mr. J. H. Sinclair), founded as they are upon a long experience of shipping and some knowledge of what goes on at the ports of the world in this matter. The views of the leader of the Opposition on a matter like this are the growth of protectionist sentiment. The whole question of how far we are to have shipping depends upon the extent to which we believe in a protectionist tariff, and I can quite understand that it will be necessary for the national government to spend and keep on spending money upon our ports if we keep up our tariff, because after you have spent as much as you like, unless you have a fiscal policy to expand the commerce of the country, your expenditure on the ports will be largely in vain. I do not want to elaborate this much at this time; but there can be no doubt in the world, on the part of any one who knows anything about or who has studied shipping and international trade that, on this matter, the views of my hon. friend from Guysborough are more progressive and more in accordance with the trade facts of the world than those of the leader of the Opposition.

Mr. McKENZIE: I am quite willing to be regarded as antediluvian, if antediluvian means the ownership and control by this or any government of the national ports of this country. If that be antediluvian, this Government is most antediluvian, because, within the last five or six years, it has spent on the harbour of Halifax $35,000,000, for every dollar of which the hon. member for Red Deer (Mr. M. Clark), without the slightest demur, has voted, who all the time was, according to himself, piling up the barriers of antediluvianism and who yet had nothing to say against it. We all agree that, in that most magnificent harbour of Halifax, it was necessary to spend $35,000,000 to make it more of a national harbour and for world-wide commerce. Since the war began, we found it of great advantage that we had spent the most of that money on the harbour of Halifax. If that harbour had been left under a commission, the great ships that came into Halifax and facilitated the transportation of our troops, could not have come into that harbour had it not been for the expenditure of that money. My hon. friend says that the nationalization of the harbours is protectionism. I do not know what subject I could discuss in this House on which my hon. friend could not find a corner for a discussion on free trade. I do not know whether I could discuss horse racing without his finding an opportunity for bringing up the subject of free trade in regard to it. If the harbours of this country are put under the control of local boards, that will mean that they will make those ports suitable for themselves without having regard to foreign commerce, and that would be along the line of protection and restriction. But if harbours are made free, nationalized in the fullest possible sense, with the money, intelligence and talent of the nation making them proper ports capable of receiving the commerce of the world, that would, in my opinion, be free trade in its best and most effective form, as compared with localism and parochialism in putting those harbours under the control of a few men who have nothing to spend. How many millions have we spent in the St. Lawrence river to make a port at Montreal? If the port of Montreal had to dredge the St. Lawrence, it would never do it. Nevertheless, every foot of water from Quebec to Montreal is essential to making Montreal a port. Montreal does not spend money there; the na-

tion spends it, and we should reflect, before we come to the idea of a port doing everything, that we must dredge the river St. Lawrence to make a port at Montreal. We dredged the St. Lawrence and made the port, and they get the honour of the whole thing because they carry on the immediate necessities of the port itself. I hold the view that, after the port is put in proper shape, it should be managed locally under local engineers and everything done in a first class manner, but the commerce and shipping of the world should be as free as possible. I am in favour of free ports, and I do not want to be taxing shipping at all, because it is in the interest of this country that our ports should be free. I am sure, if things were better after the flood than before the flood, during the flood, at all events, all the ports were free.

Mr. BALLANTYNE: The hon. member for Guysborough (Mr. J. H. Sinclair) has made a most effective reply to the leader of the Opposition, so that really I have not much to say. The hon. member for Guysborough has shown that he has a very thorough knowledge, not only of the ports of Canada, but of the ports of the world. I wish, however, to say in reply to the leader of the Opposition, that whether our ports are nationalized and operated by a local harbour commission, appointed by the Governor in Council, or whether the improvements in the various ports are carried out by the Department of Public Works, the Government in both cases is the owner. Everything within the boundaries of the ports of Montreal, Quebec, and Vancouver which are under commissions at the present time, belongs to the Government, and the lands are Crown lands. I agree with the leader of the Opposition in so far as he goes in that direction, but where I would differ from him, in all friendliness, would be when he thinks that the improvements in those ports can be better carried out by the Department of Public Works than by a local commission appointed by the Governor in Council.

The personnel of these boards has been of a very high order. Our commissioners at the ports of Montreal and Quebec are among the leading citizens and most successful business men of those cities. It is also necessary at our big seaports for our commissioners to have a staff of the most highly skilled technical and engineering experts that can be obtained. With all due respect to the engineers of the Public Works Department, I say that there is not an engineer in that department to-day who has as full a knowledge as is necessary of the development of ports to see that the improvements are of the character that the port demands, and that the work is properly carried out. When I had the honour of being one of the Montreal Harbour Commisioners during the big development years of that port we had to send to England and bring out an engineer from the port of Bristol to supervise the carrying out of the large plans. I am thoroughly convinced that when the harbour commissioners are appointed, if we get the proper men, and we have so far, the public interest will be better safeguarded and the work will be carried out more in keeping with the demands of the ports than if the work were done by the Department of Public Works. Some of the ports of Canada could tell a sorry story about the facilities that have been decided upon rather hurriedly without proper thought, but I will not go into that. I have, however, a very intimate knowledge of the mistakes that were made at the port of Montreal and other ports by the Department of Public Works, and to avoid such mistakes being made in the future I am a thorough believer in the Government appointing harbour commissioners to look after our ports. I am therefore in thorough accord with my hon. friend from Antigonish (Mr. Sinclair).

Mr. BURNHAM: I should like to correct the impression which will probably go out to the country, coming as it does from the hon. member for Red Deer (Mr. Clark), that the expenditure of money on our harbours is necessitated by the policy of protection. When a nation or the public assume a burden for the benefit of a private interest, that is protection. In England all the taxes in connection with the development of the ports of London, of Liverpool and of the Manchester ship canal, for instance, have been assumed by the public for the benefit of the shipping industry. It is a bonus or subsidy to encourage the shipping companies. Steamship companies are subsidized. Now that is pure unadulterated protection.

Mr. M. CLARK: I am delighted to find that my hon. friend from Peterborough is in perfect harmony on this shipping question with the hon. gentleman who leads the Opposition, but I have the gravest possible doubts whether the two gentlemen combined will be able to commend their views to this House and the country after a careful study of the methods by which

ports are managed and shipping is developed in Britain, and of the methods which I understand both of these hon. gentlemen to recommend.

The position is a very simple one. The leader of the Opposition knows, of course, that, to put it mildly, there is considerable shipping done in the port of Liverpool. I suppose it is, perhaps, the biggest shipping port in the world. Now, when one goes out of that beautiful harbour of Bedford Basin, as I have done more than once, on the beauties of which the leader of the Opposition is prepared to expatiate at any given moment, one cannot but be struck by the dearth of ships in Bedford Basin as compared with the plentifulness of ships in the port of Liverpool. The contrast is most striking to an observant traveller. The port of Liverpool has grown up as a free port, as I understand free ports. It has grown up under a system of free importation and free exportation—under a system of free trade. The want of trade in Bedford Basin, I think, can be traced to an opposite fiscal policy. I understand that the leader of the Opposition's idea of a free port is a port to which all the nations of the world would be allowed to send their ships, provided they could get their goods over the tariff wall that is now preventing the admission of the goods. I want to tell my hon. friend that he may spend as much money from Ottawa as he likes to make Bedford Basin ten times more beautiful and effective as a harbour than it is to-day, but if he keeps his tariff wall high enough the shipping will not come, because commerce will not be profitable.

My idea of a free port is not a port in which ships do not pay dues. The ships that come to Liverpool harbour, of course, pay their dues to the Harbour and Dock Commissioners, and the Harbour and Dock Commissioners of Liverpool conduct the port where the greatest shipping in the world is done. My idea of a free port is a port where goods come in and go out freely, and on that free method of business will grow up a trade under which the ships will be only too glad, because of the profits they make by their ships, to pay any dues that come against them, and the central government will, of course, avoid responsibility for expenditure which is very much calculated to be altogether unproductive.

I am not opposed to spending money on the harbour at Vancouver. It is an equally beautiful port, and has every possibility of doing a world business. I, of all men, should be the last to be suspected of being opposed to the expenditure of money on the port of Vancouver, but what I want is a fiscal policy which will make Vancouver another Liverpool, and I do not think that the hon. member for Vancouver will be opposed to that ambition for his city, whether or not he quite agrees with me as to the method of doing it.

I want to reason with my hon. friend the leader of the Opposition. I address him in the language of Scripture, if he will allow me to do so, " Come let us reason together " upon this question. Why the other Friday evening, before my hon. friend from Marquette (Mr. Crerar) had resigned the portfolio of Agriculture, and was getting through his estimates, there was some talk about cold storage facilities, and the leader of the Opposition made a speech to which I listened with interest and some degree of wonder, in which he showed that a million dollars could be most profitably spent by this Government in establishing a cold storage plant at the port of Halifax. Does my hon. friend think that there are no cold storage facilities at the port of Liverpool ? Liverpool has abundant cold storage facilities, provided by the harbour and dock commissioners of Liverpool, and paid out of the shipping of the port. That is my idea of a free port. I put this to my hon. friend, who has a good head for business: If this Government is going to spend a million dollars upon a cold storage plant, is going to spend $5,000,000 upon harbour improvements elsewhere, and is going to go on handing out millions, how is he going to carry out the policy of economy for which he voted the night before last, and where are we going to land if we launch into all these expenditures without making our fiscal arrangements so that we can do business to meet the expenditure in the only way it can be met. If my hon. friend was at all annoyed by the expression " antediluvian views," I withdraw it.

I applied it to his views, and I still hold that if those views are not quite antediluvian they are pretty ancient at this time of day, and when my hon. friend studies the question he will find that he lacks the current knowledge of men who have moved around the world and studied shipping. I tell him that in all friendliness because I want to get him on my side and he has been coming along splendidly. He says: I find this free trade protection question in everything I approach. Surely my hon. friend does not think that the fiscal policy of a country has not anything to do with its shipping. He would not take that position. What is the good of his bringing in a

reference to horse dealing? I think I could demonstrate to him that international horse dealing has had a very intimate connection with shipping up to now. No number of horses worth mentioning have yet been sent across the seas in aeroplanes, they have all gone in ships. Just another word to my hon. friend. He mentioned expenditures in recent years in this connection, to which I made no objection. I made very little objection to this Government's policy in time of war, and my hon. friend knows the reason. We did not send a man to France who was not vitally needed, and this Government did not make an effort during the war that was not called for to do Canada's full part in the struggle, and we are only in the position we are in internationally to-day, and the world is only freed from the menace that threatened it for several years, because this Government combined with all the Governments of the Allies to exert the last ounce of our ability in every possible direction.

That is why we are in the magnificent position to-day of being able to dictate terms to Germany. But I said the other day that one of the first duties of the Government now was to get away as far as possible from certain methods that were indispensable in war time, and that is my answer to my hon. friend who chides me for not having taken upon myself duties that would have devolved upon him as leader of the Opposition if there was any real objection to be made to the expenditures in the last few years. I am not objecting to this expenditure now. I am only trying to throw out a few ideas by which we may be guided to see that we get profitable results from the expenditure.

Mr. BURNHAM: It is well for us to learn even from our enemies; the hon. member will agree with that. How did it come about that the year previous to the declaration of war the ports of Hamburg and Rotterdam exceeded the ports of London and Liverpool by 1,000,000 tons in shipping?

Mr. MICHAEL CLARK: I have not alluded to that question and I would like to have documentary evidence of the truth of my hon. friend's statement.

Mr. BURNHAM: I can assure the hon. gentleman that it is true, and I should like him to consider the question.

Mr. MICHAEL CLARK: The hon. member may rest assured that I shall study the question.

[Mr. M. Clark.]

Mr. ROBB: At this stage in the proceedings, Mr. Chairman, it seems to me that you should bring the Com-
12 noon. mittee back to the subject under consideration. If we are going to have a debate on theories of free trade and protection and incidentally introduce a discussion of the war we shall spend all summer here, and I think we had better get back to a consideration of the subject and pass the resolution.

Mr. McKENZIE: I would point out to the hon. member for Red Deer a little incident that happened in this House during this session. I remember well that on the 25th of March a resolution was introduced into this House which, in my opinion after a long experience in this Parliament, was the most advanced resolution in the direction of free trade that was ever moved in the Parliament of Canada. I voted for the resolution and the hon. member voted against it. He will have to explain to his people, in the light of his advanced views, why when the question comes squarely before the House he refuses to support it. As regards the expenditure in Halifax, all I can say is, that this money which was expended there was voted long before the war which had nothing to do with it. The hon. member speaks of Bedford Basin. Bedford Basin is not really the harbour of Halifax. It is a magnificent inside basin, and while it is a part of the harbour it is not usually used commercially. If the hon. member had seen Bedford Basin during the last three years of the war I am sure he would have been very proud of it, not as a commercial harbour but by reason of the fact that no part of the Empire has served such an excellent purpose in connection with the war during its last three years. Bedford Basin has been simply crowded with vessels from all parts of the world coming there to receive proper orders on their voyages to various ports. I venture to say that no country in the world could by artificial means or by local expenditure produce such a magnificent body of water as Bedford Basin, and my hon. friend, with all the glories of the harbours of the Old Land, never saw anything in England, Scotland or Ireland in the shape of a harbour that could in any way compare with Bedford Basin. The harbour of Glasgow, of which we have heard so much, was made out of a field. Not so many years ago it was just a field and, all credit to the people of Glasgow, it was converted into a harbour. They had no harbour at all, but there was a large field

in the vicinity and they scooped it out and made a harbour of it, much to their glory. But we are not talking about that sort of thing but of the importance of improving the natural harbours we have, and it is no use my hon. friend comparing conditions in Liverpool and London, in a very small country where there are about 50,000,000 people and the oldest commercial establishments in the world, with a country of the vast area and distances of Canada with only eight millions of people. Great Britain is an old country and Canada is new. Their resources and trade are developed; ours are not. We have to deal with primitive conditions and I think we are doing splendidly along international lines, and in that respect I intend to encourage the people of this country.

Mr. MICHAEL CLARK: May I reply to one specific point raised by the hon. member? I regret to occupy so much time of the Committee. In so far as the geography and the various characteristics of Nova Scotia are concerned, I confess my lack of knowledge and am prepared to sit at the feet of the hon. gentleman and be instructed by him. With regard to what is known as the McMaster resolution introduced at this session, the hon. member says I need to explain to my people squarely why I voted in a certain way. Well, I will explain to him squarely now why I did. I explained at the time I voted against the McMaster resolution that I did so for exactly the same reason that my hon. friend the leader of the Opposition and I both voted against similar resolutions under the guidance of the hon. member for Shelburne and Queen's when our party was in power and when such resolutions were raised on going into Supply instead of on the Budget at the proper time. I did that under the Liberal Government with my hon. friend, and it will be he who will have to explain how what I did under the Liberal Government was quite right but what I did under the Unionist Government was utterly wrong.

Mr. MAHARG: I should like some information as to the internal management of our own harbours. Is it the intention that the grain elevators at the port of Vancouver will be under the management of the harbour commissioners there?

Mr. BALLANTYNE: It is.

Mr. MAHARG: We have been told of the success of the Montreal harbour from the standpoint of management, and we have also been told about its finances, and while we have not been told that it has not been a success in the matter of facilities, I know there is considerable difficulty in that respect. If I am correctly informed, the net receipts from the grain terminal elevator in the harbour of Montreal takes care of almost the entire cost of management of that harbour. If they are charging the same rates as obtain in the other terminal elevators, they are receiving in the neighbourhood of from $350,000,000 to $500,000,000 of revenue from that harbour, depending on the amount of business done there. We are given to understand that the receipts from the handling of the western grain take charge of the entire expense almost of Montreal harbour.

The minister shakes his head. Evidently he thinks that is not so, but I think that a close analysis of the work of the harbour under men in a position to know where the overhead expenditure is placed in the management of the harbour will go to show that what I say is approximately correct Now, this harbour of Montreal is in a different position. We were given to understand when the National Transcontinental railway was built that the harbour of Montreal and the harbour of Quebec were going to be put in a position of handling the immense quantities of grain from the West. We were given to understand, and I think properly so, that the rates for carrying grain from the head of the lakes to Quebec would be considerably reduced, even all-rail rates, on account of the shortness of the distance. There seems to have been absolutely nothing done in connection with the improvement of the facilities at Quebec to take care of that grain. Evidently the grain does not go that way and there may be the explanation that it cannot be handled as cheaply by that route. But if it can be I think it should be, and that the National Transcontinental Railway should be given every advantage that can be given to it to carry grain over that route if it can be done at the same rate as by the lake and rail route. I would like an explanation as to why there has been no more business handled through the port of Quebec, and why it should not get a share of the revenue received at Montreal from the handling of western grain.

Mr. BALLANTYNE: In answer to my hon. friend from Maple Creek (Mr. Maharg) I wish to inform him that he has not obtained accurate information as to the sources of revenue collected at the ports of Montreal or Quebec. I will speak first of

the port of Montreal because I have been a harbour commissioner there for six years and I am naturally familiar with how they get their revenue. When we come to the second reading of the Bill, for the information of my hon. friend from Maple Creek and other hon. members I will give the total revenue of the port of Montreal and I will further give itemized the sources from which that revenue is received. Broadly speaking, I can give that information now but I cannot of course, give the amounts collected from each one of these sources. The port of Montreal charges steamship companies rental for the use of all the steel sheds. The rental is by no means light. It would run possibly somewhere between $50,000 and $70,000 from that source alone. The Harbour Commission also collects a revenue from what is known as wharfage dues. There are wharfage dues levied on all goods coming into the port of Montreal and all exports leaving the port. The port of Montreal, being the largest port and doing the biggest business in the Dominion of Canada hon. members will realize that the amount of revenue received from wharfages alone must necessarily be very great. Then, take another source of revenue, which is one of the best sources which the port of Montreal possesses and that is from what is known as the transportation department. The railway companies leave their freight cars at a certain point. The harbour commissioners have their own locomotives and their own qualified staff of terminal operators. They pick these cars up and place them at the sheds, or wherever they should be placed throughout the harbour. I cannot at the moment say what the charge is per car but if my memory serves me right it is something like $5 and they also charge for all cars that pass directly over the wharves.

My hon. friend (Mr. Maharg) is not correct when he suggests that the bulk of the revenue collected at the port of Montreal comes from the revenue collected from the grain elevators there. The harbour commissioners do collect a very good sum in the shapes of charges on grain that goes into the elevators but it is nothing in comparison with the total revenue of the port. I am also very glad to be able to say here, speaking about the shipment of grain, that there is no port which is so well or so modernly equipped, or can handle grain at such a low rate as can the port of Montreal. If my hon. friend from Maple Creek has not visited the ports of Montreal and Quebec I hope he will do so before he again leaves for the West. I have no hesitation in saying that there are no ports in any other part of the world including those in the United States and Europe, that possess facilities that can compare with the advantages that the ports of Montreal and Quebec have. They take grain in there with two marine legs from the lake vessels at the rate of 20,000 bushels for each leg or 40,000 bushels an hour. They can unload 250 cars in twenty-four hours and they can send it out by belts that run over the grain conveyors from the elevators to the ship at the rate of 60,000 bushels per hour. These three different operations are going on at the same time and a ship does not need to move from her berth at all. The grain is taken from the elevators along the conveyors in the form of rubber belts at the rate of 60,000 bushels an hour and when it comes opposite the hold of the ship it is tripped off the belt and shot down a spout into the hold of a ship. When you compare that method with the method that was in vogue some years ago of using floating elevators to elevate the grain into the ships, there can be no comparison at all as to the cost and quickness of handling the grain.

Then, the port of Quebec is just as well equipped as the port of Montreal. It is quite true that the elevator storage capacity at the city of Quebec is not as large as the elevator storage capacity at the port of Montreal, but the elevator at Quebec is a transfer elevator and will store 2,000,000 bushels of grain. It has equipment identical with that which I have outlined for the port of Montreal. The port of Quebec did handle a lot of grain last year, and I am quite satisfied that it will handle a great deal this year. One of the big problems confronting the Government and the people of Canada, more particularly the grain-growers, is as to how this year's crop is going to be handled, inasmuch as none of the grain will be allowed to go by American ports. It is a big task, but if we can get the ships we can certainly handle the grain. With the quick handling and the modern facilities at the ports of Montreal, Quebec and St. John we can take care of the grain if the tonnage is available. With regard to St. John, I might mention that there is only one elevator at St. John without grain conveyors at the present time, but we hope that they will be installed shortly, which will enable us to handle the grain if we can get the ocean tonnage. On the second reading of the Bill I will be able to give to my hon. friend from Maple Creek an itemized account showing how the revenue is raised.

Mr. MAHARG: I think the minister must have misunderstood me. I did not intend to convey the impression that the receipts from the handling of grain were almost the entire receipts. What I did intend conveying was that the receipts from the handling of grain took care of the entire cost of the operation of the harbour.

Mr. BALLANTYNE: I am sure my hon. friend does not mean the entire expense of operating the facilities at the port of Montreal or what one might properly call the harbour. I have no doubt that what my hon. friend means is that the revenue received from the elevators at the port of Montreal is used for the operating expenses of the elevators, but not for the entire expenses of operating the port of Montreal.

Mr. MAHARG: That is exactly what I maintain: the net receipts are not applied to capital purposes but to the actual operating expenses of the port, under the jurisdiction of the Harbour Commission. I have not had the pleasure of visiting the elevators at Quebec, but I have inspected the entire equipment at Montreal from start to finish, including the harbour facilities. The minister will remember that we had the opportunity of donating two thousand sacks of flour to the British Government and the Commissioners at Montreal were good enough at that time to permit us not only to fully survey the harbour and its equipment, but also to take a camera along which was something entirely contrary to the rules in force at that time, and to take photographs of the facilities for the handling of flour.

Mr. ROBB: The hon. gentleman (Mr. Maharg) is possibly right to a certain extent in his statement that the grain passing through the elevators at Montreal does contribute considerable revenue to that port. I fancy, however, my hon. friend will be surprised when the minister brings down his statement to find that in some years a greater quantity of United States grain has gone through those elevators. Furthermore, a large quantity of United States corn comes over the Canadian route because of the advantage of being able to re-ship and re-elevate it along the line in order to keep it cool. The butter and cheese from the whole of Canada that goes through, and also the incoming goods, likewise contribute largely to the harbour receipts. My hon. friend is also right in his contention that it was represented that the Grand Trunk Pacific railway would be used to give cheaper freight rates from the Prairie Provinces to the ocean ports. That was the intention, but unfortunately a change of government took place and the new administration proceeded to destroy the usefulness of that railway. Therefore, my hon. friends opposite—who are to-day supporting the present Government, heirs to those who destroyed the usefulness of the Grand Trunk Pacific railway—are supporting an administration that has considerably advanced the freight rates in this country. Our friends from the Prairie Provinces are always holding out to us the advantages of the United States market. Do they realize that this Government—perhaps not the Government, but the Conservative Government, of which they are the heirs—

Mr. BUREAU: They are practically the same.

Mr. ROBB: ——the Government which my hon. friends support brought about an increase of rates almost equal to the duty on wheat going into the United States? When the Liberal Government went out of office in 1911, wheat could be carried from Brandon all rail to Montreal for thirty-three cents a hundred, and from Moosejaw to Montreal for thirty-eight cents a hundred. To-day there is an advance of eight and three-quarters cents a bushel. Just think of it, an increase of eight and three-quarters cents a bushel on all wheat grown in the North-west shipped from the Prairie Provinces to Eastern Canada, and that has taken place under the Government which the hon. gentleman (Mr. Maharg) is supporting! My hon. friends had better reflect upon these conditions, and remember that the next time they go before their people they will have to give some explanation as to why they are supporting a government that is responsible for conditions resulting in an increase of 8.70 cents per bushel on wheat going from the Prairie Provinces to the ocean.

Mr. MAHARG: I would ask my hon. friend if he will reflect upon the fact that the estimated cost of building the Transcontinental railway, which at the time we were given to understand would reduce the rates, has been nearly trebled, which will make considerable difference, I presume, in the cost of operation.

Mr. ROBB: If the cost has been trebled it is because when this Government came in——

Some hon. MEMBERS: Oh, oh.

Mr. ROBB: ——wait a minute. It is because the Government destroyed all the grades along that line——

Mr. BUREAU: Especially in Quebec.

Mr. ROBB: ——destroyed the bridges, tore up the rails, and practically ruined the road.

Mr. MICHAEL CLARK: Has not everything else gone up? Have we not heard of the high cost of living? Did the hon. gentleman expect that freight rates would remain stationary during war time, in recent years, when other things have gone up? Is not that part of the general results of the war? Surely the hon. gentleman does not blame this Government for bringing on the war?

Mr. BUREAU: The rates ought to be lower on patriotic grounds, following your argument.

Mr. MAHARG: We are wandering away from the point and the question will no doubt come up again on the second reading of the Bill, to be founded on this resolution. If the Government spoiled the grades of the railway, it only proves what I say that the cost of the line would have been greater if it had been built according to the plans and specifications, and the Liberal Government would have been just that much further out in their estimates of the outlay.

Mr. ROBB: It is amusing to see how my hon. friends are prepared to advance one excuse after another to defend their betrayal of principles which they for so many years advocated in this House.

The CHAIRMAN: I must follow the good advice tendered by the hon. member for Huntingdon (Mr. Robb) a few minutes ago and ask the committee to return to the consideration of the resolution with respect to the Vancouver Harbour Commissioners.

Mr. LAVIGUEUR: I am glad the House has been afforded the opportunity of discussing the facilities provided at the ports of our country. I am not opposed to expenditure for this purpose at Vancouver, or elsewhere, but I would draw attention to the fact that the port of Quebec, as stated by the hon. member for Maple Creek (Mr. Maharg) is able to take care of the grain traffic of the West. Therefore, that port should also get its share of the money voted for improving these ports and be developed in such a manner as not only to handle the grain trade but to make a proper use of the Transcontinental Railway and carry out the purpose for which it was built, thereby enabling traffic to avail itself of the shorter route and consequently permit of a reduction in freight rates. We had the pleasure of a visit to Quebec last fall from the Minister of Public Works who came to inspect the port and the works for the improvement of the Transcontinental terminal. The minister expressed the opinion that those works were a tragedy. The minister was perfectly correct in using that term bearing in mind the manner in which the works have been handled at Quebec of late years. The country has made large outlays in Quebec to develop the port, but after the present Government came into office everything was changed, despite the formal promise of the Prime Minister in 1913 that the works at Quebec for the proper equipment of the port and the Transcontinental terminal should be carried on not only in the interest of the port and province of Quebec but in the interest of the entire Dominion. In his opinion at that time Quebec occupied a unique position and should receive a share of the favours of the Federal Government.

The Prime Minister was accompanied by several of his ministers—Hon. L. P. Pelletier, Hon. Mr. Hazen, Hon. Mr. Cochrane, and others, all of whom endorsed the policy of the Prime Minister with regard to the development of the port and harbour of Quebec. The Prime Minister at that time laid the corner stone of the St. Malo workshops and inaugurated the works on the St. Charles river, upon which the Government has expended, as was stated by the Minister of Public Works a few days ago, $1,600,000. If my information is correct, the Government have acquired the plant and equipment from the contractors, Quinlan and Robertson, for the amount of $300,000, and although they are spending $15,000 to $20,000 a year to keep it in order, it is lying there doing nothing. At a cost of over $2,000,000, the Government have acquired a property which has a frontage of over three miles along the St. Lawrence river and that property is lying there idle. To a stranger coming down the river to Quebec this property gives every evidence of being in the last stage of decay. The Prime Minister said that the port should be developed; that grain elevators should be constructed to take care of the grain from the West, and that proper terminals should be built. It was the intention of the Government to spend millions of dollars in the development of the port; the works inaugurated in 1913 were only the beginning of an extensive

programme of development. But not a single cent is being voted in the Estimates this year for any improvement at Quebec, although the St. Malo workshops are idle and freight cars and rolling stock which are in need of repair are taken from the Eastern division to Winnipeg or Transcona, a distance of 1,350 miles. That is the way Quebec has been treated by this Government. I take this opportunity of airing some of the grievances of the citizens of Quebec in this regard; I am not opposed to any expenditure which the minister proposes for the development of any of our ports.

The CHAIRMAN: Before the minister replies to the statement of the member for Quebec county (Mr. Lavigueur) I must direct the attention of the Committee very seriously to the fact that the recent discussion has been entirely out of order. To be strictly within the rule, the discussion should have related only to the port of Vancouver; but it has wandered far afield, and while I think it is only just and right that the minister should be granted the privilege, by unanimous consent, of replying to the charges which the hon. member has made, I would ask hon. members thereafter to keep more strictly to the rule. The clerk assistant has drawn my attention to that fact that if only one resolution is passed at each sitting of the House, it will be a long time before the end desired by the member for Huntingdon (Mr. Robb) and other hon. members will be attained.

Mr. BALLANTYNE: The public works on the Saint Charles river and the railway shops at St. Malo have been brought into the discussion. I shall not make any reference to public works, because they come under the jurisdiction of my colleague, the Minister of Public Works (Hon. Mr. Carvell); and the St. Malo workshops come under the Minister of Railways (Hon. J. D. Reid). But as to the port of Quebec, during the last few years millions of dollars have been spent at that port. The hon. member knows that a modern two-million bushel elevator has been erected there within the last three years; that modern steel freight sheds have been built; that grain conveyers have been constructed; that railway tracks have been laid down. While I do not feel called upon to defend the late Government, it is only fair to point out that they spent millions of dollars at the port of Quebec, chiefly in connection with the items I have mentioned.

Mr. LAVIGUEUR: I admit that a two-million bushel elevator was built at Quebec, and it is a very good one; but it is not capable of taking care of one-fifth of the grain traffic of the West. If we had the equipment that was promised to us in 1910, we would be able to take care of some of the grain that is now diverted to the United States, and the grain growers of the West would be able to take advantage of the haul which is shorter by 214 miles than the haul to United States ports, as well as of a considerable reduction in freight rates. Mr. Chairman, we have the finest port in the world—

The CHAIRMAN: Order. I gave a ruling a moment ago concerning this discussion;

Mr. LAVIGUEUR: I bow to your decision.

The CHAIRMAN: If the hon. gentleman bows to my ruling, he should take his seat.

Mr. BUREAU: I do not want to take exception to your ruling, Mr. Chairman, but I wish to point out that in discussing the port of Vancouver it may become necessary to discuss it in relation to the whole system of harbours and ports in Canada. I submit that if we are to be barred from making a comparison of this port with the larger ports and of suggesting that the best interests of the country would be served by applying some of this proposed expenditure to other ports, then we might as well not have any discussion in this committee. A good way of reasoning is by comparison, and if we cannot compare the ports of Montreal or Quebec with the port of Vancouver in connection with this proposed expenditure, we might just as well stop discussing the matter.

The CHAIRMAN: Order. Rule 13 says very clearly that all speeches in Committee of the Whole must be strictly relevant to the item or clause under consideration. The Chairman did not take objection to the institution of any comparison between the port of Vancouver and any other port in Canada, but the Chairman did take serious objection to a debate upon free trade and protection and also to a discussion of the way in which the city of Quebec had been treated in connection with the Transcontinental railway and everything else in connection with that city. He again declares that discussion to be out of order.

Mr. BUREAU: That being understood, we will confine the discussion to the harbours. I am in favour of this item, and I do not think there is in this House a man

that is more in favour of developing harbours and harbour navigation and foreign shipping than I am; but there is one harbour on the St. Lawrence which I think is the best in Canada with the exception of Vancouver which I do not know anything about, and the harbour I refer to seems to have been forgotten. I would ask the minister if this policy, which is to be extended to Vancouver, is to cover one of the best harbours in Canada, at least the best of all on the St. Lawrence, and if improvements are to be made to the harbour of Three Rivers. I will not discuss the merits of the harbour of Three Rivers, because I know the Minister of Marine has developed the harbour of Montreal and has made it one of the best harbours, if not the best harbour in the world, but at the harbour at Montreal there are difficulties which are not to be found at the harbour of Three Rivers, and the same difficulties are to be found at Quebec. There are no tides at Three Rivers, and it is not necessary to keep men at the hawsers when the tide flows out or in to lengthen or shorten them, and there is no necessity for tugs. As this is practically laying down a policy on the part of the Government, if the harbour commissioners are to be on the same footing as at Montreal, and if the Government is going to render assistance by lending money for improvements on various harbours, I submit the best harbour on the St. Lawrence is Three Rivers, and I desire to ask the minister if this policy, which seems to be that of the Government, is to be extended to that particular harbour, and, if so, within what time we may expect to see the result of this new policy.

The CHAIRMAN: Shall the resolution carry?

Mr. BUREAU: May I get an answer from the minister before it carries?

Mr. BALLANTYNE: I could not, of course, attempt to describe the natural advantages of the port of Three Rivers as well as my hon. friend (Mr. Bureau), and I agree with him as regards many things he says in favour of that port. They have a magnificent quay there now by the name of Bureau. I do not know if we can do anything more. The port is under a commission also, and if ocean tonnage increases so far as the port of Three Rivers is concerned, and the facilities are found to be inadequate, I am sure the hon. member, with his usual forceful ability, will bring it to the attention not only of the Minister of Marine, whoever he may be at that time, but of Parliament.

Resolution read the second time and concurred in.

Mr. BALLANTYNE: I move for leave to introduce a Bill based on this resolution.

Mr. SPEAKER: Has the hon. member a copy of the Bill?

Mr. BALLANTYNE: I regret I have not the printed Bill before me. It is on the way over from the Printing Bureau now, but it will be identical with the resolution, and I would beg leave to introduce the Bill at this time.

Mr. SPEAKER: This procedure would, as I understand it, be quite without precedent and entirely irregular. I do not see how we can introduce the Bill without having a copy of it.

Mr. BUREAU: We are in a time of irregularity and we can all consent.

Mr. BALLANTYNE: I was not in my place in this House when it adjourned last night, and I was not aware that the Prime Minister had moved that this resolution be considered in Committee of the Whole to-day. Not having noticed that, I thought, when I came into the House this morning that all I was called upon to do was to make that motion; but the Prime Minister having very kindly performed that duty for me last night, and the resolution going into Committee of the Whole to-day, the matter has proceeded a little more rapidly than I looked for. While I have not the Bill, I can assure the House that the Bill will be here almost any minute.

Mr. McKENZIE: We can revert to the Bill when it is in the hands of the minister later on in the day.

Motion stands.

CANADA SHIPPING ACT AMENDMENT.

On motion of Hon. Mr. Ballantyne (Minister of Marine), the House went into Committee to consider the following proposed resolution—Mr. Boivin in the Chair:

Resolved, That it is expedient to amend the Canada Shipping Act, and to provide:—

1. That a transfer or a mortgage or a transfer of a mortgage of a British ship registered in Canada to a person not qualified to own a British ship, or to a foreign controlled company, shall not have any effect unless the same is approved by the Minister of Marine and Fisheries on behalf of His Majesty.

2. That any person who makes or purports to make such a transfer, mortgage or transfer of mortgage without this approval shall, in

respect of each offence, incur a penalty of a fine not exceeding five thousand dollars or imprisonment for any term not exceeding five years, or both fine and imprisonment, and such penalty may be imposed either upon summary conviction or upon indictment.

3. That the expression "foreign controlled company" shall mean any corporation,—

(a) where the majority of the directors, or persons occupying the position of directors by whatever name called, are not British subjects; or

(b) where the majority of the voting power is in the hands of persons who are not British subjects, or who exercise their voting powers directly or indirectly on behalf of persons who are not British subjects; or

(c) where the control is by any other means whatever in the hands of persons who are not British subjects; or

(d) where the executive is a foreign controlled company, or where the majority of the executive are appointed by a foreign controlled company.

A corporation shall not be deemed to be a British subject for the purposes of this resolution unless it is established in and subject to the laws of some part of His Majesty's dominions or of some British Protectorate, and has its principal place of business therein.

4. That the minister may require any person who is the owner or mortgagee of a British ship registered in Canada, or who applies to be registered as the owner or mortgagee of a British ship registered in Canada, to furnish to him such particulars as appear necessary to him for the purpose of ascertaining whether or not that person is, or is a trustee for, or otherwise represents, a foreign controlled company, and, in the case of a corporation, may also require the secretary, or any other officer of the corporation performing the duties of secretary, to furnish those particulars.

5. That if any person fails to supply such particulars as it is in his power to give when required, or furnishes particulars which are false in any material particular, he shall be guilty of an offence and shall incur a penalty of a fine not exceeding five thousand dollars or imprisonment for any term not exceeding five years, or both fine and imprisonment, and such penalty may be imposed either upon summary conviction or upon indictment.

6. That where, after the passing of the Act based upon these resolutions, any person who is the owner or mortgagee of a British ship registered in Canada ceases to be a British subject or becomes a foreign controlled company, that ship, or, in the case of a mortgagee of a ship, the interest of the mortgagee shall be subject to forfeiture under Part I of the Merchant Shipping Act, 1894.

7. That in these resolutions, unless the context otherwise requires, any reference to a ship shall include a reference to a share in a ship.

8. That the Act embracing this proposed legislation shall continue in operation during the present war and for three years after the conclusion of peace.

Mr. McKENZIE: I have read this resolution somewhat carefully, and it suggests to me that there may be special cases with which the minister intends to deal. I should like the minister to explain to the committee if there are any cases in which ships have found their way into the hands of wrong parties. It is, of course, the common law of this country that foreigners can own almost every kind of property except a ship. If it is found that ships have got into the hands of foreigners, as this would appear to indicate, it might be well to explain. It would be better, perhaps, in cases of that kind to deal specifically with any one specific case that may have gone wrong than to create a general policy. I do not think the old common law should in any way be departed from. It should be made abundantly clear that foreigners are not qualified to own any interest in a British ship.

Mr. BALLANTYNE: The object of this resolution is to enable the Government to control, for a period of three years after the declaration of peace, the transfer of a British ship registered in Canada to a person not qualified to own a British ship or to a foreign controlled company. Such restriction naturally involves the mortgaging of a ship and the transfer of such mortgage. I might also explain that the Imperial Government passed the necessary legislation for this purpose in 1915, the Act being entitled "The British Ships (Transfer Restriction) Act, 1915." The Act is valid for three years after the declaration of peace, but it does not apply to ships registered in Canada. Shortly after war broke out, by order in Council, it was made necessary for those who wanted to have transfer of registry or transfer of mortgage to apply to the Minister of Marine to get such authority. Orders in Council were passed, one on the 9th March, 1915, and another on the 9th October, 1917.

After the signing of peace I have very good authority for doubting whether these Orders in Council will remain valid, and this Bill has been introduced with the object of ensuring the authority we had under the Orders in Council to control the transfer of registry and of mortgage. We have a good deal of ship construction going on at the present time, and I think hon. members will agree that it is in the best interests of the country that we should keep a watchful eye on this tonnage, not only now, but during the reconstruction period of three years, let us say. Great Britain is doing that, and I think we should also. In answer to the question of the leader of the Opposition as to how many transfers or registry or mortgage have taken place, in the year 1917 the number of vessels transferred to foreigners or neutrals allowed to be owned to foreign-controlled companies was 73, and the mortgages allowed to

such interests during the same period amounted to 12; in 1918, 138 vessels and 9 mortgages. The British Act which I have just referred to, and which is known as the Transfer Restriction Act of 1915, will also remain in force for three years after the declaration of peace. There is no intention to embarrass or interfere in any way with shipping, but we think it wise to exercise this control for three years after the war. We must look after our Canadian tonnage, and this is one of the safest ways of doing it.

Mr. J. H. SINCLAIR: I assume that the minister intends to introduce a Bill founded on this resolution.

Mr. BALLANTYNE: I have it here.

Mr. J. H. SINCLAIR: The minister is proposing to change the law on a very important question. Prior to the war a British subject owning a ship in Canada was at liberty to sell it without asking anybody's leave. If he could sell it to advantage to a foreigner he did so, and there is no good reason in time of peace why that should not be the case, but when the war broke out we needed all our tonnage for our own use, and a change was very properly made. I question the wisdom of making the present provisions permanent. I do not know what the minister's idea is, but I would think we ought to go back to peace conditions, when it was open for a man to buy or sell a ship without the minister's approval. Is there any good reason why we should embody these provisions in a statute? If this is intended only as a temporary measure, it is all right. Are we to be in the position permanently that the sale of a ship is to be made only with the consent of the authorities at Ottawa?

Mr. BALLANTYNE: I do not think it wise that foreigners should control any of our shipping, either at this time or for three years after the war. This Bill, if passed, will remain in effect only for that period. Prior to the war it was unnecessary either in Great Britain or here for any one to have the Government's approval for the transfer of registry or mortgage. They merely went to the registrar of the port and got the transfer made, and they can get the transfer now without any undue delay from the Minister of Marine, if he thinks it is in the national interest. We have not in mind the British subject so much as the foreigner. It would certainly be unwise to let any of our shipping pass into foreign hands during the reconstruction period. That is why the provisions are made applicable for three years after the war. When that time is up I presume England will go back to the position she was in before the war, and Canada will do the same. We are simply guarding against foreigners getting possession of Canadian tonnage.

Mr. J. H. SINCLAIR: "Foreigners" is rather a broad term. The United States is our nearest neighbour, and a good many of the ships that are being built in the Maritime Provinces to-day are being built for sale to the United States. That is a profitable business to our people. I presume the minister does not intend to interfere with the building of ships in Canada, even if they are not to be placed on Canadian registry. The minister tells us that the leave of the department is freely given; if so, that is satisfactory, but I would be opposed to restricting the sale of a ship unless it is absolutely necessary. If a Canadian citizen owning a ship can sell it to a foreigner and replace it by a better one, why should he not be allowed to do so?

Mr. McKENZIE: I understood my hon. friend from Antigonish to say that a man could build and sell a ship in Canada before it is put on the Canadian register. That is not my understanding.

Mr. BALLANTYNE: No. Before the war, if a man wanted a Canadian ship put on the United States register, he would apply to the registrar of one of our principal ports and the transfer would be made without any difficulty. Now the approval of the Minister of Marine has to be obtained. We are only too glad to consent to the transfer. I have approved of at least a dozen transfers to the United States and other countries. We want to encourage the development of shipping in every way, but we must see that during the reconstruction period none of our shipping passes out of our hands against the national interest.

Mr. McKENZIE: The hon. member for Antigonish did not get my point. I understood him to say that Americans are giving orders for the building of ships in Nova Scotia, for instance, and when those ships are finished they take them off to the United States as they might take anything else that was built. I understand the law to be that when you build a ship in Canada she must be measured and registered and classed in this country. She has to comply with the law before she can be taken to any other country and sold.

Mr. J. H. SINCLAIR: That is also my understanding. The law is strictly enforced that a ship must be registered before she is sent to the United States, but it is only a formal matter to get the registry transferred from one country to another in peace times. My point was that there should be no interference by the department that would have the effect of discouraging the construction of ships. As the minister says, we want to encourage shipbuilding. It is only a matter of detail placing a ship on Canadian registry and then transferring her to American registry the next day.

Mr. BALLANTYNE: Quite right.

Resolution reported, read the first and second time and concurred in.

Mr. Ballantyne thereupon moved for leave to introduce Bill No. 148, to amend the Canada Shipping Act founded on the resolution.

Motion agreed to and Bill read the first time.

VANCOUVER HARBOUR COMMISSIONERS.

ADVANCE OF $5,000,000 FOR TERMINAL FACILITIES.

Mr. SPEAKER: The hon. Minister of Marine (Hon. C. C. Ballantyne) has handed me a printed copy of Bill No. 149, to provide for a loan not exceeding $5,000,000 to the Vancouver Harbour Commissioners, founded on the previous resolution, and moves that it be now introduced. Is it the pleasure of the House to adopt the motion?

Motion agreed to and Bill read the first time.

At one o'clock the House took recess.

The House resumed at three o'clock.

MONTREAL AND QUEBEC HARBOURS—RATE OF INTEREST ON LOANS.

On the motion of Hon. Mr. Ballantyne, Bill No. 135, respecting the rate of interest to be paid on loans by His Majesty to the Harbour Commissioners of Montreal and Quebec, read the second time and the House went into Committee on the Bill.—Mr. Boivin in the Chair.

On section 1—five per cent interest to be paid on advances made after 1st April, 1919:

Mr. McKENZIE: I notice that the two harbours referred to are those of Montreal and Quebec; is that sufficient for any other place?

Mr. BALLANTYNE: The only harbours that have had any moneys voted to them have been those of Montreal and Quebec and the advances were made to these harbours at the low rate of 3 and 3½ per cent. But now that money is higher it was thought better to raise the rate of interest to 5 per cent. The resolution that passed the committee this morning relating to the Vancouver harbour provides that the rate of interest shall be 5 per cent. These are the only three ports which are under commission at the present time. If any other port comes under a commission the rate of interest to be charged will be 5 per cent.

Mr. McKENZIE: Does this Bill give the minister authority to lend money to other ports are 5 per cent without coming back to Parliament?

Mr. BALLANTYNE: Yes.

Mr. McKENZIE: All I have to say about the rate of interest is that the Government should not be losing money on it. If the money can be obtained at 5 per cent it is fairly good business to lend it at that rate. We are not looking to make any money but I rather suspect that it costs the Government more than 5 per cent to get money to lend. If it costs us more than 5 per cent to get the money it is poor business to be lending it at less than it costs us.

Mr. BALLANTYNE: I think a fair average would be 5 per cent. The Government have paid as high as 5½ per cent for a certain amount but it seems to me that if we charge the harbour commissioners 5 per cent it should be a fair and reasonable average.

Bill reported, read the third time and passed.

FISHERIES ACT, 1914 AMENDMENT.

On the motion of Hon. Mr. Ballantyne the House went into Committee on Bill No. 39, to amend the Fisheries Act, 1914, as amended by the special committee. Mr. Boivin in the Chair.

On section 1—license fee for British Columbia increased from $50:

The CHAIRMAN: The first amendment is, that in line 1 of paragraph 2, the word "such" shall be replaced by the words "a salmon cannery." Then a sub-clause has been added as follows:

The annual price for a salmon curing license shall be $50.

Mr. BALLANTYNE: I might explain that when this Bill was introduced it was referred to the Special Committee on Marine and Fisheries and they have considered it and referred it back with the amendment which has just been read. The object of the Bill is to raise the annual canning license fee in British Columbia from $50 to $500 and also the additional charge according to their fish catch. This Bill as it is now meets with the approval of all the British Columbia members. I discussed it myself with those interested in the cannery business some months ago. My reason for recommending it is twofold; first of all, I consider that the fee of $50 per year is altogether too low in view of the volume of the business that each one of the canneries does. The Royal Commission which was appointed in 1917, and which was composed of Mr. Sanford Evans, Mr. Thompson and Mr. Black, recommended in their report that the cannery fee be raised to $1,000 per year. My department thought it advisable to make the fee $500 and impose the additional fee according to the catch which, we think, will make nearly $1,000 for the 92 canneries in British Columbia. It will also enable my department to increase its revenue which is very sorely needed. In the administration of the service on the Pacific coast, there is a deficit of $135,000 and it is believed that the changes which we are making with regard to the revenue will wipe that deficit out. On the merits of the case I think we are justified in raising the fee.

Mr. J. H. SINCLAIR: The facts before the committee disclosed that the salmon fishery of British Columbia is a monopoly, that the department has restricted the issue of licenses to something like 94 or 95 and that when a license is granted to anybody it is bought up by the monopoly. It is worth a good deal of money. That is not a healthy condition of affairs. I may say to the minister that the same attempt was made in the Maritime Provinces in regard to the canning of lobsters. The packers were endeavouring to control the number of licenses knowing that if they could control the number of licenses they could build up a monopoly. But the Department of Marine and Fisheries at that time refused the request of the packers and threw the business of canning open to any man who could qualify. The buildings and plants are inspected and care is taken to see that the goods are well packed.

Every man who can put up the money to build a cannery and carry on packing is allowed to do so. If this were the procedure in the province of British Columbia we would not have the condition which exists there to-day where a business which should engage the activities of a great many manufacturers is in the hands of a few people who keep up the prices of canned salmon and control the fishermen. The fishermen out there are said to be, to all intents and purposes, the bond slaves of the packers; they do not own their own boats, or anything else, they simply do what the packers tell them to do, they have no initiative of their own and no ambition —at least that is true in the case of most of them—to make any progress. Has the minister considered the question from this aspect, because he must have all the facts before him. It is not a new question, it has been before the House for a great many years, but despite that fact nothing has been done. I would suppose that at the present time when the price of food is so important it would be a wise policy to throw the whole industry open and allow any one who can qualify for packing salmon to do so.

Mr. BALLANTYNE: When I came into office what is known as attached and unattached licenses were issued and each one of the canneries was allowed so many. It was represented to me that this was not a fair and equitable plan and that fishing licenses should be open. Accordingly I gave notice to the canneries that commencing with the first of January, 1919, the licenses would be open to everybody. Therefore it is not true that the canners control the fishermen to the same extent as when they were able to hold a certain number of licenses. When attached licenses were issued, the canners made their arrangements with the fishermen and supplied them with boats and equipment, but with open licenses the conditions are different. I should explain, however, that the object of restricting the number of canneries is not to create a monopoly, but to conserve the salmon. If a monopoly exists now it certainly existed in past years, and to allow the license fee to remain at $50, if the canneries do enjoy a monopoly—which I am not prepared to admit is the case, but for argument's sake we will admit it—is to allow them a further advantage. But the reason for restricting the number of canneries was in the interest of the conservation of the salmon.

Mr. J. H. SINCLAIR: Would not the preservation of the salmon be better con-

trolled by shortening the fishing season, than by refusing to grant licenses to pack?

Mr. BALLANTYNE: It costs a great deal of money to erect one of these canneries and I think we must pay due regard to the expenditure incurred by the people engaged in the industry. I do not for a moment say that the present policy will be continued permanently, but after going into the matter very carefully with the fishery officials on the coast, as well as the officials here, I do not see that any monopoly exists. I think we have enough canneries for the time being, but nevertheless we are granting other licenses from time to time, and during the last few days I have agreed to two additional. I wish to assure the members of the committee that no monopoly will be allowed to exist on the Pacific coast while I am minister, and I certainly do not consider that such a thing exists at the present time. My object is to make these canneries pay a reasonable license for the privileges that they enjoy. We ought not to grant a license for the paltry sum of $50, which is practically giving it away, when we should receive something like $500 or $1,000 a year.

Mr. CAHILL: I notice there is a charge of four cents for each case of forty-eight one-pound cans of salmon. Is the minister, or his inspectors, convinced that these cans contain one pound of meat?

Mr. BALLANTYNE: That question has been very much debated in the House, not so much with respect to salmon as to lobsters. It is rather a technical point. Where the can contains liquid or pickle as well as meat I would say yes. Where the contents consists of dry meat only, I would answer in the negative.

Mr. CAHILL: Are there inspectors to examine the pack and ascertain what the amount of meat in each can is?

Mr. BALLANTYNE: There are inspectors and the matter is governed by regulation as well. The contents of the can are supposed to weigh sixteen ounces to the pound, but that includes liquid as well as dry meat.

Mr. CAHILL: Is there any regulation governing the dry meat content of the can?

Mr. BALLANTYNE: There is, but I do not have it under my hand at the moment. If necessary I will obtain a copy for the hon. gentleman.

Mr. J. H. SINCLAIR: If the minister doubts the existence of a monopoly on the Pacific coast, I must refer him to the hon. member for Nanaimo (Mr. McIntosh) who made a speech to the Fisheries Committee and produced evidence which satisfied myself and everybody present on that occasion that there is one.

Mr. McKENZIE: I deem it my duty to bring to the notice of the minister some protests which I have received from four or five of the large packers in British Columbia against an increase in the license fee. The minister did not say so, but it might be inferred that the canners were behind the increase and that it was done for the purpose of creating a monopoly. Whether or not there is a monopoly, I cannot say, but at any rate I have received these protests against the increase in the fee so that the parties concerned in them are evidently not favourable to the advance. I am not quite clear that it was ever the intention of Parliament to tax any industry for its own promotion. I think that is protection and I must gain the good will of my friend from Red Deer (Mr. Michael Clark) by opposing it. I want the fisheries—as well as anything else in regard to which we can take action—made free, and I do not think it is good policy to tax any industry for its own individual support, although I would favour the appointment of any necessary official for the proper supervision of the packing done in these factories and tax the industry for the purpose of meeting the expense. Of course, we are now imposing taxation for war purposes in many directions and we have to do a great many things contrary to our ordinary policy by reason of it, but the taxation in this case is not attributable to the war; it appears to be a policy for the purpose of getting revenue, and I do not think there is any justification for such a proposition. As regards the lobster canneries in the Maritime Provinces, the object in imposing the license fee is not to secure revenue. The purpose was to give the Government some control over those establishments, in order to see that they were properly equipped and maintained and that it would not be open to any one to start packing lobsters in a haphazard way that might result in giving a bad name to the industry.

The idea was not to raise revenue, but to exercise proper control over the industry. I do not think there should be one rule in connection with lobster packing and another in connection with salmon packing; there should be no exactions except such

as I have mentioned. It is a mistake for the minister to try and get a revenue in this way.

Mr. BALLANTYNE: This request certainly did not come from the canners. When I read the recommendation of the Royal Commission that the fee be increased to $1,000 a year, and when I looked into the matter myself—saw their balance sheets and found out what was the volume of the business and what the profits were—I thought at once that the fee was far too low. When the canners were here some months ago I told them that I proposed to increase the license fee, and that I did not want to do it without first consulting them. They were not particularly pleased, but they unanimously agreed to it. I understand that since then some of these canners have wired their objections to the leader of the Opposition. I do not blame them as business men for trying to get a license at the lowest possible rate; but it is my responsibility as minister to see that, having regard to the volume of their business and the privileges which they enjoy under their licenses, they pay a reasonable fee. From my knowledge of business charges, I do not consider that $500 a year, with the additional tax on the fish catch, is at all out of the way. Our fisheries inspectors in British Columbia inspect the canneries and the processes of packing, and see a proper weight is put into the cans; the inspection is of a most thorough and efficient nature. I should be derelict in my duty if I allowed the gentlemen who own canneries to have licenses at $50 a year, and I strongly recommend the approval of the fee of $500.

Mr. DUFF: What license fees do the canners of lobsters pay?

Mr. BALLANTYNE: A Bill respecting the lobster industry will be before the House for second reading in a few days, when it is reported from the Select Standing Committee on Marine and Fisheries, and I shall be glad to discuss that matter then. If we are to get through with the business which we have to do and prorogue in the near future, I think we had better stick to what is now before the Committee.

Mr. DUFF: I think that the question is perfectly in order. I want to make a comparison between the fees paid by lobster packers and those which are paid by the salmon packers. It is not fair that the minister should answer me in that manner.

Mr. McKENZIE: The member for Lunenburg (Mr. Duff) is perfectly in order. The hon. member wants to know how the fees which we are fixing in respect of the salmon fishing industry compare with those applicable to another industry very closely allied to salmon packing.

Mr. BALLANTYNE: I do not desire to withhold any information from the hon. member; I simply wished to save time, and if the Chairman rules that the question is in order, I shall cheerfully give the hon. member the information that he wants. For lobster packing the charge for license is $5 for the first hundred cases and $2 for each hundred cases thereafter. The provision reads:

> The annual fee for any such license shall be at the rate of $5 for the first 4,800 pounds of canned or cured lobsters or fraction thereof canned or cured under such license and $2 for each additional 4,800 pounds or fraction thereof canned or cured under such license.

Of course, lobster packing is quite different from salmon packing; the volume of business is much greater in one case than it is in the other.

Mr. DUFF: Subsection 2 of this clause provides that in addition to the $500 license fee, the packers shall be required to pay a fee of three cents for each case of 48 cans; consequently the license fee in the case of salmon packing would appear to be very much greater than that which is paid by the canners of lobsters. It seems to me that this license fee of $500 will prevent the man of small means from going into the canning business; it certainly is putting the business of canning salmon in British Columbia into the hands of the big interests. In the interests of common people the license fee should be much smaller so that any one may can salmon who is able to raise enough money to start a factory.

Mr. J. H. SINCLAIR: We were told in the committee that about ninety four licenses had been issued to canners in British Columbia, and that no new ones were being granted. By what authority is the department refusing to grant additional licenses to persons who wish to can salmon in British Columbia?

Mr. BALLANTYNE: The department is not refusing to grant licenses; as I said a moment ago, I granted two additional cannery licenses within the last few days. Discretionary powers are vested in the minister as to the number of canneries there shall be in British Columbia; but no minister would act without consulting his officers in that province and taking into consideration the situation as a whole.

Mr. McKENZIE: The minister says that after looking over the business of these companies, examining their balance sheets and observing the profits that they make, he has come to the conclusion that he should get more money from them for the general purposes of the country. The price of salmon is soaring, as is the price of practically all other foods, and here was an opportunity for the department to say: You are charging extraordinary prices; you have practically a monopoly of this business; you are not charged high license fees, and you should not sell this excellent food product at such a high price. If, therefore, he had asked the canners to reduce their prices, that course would have been more acceptable to the people than the taking of surplus profits by way of fees.

Mr. J. H. SINCLAIR: Is there any restriction against the importation of canned salmon into Canada?

Mr. BALLANTYNE: I do not know of any, outside the customs tariff.

Mr. J. H. SINCLAIR: I have seen the statement in the press that the canners have large quantities of canned salmon in stock and that they have requested that steps be taken to prevent the importation into Canada of salmon until they have disposed of the stock which they have on hand. I am anxious to know if any steps have been taken in that direction.

Mr. BALLANTYNE: No steps have been taken in that direction, nor will any be taken. It is well known that the canners have a large stock, but certainly neither the Government nor the Department of Marine are going to take any such steps as those suggested by the hon. member. As regards the price, inasmuch as the United States produce 82 per cent of the canned salmon and Canada a very small fraction as compared with our neighbour to the south, the canners have to arrange their prices in competition with the United States. Salmon, of course, advanced in price during the war as there was a big demand and a large amount was shipped overseas for our soldiers, but now the war is over, the canners find themselves with very large stocks, and as a natural consequence the price will have to drop.

Mr. McKENZIE: Is this amendment I find added to the Bill a new section? It reads:

The annual fee for a salmon curing license shall be $50.

I do not quite understand the difference between the two kinds of licenses. One is for $500 and the other for $50.

Mr. BALLANTYNE: The $500 license is for a salmon cannery, and the $50 is for what is called a salmon curing establishment of which there are only two in British Columbia. They catch the spring salmon and cure them; they do not can salmon. One is curing; the other is canning.

Section agreed to.

Bill reported, read the third time and passed.

On motion of Hon. Mr. Ballantyne, the House proceeded to Public Bills and Orders.

ACT RESPECTING DIVORCE.

SECOND READING OF DIVORCE BILL MOVED BY MR. NICKLE.

Mr. WILLIAM FOLGER NICKLE (Kingston), moved the second reading of Bill No. 77, respecting divorce.

He said: On the 20th February, of this year, I gave notice of the following motion:

That, in the opinion of this House, the procedure under which divorces are granted by Parliament and the consequent unreasonable expense thereof are so unsatisfactory besides being prohibitive to the great majority of the people of Canada that a committee of members should be appointed to enquire into the existing procedure and to report, as promptly as possible, what more satisfactory procedure should be provided.

At the time I gave notice of that motion, it was my intention to introduce the subject to the House in an academic way and not by way of a Bill. As, however, time progressed and the notice of motion was not called, I received from various parts of the country such assurances that public opinion was ripe for the discussion and probable passing in this House of a Bill respecting divorce, that I decided to proceed by way of a Bill rather than by way of a motion. I might say that among the recommendations to which my attention was directed, was this recommendation from the Women's Advisory Committee of the Committee on Repatriation:

That the present system of granting divorce in Canada be abolished and that a National Mobile Divorce Court be established, which, at the request of, and by arrangement with the individual provinces, would sit in the provinces and adjudicate claims for divorce. The Women's Advisory Committee consider that legislation on Divorce should be national in scope and character, but that the privilege and right of availing themselves of such legislation and such a national court should be reserved to the discretion of the individual provinces and should not be imposed on any of them.

The Women's Advisory Committee fear that social conditions resulting from the war may give rise to many claims for divorce and to presentation of insufficient grounds for same, and they apprehend that if the question of divorce be left for settlement to the provinces, it may lead—not only to varied legislation but also to lack of a uniform standard in the application and interpretation of the divorce laws. If this were the case, the present high standards of family life in Canada would be jeopardized.

A Mobile Court, national in character, interpreting a National Divorce Act and administering the laws connected therewith, would be not only a national safeguard of the bulwark of the nation—its homes—but, by reason of its mobile character, would also save expense to individuals and to the provinces, being accessible to applicants on request of the province at periods of the year to be fixed by mutual arrangement by the National and Provincial Governments.

The Women's Advisory Committee again emphasize the need of making arrangements in legitimate cases of divorce whereby the man or woman of average means be not prohibited from obtaining same because of the excessive cost of legal and court fees.

I also received numerous resolutions passed by representative Army and Navy Great War Veterans and Grand Army of Canada organizations with reference to the domestic condition in which many of their members found themselves, requesting that some steps be taken to establish a national divorce court or a national divorce law. It would unduly take up the time of the House if I were to read many of the letters I received in regard to individual cases, but there is one so pathetic in form and so generic in spirit I received from a returned soldier, that I think I would not be unduly taking up the time if I read it to the House. The letter is addressed to myself, and reads as follows:

Dear Sir,—In reading several papers I see where you are trying to revise our present divorce laws. I am one of the unfortunate chaps who would benefit by your good work.

I am a returned soldier and was three years away from Canada and spent considerable time in the trenches. I am writing this letter to ask you to do all in your power for to help the returned lads. A large majority of them have been unfairly treated by unfaithful wives while overseas. In fact there is a score of cases here alone, and other cities are just as bad.

Just imagine the feelings of a chap who, on coming back to Canada, finding his home gone, everything he ever possessed gone. I was comfortable when I went overseas. It was humble, but was home to me. I came home in December last and everything was gone, my child deserted. I had no place in the large country and the money I made over to my wife was keeping a worthless drunk instead of clothing my child.

Now my allowances were $13 a month (thirteen dollars a month) while in the army and I had to buy a little to eat while overseas as the army food was far from enough to ease our hunger. So where can I, out of that sum, pay $1,500 to be separated from one who has wronged me. We fought for liberty and justice and I fail to see where we unfortunate chaps are getting it.

I tried to get my wife to come and help me to get a home together again, and as soon as I got her settled and gave her some money she tried to kidnap the child which the authorities took from her owing to her immorality and went to live with this chap again and I believe, married him. She has no reasons for doing this as she told the judge I was a good man to her and had nothing against me. So you can plainly see it was done wilfully. I have a little girl six years old that was neglected shamefully in my absence.

Sir, I appeal to you to help us. I think it is right in the sight of God for you to take this step as his punishment for adultery is death.

Hoping this letter will help you in your good cause and hope you have success.

This is typical of many communications that I received, and moved somewhat by the communications and resolutions that reached me I decided I would attempt to secure the passage by this House of a divorce law.

I quite appreciate that in some of the provinces of the Dominion divorce has not at the present time any legal status, and to that particular aspect of the case I propose in a few moments to direct the attention of the House. To understand the position of divorce in Canada it is necessary that one should trace, possibly briefly, divorce practice and legislation insofar as it pertains to Great Britain and to Canada. The argument must necessarily be legal, and at certain times what I have to say and may say may touch men in their religious and conscientious beliefs, but I shall try as far as in me lies to avoid saying anything that would be insulting to the conscience or belief of any man who may differ from me on this essential question, and I would urge on those who have conscientious beliefs in reference to divorce, who believe that marriage is a sacrament and that it should not be dissolved, that they endeavour to see conditions as they are in Canada to-day, and to treat us who differ from them with the same consideration that I shall endeavour to show them this afternoon.

As I said, divorce may be divided into two classes. First, there is a partial divorce, which is technically known to lawyers as a divorce a mensa et thoro, that is, a divorce from bed and board, a separation, but not a dissolution of the marriage. Such a divorce when obtained does not give either of the parties the right to marry again, nor does it bastardize the children subsequently born. It may be granted at the suit of either husband or wife on misconduct being shown by either, provided

either is of the opinion that the misconduct of the other has made it impossible for them to live together as man and wife.

Then there is the complete divorce technically known to us lawyers as a divorce a vinculo matrimonii, that is, a severance of the marriage tie. This divorce differs from the divorce a mensa et thoro, or the judicial separation, in that the parties to such a divorce, if obtained, have the right to re-marry, and any children born to the woman thereafter will be illegitimate children provided she has not married again. Divorce a vinculo matrimonii, or complete divorce, divides itself in the law into two classes: First, there is annulment, which strictly speaking is probably not a divorce at all, because it is a judicial declaration by the court that there never has been a legal marriage and if there never has been a legal marriage there could not be a severance of the marriage tie. Leaving aside for a moment that technical distinction, the court does regard annulment of the marriage, and it has been regarded, as a divorce, and the effect of such a decree is that children born of that marriage are regarded after the judicial decree has been obtained as having been illegitimately born. Divorce, as we ordinarily understand the term, is really a rescission of the marriage contract. It is a dissolving of the tie that binds the man to the woman or the woman to the man, and is granted in consequence of some supervenient conjugal transgression which, having risen subsequent to the marriage, makes it impossible for either party to live with the other. It is here that I find it necessary to touch for a moment on the religious aspect of the case. Prior to the Reformation the causes for the annulment of marriage, as recognized by the Roman Catholic church, were greater in number by far than were recognized by the law of England since the time of Henry VIII. Mr. W. B. Northrup, once a member of this House, and now the Clerk of the House, in 1914 gave a very exhaustive and all-embracing address in this House in reference to the legal status of divorce in the British dominions, and I quote from his speech when I direct the attention of the House to the evidence of Monsignor Moyes given before a commission of 1852 of the English House appointed to look into this question. In his evidence he said:

> The impedients which are held by the Catholic Church to be diriment or nullifying are the following:
>
> 1. Error, as to person.
> 2. Condition (if A marries B, a slave, believing B to be free).
> 3. Solemn vow of chastity on entering religious order, made before consummation of marriage.
> 4. Consanguinity to third degree.
> 5. Crime (if A during a former marriage with B has committed adultery with C, with promise of marriage after death of B, and if A or C has attempted the life of B, the marriage of A and C is null).
> 6. Disparity of worship, viz., marriage of a Christian with a non-Christian.
> 7. Duress or violence affecting liberty of consort.
> 8. Holy order to which is attached obligation of chastity.
> 9. The bond of preceding marriage (if either party have a husband or wife still alive).
> 10. Public decorum (if one of the parties is solemnly or publicity bethrothed to another person).
> 11. Madness or amentia (viz., imbecility precluding reasonable consent).
> 12. Affinity.
> 13. Clandestinity.
> 14. Impotency.
> 15. Rape.

For any one of those causes the Roman Catholic Ecclesiastical courts prior to the Reformation would have granted an annulment of marriage. They would have preserved their position, as a church, that marriage was indissoluble, but they would have said that such causes as those to which I have directed the attention of the House would have been a reason, not for the dissolution of the marriage, but for the declaration that the marriage never had existed. They would have declared an annulment and the parties would have been free to marry again. However, the Reformation came in England, and Henry the VIII by 38 Henry VIII, Chap. 38, restricted the grounds on which marriage might be dissolved by annulment, and since the passing of that statute the only reasons that will permit, according to English law, a marriage to be annulled are: relationship within the forbidden degrees, a previous marriage, corporal imbecility, or mental incapacity.

Now what was the effect of that? It was this: Prior to the Reformation those who desired a divorce could obtain it, often easily, by annulment, or much more easily than they could after the passing of the statute to which I have just referred, and the Roman Catholic Ecclesiastical courts would recognize it. But after the Reformation, when the grounds of annulment had been tremendously curtailed, those who found themselves joined together in an unfortunate matrimonial alliance, found themselves unable to free themselves, so to speak, from the entanglement, and men did as they

have always done when oppressed by a harsh law, they endeavoured to find some way by which they could get around the law, and I want to trace very briefly for the information of the House just what took place in England.

As I said in my opening remarks, by the tenets of the Roman Catholic Church marriage is a sacrament, and as such is indissoluble. As I have pointed out, the Reformation brought a change in the British point of view, and after the Reformation marriage was no longer regarded by the English Church as a sacrament, a divine institution alone, but as a civil contract, and there was therefore no reason why the contract, provided there had been a breach of the terms in reference to which the parties had entered into it, should not be terminated or dissolved. How was this to be done? The first great outstanding case is the one commonly known as the Parr case, the case of the Marquis of Northampton, in 1548. That case is referred to at some length in Macqueen's Practice, of the House of Lords, pp. 468 and 469, where Bishop Burnet is quoted as follows:

"11 January, 1548 (1 Edward VI.) The Marquis of Northampton, brother to the Queen Dowager, had married Anne Bouchier, daughter to the Earl of Essex, the last of that name; but she being convicted of adultery, he was divorced from her; which, according to the law of the Ecclesiastical Courts, was only a separation from bed and board.

That was divorce a mensa et thoro to which I directed the attention of the House on rising to my feet.

Upon which divorce it was proposed, in King Henry's time, to consider what might be done in favour of the innocent person when the other was convicted of adultery. So, in the beginning of King Edward's reign on the 7th of May, a commission was granted to the Archbishop of Canterbury,the Bishops of Duresme and Rochester, Dr. Ridley and six more, ten in all, to try whether the Lady Anne was not by the word of Good so lawfully divorced that she was no more his wife, and whether thereupon he might not marry another wife. This being a new case of great importance, Cranmer resolved to examine it with his ordinary diligence; and searched into the opinions of the Fathers and Doctors so copiously that his collection about it grew into a large book (the original whereof I have perused), the greatest part of it being either written or marked and interlined with his own hand. This required a longer time than the Marquis of Northampton would stay; and, therefore, presuming on his great power, without waiting for judgment he solemnly married Elizabeth, daughter to Brooke, Lord Cobham. On the 28th January information was brought to the Council of this. So, he being put to answer for himself said he thought that by the word of God he was discharged of his tie to his former wife; and the making marriage indissoluble was but a part of the Popish law, by which it was reckoned a sacrament; and yet the Popes, knowing that the world would not easily come under such a yoke had, by the help of the Canonists, invented such distinctions that it was no uneasy thing to make a marriage void among them; and that the condition of this (the Reformed) church was very hard if, upon adulteries, the innocent must either live with the guilty or be exposed to temptations to the like sins, if a separation only was allowed, but the bond of the marriage continued undissolved. But since he had proceeded so far before the delegates had given sentence, it was ordered that he and his new wife should be parted; and that she should be put into his sister the Queen Dowager's keeping till the matter was tried, whether it were according to the will of God or not, and that then further orders should be given in it. Upon this the delegates made haste; and the whole question was divided into eight queries, which were put to some learned men (who these were does not appear), and they returned their answer in favour of the second marriage, and, by consequence, confirming the Marquis of Northampton's marriage to his second wife; who, upon that, was suffered to cohabit with him."

[Mr. Nickle.]

That is the first recognition in an important case of the position of the Reformed Church. Four years later (6 Edward VI) the Marquis secured an Act confirming his second marriage. This was not a divorce bill. It only declared that the adultery of his wife, followed by the ecclesiastical sentence, entitled the Marquis to take a second wife. And let me direct the attention of the House to that point. It was necessary that the ecclesiastical sentence in divorce a mensa et thoro should be obtained before Parliament took action. The ecclesiastical sentence having been obtained, it was held that the Marquis was entitled to take a second wife and the Act was so passed. The principle on which the Act passed assumed the jurisdiction of the Church Courts to dissolve the marriage. The Act did not divorce the parties, but merely declared them to be already, by the ecclesiastical sentence, sufficiently divorced to admit of the Marquis marrying again.

In the following year Mary, as the House knows, a Roman Catholic sovereign, came to the Throne and the Act confirming the marriage of Parr was repealed.

Cranmer's commission, appointed pursuant to statutes of Henry VIII, to order and compile such laws ecclesiastical as should be thought convenient, proceeded with its inquiry. It was composed of 16 ecclesiastics, and advised that in cases of adultery (sec. 1); malicious desertion (sec. 8); long absence (sec. 9); deadly hostility (sec. 10); prolonged ill-treatment (sec. 11); the marriage should be dissolved, with liberty to the injured party to marry again. If both parties were guilty of adultery, no divorce (sec. 17). Husband not entitled to

divorce if he incited his wife to adultery (sec. 16).

It was also recommended that the remedy of divorce a mensa et thoro should be entirely abrogated and done away with. This report was completed in the reign of Edward VI. Owing to his premature death the whole scheme fell to the ground, and was never crytallized into legislation. The result was that in England under the Reformed Church from 1550 to 1601 marriage was held to be capable of being dissolved.

In 1597, the ecclesiastical authorities (105th Canon) pronounced the following doctrine:

> Forasmuch as matrimonial causes have been always reputed among the weightiest, and therefore require the greatest caution when they come to be handled and debated in judgment, especially in cases wherein matrimony is required to be dissolved or annulled; we strictly charge and enjoin that in all proceedings in divorce and nullities of marriage, good circumspection and advice be used, and that truth may as far as possible be sifted out by the depositions of witnesses and other lawful proof, and that credit be not given to the sole confessions of the parties themselves, howsoever taken upon oath, either within or without the court.
>
> In all sentences pronounced only for divorce and separation a thoro et mensa, there shall be a caution and restraint necessary in the said sentence that the parties so separated shall live chastely, and neither shall they, during each other's life, contract matrimony with any other person.

The reason I direct attention to that canon is this: That canon apparently laid down the doctrine, as I have read it, that the Church would require that a divorce having been obtained from an ecclesiastical court, during the life of each neither party should marry. That cannon proceeded:

> And for the better observance of this last clause the said sentence of divorce shall not be pronounced until the party or parties requiring the same shall have given good and sufficient caution and security unto the court that they will not in any way break or transgress the said restraint or prohibition.

Clearly, therefore, by implication, the bond being required that no remarriage would take place, it necessarily follows that the ecclesiastical courts regarded the ecclesiastical divorce as of such a character that the parties could legally remarry, but the pecuniary penalty was imposed to prevent marriage in so far as the penalty would prevent it. If any gentleman in the House cares to follow this matter more fully than I have time this afternoon to deal with it, I would suggest that he read Bishop Cozer's argument, which is reported in State Trials, page 1331.

Up to this time—summarizing my remarks—the ecclesiastical courts of the Reformed Church recognized the marriage tie as being capable of dissolution. The Roman Catholic Church regarded marriage as a sacrament and therefore refused to recognize divorce. From 1500 to 1601 the Reformed Church held that marriage could be dissolved, but in that year a new doctrine was introduced into the church courts. Foljambe's case, 44 Elizabeth, 1601, came for decision before John Whitgift, Archbishop of Canterbury who, on the advice of the most eminent divines and civilians of the period declared that a second marriage, the first wife living and divorced for adultery, was invalid, and re-asserted the doctrine of matrimonial indissolubility. And the law in England until 1857 (and in Canada excepting in those provinces in which there are divorce courts) was, therefore, that marriage was indissoluble.

In 1604, the Statute of Bigamy was passed by Parliament, making that offence a felony. In this way, jurisdiction for the offence was taken from the ecclesiastical to the civil courts. There was an express provision in the Act that it should not extend to any person divorced by a sentence of the ecclesiastical court.

[Now the very fact that that exception was incorporated into the statute affecting bigamy makes it reasonably clear that the civil law of England regarded parties divorced by ecclesiastical courts as having had the matrimonial tie dissolved and that they were in a position to marry again.

If that had not been so the exception in the statute of bigamy would not have been passed.]

The historical review makes it clear that husbands were trying to find a tribunal that would, in consequence of adultery, free them and permit a second marriage, the first wife living. One of the chief grounds of the desire for a remedy was to prevent the fathering of illegitimate children on the husband as followed from a divorce a mensa et thoro. The next effort to get relief from the ecclesiastical courts was the Lukenor case. In this case an Act was obtained to bastardize the issue born while the wife, against whom sentence of divorce had been obtained, continued to live in open adultery, but it did not dissolve the marriage bond or allow the innocent party to marry again. The Act simply laid down the principle that the ecclesiastical courts having pronounced a decree of divorce a mensa et thoro, and the wife continuing to live in adultery, and there being a possibilty of subsequent issue, Parliament was of the

opinion that the husband should have removed from him the responsibility of having to father the children born under such circumstances.

The next case is the Lord Roos case in 1666, in the reign of Charles the Second. It established the principle that Parliament recognized that the marriage tie could be dissolved. Lord Roos had obtained an ecclesiastical divorce for adultery. The previous Act of 1666 which he had obtained had declared any subsequent children to be illegitimate. He stated that there was no possibility of posterity on his part to support the family in the male line unless he was entitled to be put in such a position that he could again be married and that the children of the subsequent marriage would be legitimate.

In 1669 there was a declaration by the English Parliament to the effect that Lord Roos might marry during the lifetime of his former ecclesiastically divorced wife and that subsequently born children would be legitimate. This was practically a statement that according to the parliamentary belief of that day the marriage tie could be dissolved. The argument of that time and the position taken by Parliament is very amply stated in MacQueen's Parliamentary Practice, and it bears so cogently on conditions of to-day that I think I would not be unduly taking up the time of the House if I should read what is there said, because I realize that the question that is before us this afternoon for consideration is one that vitally touches the social life of the people, and is one upon which many people feel very strongly, not only for social, but also for conscientious reasons. I am endeavouring to show the House that the procedure in England exactly parallels what has been the procedure in Canada, and, by the analogy of what took place in England, that the establishment of national divorce courts is the solution for the difficulties as we find them in Canada to-day.

In MacQueen's Practice, pp. 472 and 473, it is stated:

"The successful argument of Bishop Cozens in that important case (Lord Roos' Case) gives us a very clear conception of the principles on which the Legislature originally interposed to grant relief in this form. The Bill was vehemently opposed by the Roman Catholic members of both Houses. It was also opposed by persons who, though professing the reformed religion, were yet of opinion, that the allowance of divorce a vinculo—

That is a Bill of absolute divorce.

—would be productive of injurious consequences to the public morals. The advocates of the

[Mr. Nickle.]

measure, on the other hand, while they abjured an unlimited freedom of divorce, at the caprice or volition of the parties, contended that divorce a vinculo might safely be conceded for the Scriptural causes of adultery and malicious desertion; which, according to God's ordinances, dissolved the marriage contract. By the Mosaical institutions, the terms of divorce were "Be thou expelled from me, and free for anybody else." Under the dispensation of the New Testament, a husband whose wife was dismissed for fornication might take another wife. The words of our Saviour on this head, as recorded in the fifth and nineteenth chapters of the Gospel according to St. Matthew, had rendered it a matter of necessary and irresistible implication, that a second marriage, under such circumstances, was valid and unobjectionable. As to the supposed inconveniences that might arise from awarding divorce, the supporters of the Bill maintained, that greater inconveniences would arise from refusing it. They urged, that to declare marriage positively indissoluble, under all circumstances, and in spite of all descriptions and degrees of conjugal transgression, would be not only unscriptural, but highly impolitic; that marriage, a holy estate, intended for the comfort and enjoyment of both the sexes, ought not to be converted into an instrument of punishment; that to withhold divorce from an injured husband was but to tempt him to commit sin, and to give his wife an opportunity of palming a spurious offspring upon her husband. And, finally, they maintained, that if a second marriage were not allowed in cases of adultery, the consequences would be dangerous to society; for the spouses condemned to a hateful and inextricable union, would be apt to resort to practices against each other, worse in their consequences and example to society than any evils that could possibly arise from a moderate and Christian exercise of the remedy of divorce. These arguments prevailed....."

The first example of the actual dissolution of the nuptial tie by Parliament was in the case of the Countess of Macclesfield, 1687-8. Skilful opposition had prevented an ecclesiastical divorce a mensa et thoro being obtained. The circumstances of the domestic life were scandalous and most flagrant as any one may prove who cares to read the case. A judgment had not been obtained for damages against the respondent who had seduced the wife. The facts in reference to the whole case may be obtained by looking at the report of the Matrimonial Commission of 1852, page 261. The proceedings in the House of Lords were so new, and the issue was so unusual that a protest was made by the Duchess, in which she said:

"My Lords, I had rather stand charged for High Treason before your Lordships than with this ignominious crime. In the charge for High Treason, the manner of trial and the ways of proceeding are known, and so is the punishment. But your Lordships are now creating new ways of proceedings, and a new law to punish me, and this for a crime supposed and alleged to be committed seven years past, in another reign, and after public indemnities in many sessions of Parliament."

That was the first case in which Parliament declared a dissolution of the matrimonial tie. The next case was the Duke of Norfolk's case 1699-1700. The ecclesiastical courts had again refused a divorce, but damages had been recovered against the adulterer. I again read from the report of the British Commissioners, page 260, what Bishop Burnet said:

"The matter was one of great importance, and it occasioned great and long debates in this and the former session of Parliament. It related to the Duke of Norfolk, who had found his wife guilty of adultery, and did move for an Act of Parliament dissolving his marriage, and allowing him to marry again. In the latter ages of Popery, when marriage was reckoned among the sacraments, an opinion grew to be received that adultery did not break the bond, and that it could only entitle to a separation, but not such a dissolution of the marriage as gave the party that was injured the right to marry again. This became the rule of the Spiritual Courts, though there was no definition made about it before the Council of Trent (1565). At the time of the Reformation, a suit of this nature was prosecuted by the Marquis of Northampton. The marriage was dissolved and he married a second time; but he found it necessary to move for an Act to confirm the subsequent marriage. In the reformation of the ecclesiastical laws that was proposed by Cranmer and others in King Edward's time, a rule was laid down allowing of a second marriage upon divorce for adultery. This matter had lain asleep above a hundred years, till the present Duke of Rutland, then Lord Roos, moved for the like liberty. At that time a sceptical and libertine spirit prevailed; so that some began to treat marriage as a civil contract, on which the Parliament was at full liberty to make what laws they pleased; and most of King Charles's courtiers approved of this, hoping, by this doctrine, that the King might be divorced from the Queen. The greater part of the bishops apprehending the consequences that Lord Roos's Act might have, opposed every step that was made in it; though many of them were persuaded that, in the case of adultery, when it was fully proved, a second marriage might be allowed. In the Duke of Norfolk's case, the Bishops were desired to give their opinions with their reasons; all those who had been made during the present reign were of opinion that a second marriage in that case was lawful, and conformable both to the words of the Gospel and the doctrine of the primitive church, and that the contrary opinion was started in the late and dark ages. But all the bishops that had been made by the two former kings were of another opinion, though some of them could not well tell the reason why they were so."

Now what is the summary. In Lukenor's case, a parliamentary declaration of illegitimacy was desired and obtained.

In Lord Roos's case the object was to continue the succession and probably the peerage in the male line.

In the Macclesfield and Norfolk cases redress was asked which the ecclesiastical courts had refused.

In 1701 though, a change took place and it is as a result of that application to Parliament that our parliamentary practice has the existence that it has to-day. In 1701 a man by the name of Ralph Box made application for a divorce from his wife Elizabeth Eyre and to enable him to marry again. No appeal had been made to the ecclesiastical courts. The Bill was passed, adultery of course being proved, and the precedent was established, and from that time on until 1857 the British Parliament constituted itself a court for granting divorce a vinculo matrimonii, that is a complete divorce. The right of Parliament to grant the divorce was recognized, but in the rudest and most inconvenient manner as the procedure was a judicial one by legislative process, which is the procedure we have in the provinces of Ontario and Quebec, and in those cases that are brought to us from the other provinces, in the Parliament of Canada to-day.

From 1700 to 1775 only five divorces were granted by the English Parliament. From 1715 to 1775, sixty divorces were granted, from 1775 to 1800, 74 were granted, and from 1800 to 1852, 110 were granted. The better the right came to be recognized, the greater the number of applications that were made and granted. The British Parliament laid down the principle that they would grant a divorce to a man when he established adultery on the part of his wife, but they took a somewhat different position in reference to an application made by a woman. The first application that was made by a woman to the British Parliament for divorce was made in 1801. To 1857—and the reason I use that date is because it was the date at which divorce courts were established in England—as a result of the report of a commission which was appointed, to which I shall shortly direct attention—only four wives obtained divorce a vinculo. These were only granted where there was aggravation. The wife had to show adultery and also other aggravating circumstances. The unfaithfulness of the husband and the wife are alike criminal from a religious point of view, although there is a great difference socially, as members of the House will readily see, in reference to the amount of injury that might be sustained, when the wife commits adultery as compared with a case in which the man commits adultery. When a woman commits adultery there is the possibility of spurious issue being created, and there is certainly a confusion of progeny, and of the parentage of the children likely to result. When

a man commits adultery that is not so likely. The result was that the British Parliament laid down the doctrine that in reference to an application for divorce on the part of a woman the divorce would only be granted when there were aggravating circumstances. When divorce was asked by the man the divorce would be granted providing the woman had committed adultery. In 1909 a British commission looked into this matter and the result of its consideration is to be found in the Bill which I have introduced into this House in which I put the man and the woman on a parity in reference to the right to obtain divorce. I give them the same right in the courts as this Parliament and the country recognizes—that if adultery is proved and the court is satisfied upon the point, the divorce is to be granted to the woman just as readily as to the man. The British Commission found and said:

"No satisfactory solution of the problem, which is raised as to the personal relations between husband and wife, can be found, except by placing them on an equal footing, and by declaring that, whatever grounds are permitted to a husband for obtaining a divorce from his wife, the same grounds shall be available for a wife in a suit against her husband. It may be safely left to a woman to consider whether she will exercise her rights, and it may reasonably be expected that, as has been proved by actual experience in Scotland, physical, social, pecuniary, and other considerations will have their natural effect, and lead to such rights not being exercised, at any rate in the great majority of cases, without such good and sufficient reason as will meet with the approval of relations and friends of the wife."

If any member of the House cares to follow this matter further, I would direct him to the proceedings of the Divorce Commission of 1912, at page 24, and if they wish to read further in relation to the matter, they might refer to Lord Lyndhurst's appeal to the House of Lords in 1857.

Lord Brougham also, and I shall not take up the time of the House in reading his remarks, dealt with the matter very fully. His observations may be found on pages 446 to 448 of his speeches.

This testimony was given before the commission appointed by the British Government in reference to the law of Scotland by Lord Salveseb (senior judge in the Outer House of the Court of Session, Scotland), in giving his evidence:

"That he regarded the Scottish law, by which, since the Reformation, no difference has existed between the sexes, as better than the English, that there is no demand for a change and that he was expressing the views of the Scottish Bench on the subject. He considered that the Scottish law very much conduced to the morality of husbands and the peace of families."

So far, I have endeavoured to show the House how the parliamentary procedure had grown in England, and I have only to impress upon the members present that the argument seems to lead irresistibly to the conclusion that husband and wife should be treated in the same way in relation to a divorce being granted, providing adultery is proven. I have also endeavoured to show to the House by what manner divorce applications reached the House of Lords in the British Parliament.

Until 1798 there was no well-defined procedure in the British Parliament, but in that year Lord Loughborough established a definite method of procedure. The British Parliament determined that before a divorce would be granted an application first had to be made for divorce a mensa et thoro and all proceedings brought into the House of Lords on oath. They also said that a judgment must be obtained for damages against the adulterer, or evidence must be brought to show that proceedings had actually been prosecuted, or that there was some good reason to the contrary where these proceedings had not been taken. What was the result of this? The result was that tremendous expense was incurred, and it was found that the parliamentary divorce courts were practically closed to those who had not very substantial means. An English divorce at that time would cost about £1,000, and if it was a contested case and many witnesses the expense ran to three or four times that amount. A climax in British national life was reached in 1845. A prosecution was laid by the Crown against a man by the name of Hall, who was charged with bigamy. I referred a few moments ago to the address that the present Clerk of the House delivered in 1914, and I am taking advantage of his work when I quote from something he said as reported at page 822 of the Hansard of that year.

Speaking of the case of Regina vs. Hall, Mr. Northrup read the following sentence pronounced by Mr. Justice Maule:

Prisoner: You have been convicted upon clear evidence; you have intermarried with another woman, your lawful wife being still alive. You have committed the crime of bigamy. You tell me, and indeed the evidence has shown that your first wife left her home and her young children to live in adultery with another man. You say this prosecution is an instrument of extortion on the part of the adulterer. Be it so. I am bound to tell you that these are circumstances which the law does not in your case take notice of. You had no right to take the law into your own hands. Every Englishman is bound to know that when a wrong is done,

the law, or perhaps I should rather say the constitution affords a remedy. Now, listen to me, and I will tell you what you ought to have done. Immediately you heard of your wife's adultery you should have gone to an attorney and directed him to bring an action against the seducer of your wife. You should have prepared your evidence, instructed counsel, and proved the case in court; and recollect that it was imperative that you should recover, I do not mean actually obtain, substantial damages. Having proceeded thus far, you should have employed a proctor and instituted a suit in the ecclesiastical courts for a divorce a mensa et thoro. Your case is a very clear one, and I doubt not you would have obtained your divorce. After this step your course was quite plain; you had only to obtain a private Act of Parliament to dissolve your marriage. This you would get as a matter of course upon payment of the proper fees and proof of the facts; you might then have lawfully married again. I perceive, prisoner, that you appear scarcely to understand what I am saying to you, but let me assure you these steps are constantly taken by persons who are desirous to dissolve an unhappy marriage; it is true, for the wise man has said it, that "A hated woman, when she is married, is a thing that the earth cannot bear," and that "A bad wife is to her husband as rottenness to his bones." You, however, must bear this great evil, or must adopt the remedy prescribed by the constitution of your country. I see that you would tell me that these proceedings would cost you £1,000, and that all your small stock in trade is not worth £100. Perhaps it may be so. The law has nothing to say to that; if you had taken these proceedings you would have been free from your present wife, and the woman whom you have secondly married would have been a respectable matron. As you have not done so, you stand there a convicted culprit, and it is my duty to pass sentence upon you. You will be imprisoned for one day.

The report in the London Times gives this additional sentence:

> And as you have now been in jail since the commencement of the assizes, your term is more than expired; you are free.

That case so shocked the common sense of the British people that they began to look about to see if something could not rectify the condition, with the result that in 1850 a Royal Commission was appointed "to inquire into the present state of the law of divorce and more particularly into the mode of obtaining a divorce a vinculo matrimonii". That commission reported in 1853, the inquiry having been mainly directed to the substitution of a proper legal tribunal for the procedure by private Act. The result was the Act of 1857, under which, by section 27, divorce is permitted on the following grounds:

A. On the petition of the husband, adultery.
B. On the petition of the wife—
1. Incestuous adultery;
2. Bigamy with adultery;
3. Rape;
4. Sodomy;
5. Bestiality;
6. Adultery coupled with such cruelty as without adultery would have entitled her to a divorce a mensa et thoro (the equivalent in the Ecclesiastical Courts of judicial separation);
7. Adultery coupled with desertion, without reasonable excuse, for two years or upwards.

By section 30, the absolute defences are:

1. Denial of facts alleged in the petition.
2. Connivance (such conduct by one party to the marriage as to show that he or she corruptly intended that the other party to the marriage should commit adultery).
3. Condonation (forgiveness of a conjugal offence with full knowledge of all circumstances followed by cohabitation).
4. Collusion (presenting or prosecuting the petition by agreement between the parties to the marriage or their agents).

By section 31 the discretionary defences are:

1. Adultery of the petitioner.
2. Unreasonable delay in presenting or prosecuting the petition.
3. Cruelty to the other party to the marriage.
4. Wilful desertion or separation without reasonable excuse from the other party before the adultery complained of.
5. Wilful neglect or misconduct such as to have conduced to the adultery complained of.

Various subsequent amendments have been made from time to time, but it is not necessary that I should direct the attention of the House to them, because the Divorce Act of 1857 is the Act which is in effect in certain provinces to which I shall shortly refer, having been introduced by the introduction into these provinces of the British law as it stood in 1870.

What was the result of all this? The result of this enactment was that the moral right—not the legal right—to legislative favour as recognized by the granting of the parliamentary divorce was crystallized into a legal right enforceable at law; and that is what I am arguing for in introducing the Bill which this afternoon I ask the House to approve.

It is well known to every member of this House that any person who has the means and cares to present a petition to Parliament, if he is in a position to demonstrate that adultery has been committed, has a moral right to divorce, but in Ontario and Quebec, because we have no divorce courts, there is no legal right to a divorce. In various other provinces, as I shall shortly show, there are divorce courts with varying jurisdiction and a varying practice. I believe that the time has come when in this Canada of ours we should, in connection with this all-important social question, have one Canada-wide, all-embracing law, so that the same practice, and the same right shall be enjoyed by all domiciled Canadians, no matter in what province they happen to live.

Let us see what the Canadian law is—because if members of this House realize the patch-work condition of the Canadian law they will realize that I am not trying to obtain, by the enactment of this divorce law, the adoption of any new principle, so to speak, but that I am trying to turn what I may call patch-work legislation and patch-work rights into some co-ordinate scheme of equality of right for the people.

By section 91, subsection 26 of the British North America Act the jurisdiction in reference to legislation touching marriage and divorce is retained for the Dominion Parliament. The British North America Act, by section 129, also determined that existing laws should remain in force in the province in respect of those subjects that fell under Dominion jurisdiction until they were changed by some legislative authority which was competent to do so.

Now, what is the position in regard to divorce in the various provinces? Prince Edward Island, by a statute of 1836, 5 William IV, chapter 10, has a divorce jurisdiction; the Lieutenant Governor and five members of the Executive Council may grant a divorce. There has been no change since Confederation. Only one divorce, in 1835, was granted by the Lieutenant Governor in Council, other divorces in respect of that province having been obtained from the Dominion Parliament. No case has arisen under the Act since the Island entered the Federal Union. It is apprehended that if a case does arise there may be some difficulty in deciding whether the powers given by the Act are exerciseable by the Governor General and Council under section 12 of the British North America Act, 1867, or by the Lieutenant Governor and Council under section 129 of the same Act. Hon. gentlemen who wish to follow this subject further may do so by reading Gemmill on Divorce, page 37. The grounds for divorce in Prince Edward Island are adultery, impotency, consanguinity.

In Nova Scotia a divorce court exists, under 29 Victoria, 1866, chapter 13. The grounds are adultery, impotence, cruelty, consanguinity.

In Quebec, a divorce court does not exist; Parliamentary procedure is necessary. The same is to be said of Ontario.

Now I come to Manitoba, and it is very interesting to watch the development here, because the Dominion Parliament, probably without knowing it, created divorce courts in Manitoba, Alberta, and Saskatchewan and the North West Territories; and if hon. gentlemen are interested and care to follow me, I shall endeavour to show how that was done.

In Manitoba it has been decided by the case of Walker versus Walker, 1917, 28 Supreme Court Reports, that the Manitoba courts have jurisdiction in divorce, because the Dominion Statute of 1888, chapter 33, section 1, introduced the English law as of the 15th of July, 1870. As the House will remember, a few moments ago I showed that in 1857 a divorce court was established in England, and the Supreme Court of Manitoba held that the divorce law of England, as it existed in 1870 by virtue of the Act of 1857 in Great Britain, introduced into Manitoba the law of England in reference to divorce without introducing the procedure, and the Manitoba court adopted the English law with its restrictions in reference to the rights of women, although the English procedure was not introduced, and the Manitoba courts have developed a procedure, so I understand, of their own.

In Alberta and Saskatchewan the Dominion Statute of 1887 introduced the law of England as it stood on the 15th July, 1870, just the same as the law was introduced into Manitoba, and exactly the same argument applies. There has been a case before the courts recently, the case of Board versus Board, which is reported in the Supreme Court cases of Alberta and is now in appeal before the Privy Council, to determine whether or not the introduction of the law in England as it stood in 1870, that is the Matrimonial Act of 1857 of Great Britain, is the law of Alberta, and it seems to me it is inevitable that the conclusion must be reached that that law was introduced. The Supreme Court of Alberta has held that the law is effective and that Alberta has a jurisdiction of its own. The Manitoba courts held the same thing, and, therefore, in the light of a British Columbia case to which I shall shortly direct the attention of the House, it would appear to a lawyer to be impossible that the same principle shall not be held applicable to Alberta as the Privy Council held to be applicable to British Columbia. What will be the effect? British Columbia will have divorce jurisdiction; Manitoba will have jurisdiction; Saskatchewan will have jurisdiction; Alberta will have jurisdiction; Nova Scotia will have jurisdiction; New Brunswick will have jurisdiction, and Prince Edward Island will have jurisdiction. Ontario and Quebec, the two greatest provinces, will be the only provinces that will not have a judicial jurisdiction and will be the only pro-

vinces from which the residents must come to the parliamentary forum in case a divorce is desired. The British Columbia case is that of Watts versus Watts, which is reported in the English law reports, 1908, Appeal Cases at page 573, in which the House of Lords, the court of final jurisdiction, held that the English law, that is the law of 1857 with the amendments as they stood at the introduction of the law into British Columbia, was introduced into British Columbia, and, therefore, the British Columbia courts have jurisdiction in regard to divorce. New Brunswick has a court for divorce and matrimonial causes similar to that in England. The grounds are, adultery, impotence, consanguinity. It is specially provided, however, that no decree on the ground of adultery shall affect legitimacy of any child subsequently born, that is prior to the divorce court.

What is the history of the Canadian parliamentary divorces? The first case was in 1839. This was an application by J. Stewart to the Parliament of Old Canada, and it is interesting to note that the Governors General of Canada from 1867 to 1878 were expressly instructed by the British Government that they were not to consent in Her Majesty's name to any parliamentary divorces. Confirmation of that statement may be had in Bourinot's prefatory note to Gemmill on divorce.

Let me summarize to the House just for a moment or two what the divorce law and the divorce practice is in this country. In the first place in those provinces in which a divorce court existed prior to Confederation, that is in the Maritime Provinces, jurisdiction is vested in the provincial courts and apparently, generally speaking, husband and wife are on a parity. In Ontario and Quebec there is a moral right to a divorce providing adultery is shown on application to the Parliament of Canada, but there is no legal tribunal to which an applicant domiciled in those provinces can apply. But when you go to Alberta, Saskatchewan, Manitoba and British Columbia, you have the British law by which husband and wife are not on a parity. The husband can obtain a divorce from his wife by simply proving adultery, but if the wife wants a divorce in the legal tribunals in those four provinces, she has to prove not only adultery but aggravating circumstances. If she cannot prove that, she is still entitled to a divorce provided that she has the means, not to seek divorce in the local court, but to come to the Parliament of Canada, because Parliament has been consistent in recognizing for many years the right of husband and wife as being equal where adultery is shown. I do not think this is right when we know of venereal disease and other matters to which it is not necessary for me to direct the attention of the House, the matter having been put clearly by the President of the Council (Mr. Rowell) when he introduced his Bill regarding public health.

I should like to place before the House a record of the number of Canadian divorces and, with the permission of the House, I will put on Hansard the entire record, although I will read for the sake of saving time, only the record from 1914.

Mr. SPEAKER: I may say to the hon. member that it will be absolutely impossible for it to be placed on Hansard unless he reads it.

Mr. NICKLE: Then the House will have to go to sleep, as it is a rather long record, and I will endeavour to wake them up when I am through.

Sir ROBERT BORDEN: It could be done by unanimous consent of the House.

Mr. SPEAKER: Anything may be done by unanimous consent of the House, if the hon. member will ask for it. Is it the pleasure of the House that the hon. gentleman shall have leave to have a certain statement printed in Hansard, it not having been read?

Some hon. MEMBERS: Carried.

Mr. NICKLE: This is the record:

Number of Canadian Divorces.

	Granted by the Dominion Parliament.			Granted by the Courts.				
Year.	Ont.	Que	Alb.	Sask.	Man.	N.S.	N.B.	B.C.
1906..	10	3	1	—	—	5	1	17
1907..	3	1	—	—	1	8	3	9
1908..	8	—	—	—	—	5	5	12
1909..	8	4	1	1	2	8	5	22
1910..	14	2	—	1	3	13	6	12
1911..	13	4	2	—	3	10	6	19
1912..	9	3	2	1	1	4	4	11
1913..	20	4	4	1	6	—	4	20
1914..	18	7	4	2	2	10	12	15
1915..	10	3	3	1	1	13	6	16
1916..	18	1	1	2	2	14	11	18
1917..	10	4	2	1	0	8	6	24
1918..	10	2	2	1	0	—	—	—

In 1919, due to the fact that the men were returning from overseas, 87 applications were made to the Parliament of Canada for divorces, and so far, that is to the 17th day of June, 48 divorces have been recommended to this House, and the western cases, so I am told by an official of the Senate, have not been pressed owing to the fact that the applicants are hoping

that this divorce court for which I am urging may be established.

Judicial divorce exists in practically every country in the world, with the exception of Italy, Spain and Ireland, and the reason divorce courts do not exist there is easily understood. These are, substantially speaking, Roman Catholic countries, and Roman Catholics, as I said at the inception of my remarks, recognize marriage as a sacrament and hold that it cannot be dissolved. It would, therefore, be inconsistent on the part of the people of those countries, staunch as they are to their Church, to establish a divorce court when they are not prepared to recognize that marriage may be dissolved. I may say in passing that Newfoundland has not a divorce court. In some countries, there is equality as between the sexes; in others divorce is granted to the wife only when she can prove adultery combined with aggravation. In practically every country in the world, when there is a divorce procedure of any sort, adultery is recognized as the ground on which divorce may be obtained.

I have endeavoured to place before this House the history of divorce not only in Great Britain but in Canada as well. I have endeavoured to show how subsequent to the Reformation the Protestant population, cribbed, cabined and confined by the ecclesiastical courts, sought relief from unhappy marriages by an appeal to Parliament, and how that appeal was successful, and subsequently became engrafted on our parliamentary system. I have endeavoured to show how the legislative forum was found to be so thoroughly unsatisfactory that scandals resulted and the British Isles found it necessary to constitute a divorce court. It is not difficult for him who runs to read that exactly the same thing that took place in Great Britain has taken, and is taking place in Canada. Parliamentary procedure became necessary in Canada when there was no legal forum to which an appeal could be made, and it is becoming absolutely obvious to him who cares to give the matter consideration that the number of divorce applications that are being made to this Parliament is becoming so great that it is impossible for any member to carry out his parliamentary duties and sit on these cases and give them consideration in a judicial and fair-minded manner. Interested as I was in this subject I endeavoured this year to keep apace with the printed memoranda that came to me from time to time from the Senate, but it was no time at all until I found myself absolutely swamped. It is quite true that I could read in a cursory way what came to me, but I could not value the evidence and weigh the facts as a man should when he sits as a judge on a case, and I submit that every member of this House who gives a vote or silently refrains from voting while a marriage is dissolved in this House takes a responsibility either by his silence or by his vote. So far as I personally am concerned I frankly admit that if parliamentary divorce proceedings are to continue in this House it is going to be quite impossible for me to discharge my duties as I believe they should be discharged. No member can weigh the proceedings of eighty divorce cases, weigh the facts, balance the degrees of probability, and give a decision as a judge, and at the same time attend to his other parliamentary duties.

The interests of the country to-day demand that something be done to facilitate divorce. We must view facts as they are. The conditions in Canada to-day are not a theory; they are facts, they are something every man knows unless, ostrich-like, he hides his head in the sand and is blind to what is taking place. I know, not one, but a dozen, yes fifty cases, and I am satisfied if I made inquiries I could find hundreds of cases, in which men are coming back to Canada and finding, unfortunately, that their wives have not conducted themselves as they should have when the men were away. The Patriotic Fund knows what has been going on in Canada, be it said to our shame, by many of the women since our men went overseas. Only yesterday in this House a representative of one of the western branches of the Great War Veterans' Association handed me a list of members of his association who had returned to Canada to find an illegitimate child in the house from which they had gone, and in one case it was an illegitimate child of a Chinese laundryman in the district in which the woman lived.

What are these men to do? What is society to do? Are we to force these women to live improperly with the men with whom they have taken up and bring into Canada a brood of illegitimate children? Or are you going to try to force the true husbands to go back to the wives who conducted themselves improperly? If you do not force the men to go back to the wives that conducted themselves improperly, and I am satisfied that in a great majority of cases they will not go back, you are going to have more common law marriages in this

country than you have any idea of, because—we may as well look the facts straight in the face—the men who are now returning to Canada are demanding that they be given a forum in which they may be able to secure separation from the women who have not conducted themselves as they should have when the men were overseas. If this demand is not met they will live improperly in many cases with the woman of their choice.

I do not want to put all the blame on the women. There are dozens and dozens of men who went overseas and left Canada married men who are coming back to-day with women with whom they went through a form of marriage in England, and these women coming back with them find that there is a wife in Canada and that they have to live with a man who is not their husband, because they have no other place to go. Conditions in Canada to-day, in my judgment, are so serious that Parliament must do something to relieve the situation. There is no use in shutting our eyes to the facts, because it is facts, and not theories, that we have to face in this country.

There is another class of women. There is the true, loyal, straight woman who stayed here in Canada and never departed a fraction from the true and beaten path, but whose husband is not coming back. He has deserted her and taken up with another woman in England or France and is staying there, and here this woman is in Canada not knowing which way to turn; she does not know what has become of him. Have the deserted wives no rights? It is not as if we had not recognized divorce in this country. It is not as if it were something that had not found its way into our national life and Parliamentary procedure. We have it as a moral right. We have it in various provinces by judicial right. Is any one prepared to say to the residents of the province of Ontario, which sent such a magnificent number of men to the front, that the soldier men and the wives of the soldier men in Ontario shall not be entitled to a divorce simply because they have not got $600 or $700, as the case may be, to come down here and secure a parliamentary divorce. I have read not one, but I think half a dozen—and I do not know how many more there are—of the proceedings of the Senate Committee on Divorce this year, in which the fees were rebated because the soldier or the woman said: "Every dollar that I have got I have had to put into this thing, and if you insist before my case is heard that I must deposit the $210 that is necessary I cannot go on," and the Senate, moved by a sense of compassion and of righteousness, has rebated the fees, or a very substantial part of them, in a number of cases. But the rebate does not cover the entire situation. It has been clearly shown in the proceedings before the Senate this year—and if any gentleman cares to follow this point up he can do so by looking through the divorce cases that have been sent to him—that the parliamentary agent gets $75 for his services, witnesses have to be brought tens, and in some cases hundreds, if not thousands of miles, with all the incidental expenses, and the application for the proceeding has to be advertised in the Canada Gazette and in two or three papers, as the case may be, in the locality. All this mounts up, and the evidence goes to show that the expense of securing a Senate divorce is in the neighbourhood of from $350 to $750, and sometimes more, depending upon the number of witnesses required and the intensity with which the case is fought.

The hon. member for Edmonton (Mr. Griesbach) directs my attention to the fact that this varies very much according to distances, and the further people have to come the greater the expense. This means that there is a territorial disadvantage to those who live far from Ottawa. It means a tremendous territorial disadvantage to every woman in the western provinces who cannot get her divorce in western courts unless she can show adultery with aggravation. She must come to Ottawa. If she has been an adulteress and her husband cares to prosecute a divorce against her he can get a divorce in the western court, she on her part cannot get it, because the English law does not recognize adultery without aggravation as being a ground for divorce. It is an anomaly that we cannot allow to continue in this country. Women's societies from the Atlantic to the Pacific are alive to the fact, and they are petitioning for redress; and I do not think that there is a man in the House with any spirit of chivalry who will not recognize the correctness of their position.

The member for St. Antoine (Sir Herbert Ames) asks me the question: Can provincial laws be amended by the provincial legislatures? No. Marriage and divorce, by the British North America Act, is restricted to the Dominion Parliament. The only parliament that can amend these provincial laws is the Dominion Parliament, and when an effort has been made in times past to amend them it has not been suc-

cessful in this House. If my memory serves me correctly, Sir John Macdonald at one time tried to secure the appointment of a judge to carry on certain divorce work in the province of New Brunswick and the House would not vote for it because certain members, for conscientious reasons, felt they would be indirectly facilitating divorce if they created machinery by which divorces might be obtained. The net result of it was this: Old, inapplicable, inelastic laws must continue to exist unless this Parliament takes action in the matter. Either it will create a nation-wide divorce tribunal with plenary jurisdiction and equality of law, or it will permit to continue to exist the patch work judicial and parliamentary practice that prevails at the present time.

Now, Sir, I am not going to say for a moment that the Senate have not honestly endeavoured to grapple with the situation. Their rules are very clear. They state that provided certain requirements are met the Committee of the Senate are, with all reasonable despatch to hear and inquire into matters set forth in the petition, and shall take evidence upon oath touching the right of the petitioner to the relief prayed for. I admit that the technical procedure in the Senate is good; and while I do not wish to be considered unduly critical, it seems to me, without criticising that august body, that they have been unduly driven with the applications that come before them. I, a member of Parliament, have been driven this year in endeavouring to keep pace with the printed proceedings as they have come before me, and as every hon. gentleman will understand, it takes longer for the Senate to hear evidence than for a member to read it. And they have been so driven that divorces are being granted on evidence on which I would not convict a man, if it were equally strong in relation to the facts, in a case of drunkenness. If my wife wanted to get a divorce from me and I were willing to assist her in obtaining it, I do not know of any country in the world, nor do I know of any procedure, in which it can be more easily obtained than in this Parliament. You ask why? The reason is this. The applicant comes to the Senate and puts before the Senate Committee and generally without any sharp or conclusive cross-examination, the alleged facts as set out. As a rule one question is asked the applicant: Has there been any collusion, connivance, or condonation? I have explained what these terms mean. The applicant says, no. Now let me explain why it is easy for a wife to get a divorce from her husband. If a man wanted to facilitate his wife obtaining a divorce from him he would tell her: You have to tell one lie to the Clerk of the Senate. He will ask you: Has there been any collusion, connivance or condonation, and you will say, no. If you are prepared to tell that one lie I shall proceed to manufacture the evidence of adultery although I shall never commit it. I shall proceed to obtain some young woman, through a detective agency or otherwise, who will be prepared to lend herself, for a consideration, to the fraud. I shall say to the detective agent: At a certain time tonight I am going to be in a certain hotel. I am first going to a theatre, and then I shall take the young lady to some well known and fashionable restaurant and I want you to be there and see me with her and identify me and the lady. I shall then take her to some place of which I shall inform him, where I shall obtain a room. I shall say to him: We shall register at that hotel as Mr. and Mrs. Doe and you will call me up on the telephone and I shall answer. You will ask for Mrs. Doe and I shall have the young lady go to the telephone, and you will swear there was a lady in the room with me when you go before the Senate Committee, and to make the adventure absolutely certain the next morning you will come to the room and rap at the door and I shall arrange that you will see both of us clothed in such costume that the natural inference will be that we had been conducting ourselves not as persons should. You will go before the Senate Committee and swear to that and if necessary I will get confirming evidence by others who are prepared to support me in the fraud. The evidence would be taken with all due dignity and recorded in the proceedings, and our natural conduct would be presumed from the circumstances. In due time there would come into the House a recommendation that the marriage of John Doe and his wife should be dissolved, and that the said John Doe and his wife should be free to marry again. Now, Sir, do we want that kind of thing to go on, or do we want a judicial proceeding established by which there will be a thorough inquiry and examination of all the evidence submitted in divorce cases.

I have told you that I at least am doing my duty as I see it, in coming to Parliament and saying that I for one cannot discharge my duty and sit as a judge on these cases and I am asking this House to place the proceedings before the courts, and that simply means the creation of a court for the pro-

vince of Ontario and a court for Quebec and unifying the procedure throughout the provinces. By the British North America Act if you pass the Bill to which I am asking this House to give support the divorce courts in the various provinces will be abolished and the new court will be established.

I wish to direct the attention of the House to another aspect of this subject, and that is the political and petticoat influence that is often brought to bear in the endeavour either to secure or to prevent the obtaining of divorces. You get a strenuously contested case before Parliament and there is not one of us who has not seen an attractive applicant or an attractive respondent, if she desired not to have the marriage ties dissolved, not by herself alone but sometimes by equally attractive friends endeavouring to make personal influence a factor in the determination of the case. There have been times when I have known the subtle breezes of political influence to blow in and have seen its effect. There should be nothing of that sort in relation to divorce which should be a judicial proceeding. The facts should be weighed and the rights of parties respected and nothing should be done that would not bear the closest scrutiny and entitle a man to say that the decision was given on the merits of the case regardless of extraneous circumstances.

I do not know whether or not what I have said will impress members, their experience probably will, but I would like to read to them as a sustaining statement something that Lord Brougham said in one of his speeches in reference to the position of divorce in England. He said:

> It is certain that no inquiry can be more proper for a court of law or less adapted to a chamber of Parliament than that of the facts which should entitle parties to divorce.

That puts the matter succinctly, puts it fairly before this Parliament, and I appeal to gentlemen on the other side of the House, and on this side as well, whose religious tenets and whose conscientious beliefs will at least not permit them to vote for the establishment of a divorce court, who resent the establishment within Ontario and Quebec of a divorce court, or who, if they do not resent it, do not desire it—to stand aside at least and let us, whose religious beliefs are not on all fours with theirs, do something to clarify a domestic and social condition that is bound to bring distress and sorrow to many homes in Canada.

The desire is not to make divorce easy in the sense that the Bill is creating new causes or new reasons for which divorce may be had. It is not the time now to go fully into the details of the measure; yet the fundamental principle that governs the Bill is the recognition of the supreme courts in each of the provinces and the establishment of a general court for the Dominion by the vesting of power in the Exchequer Court. Let each court lay down its own procedure, let each court have its rules of practice, but tie it down so that it can only grant a divorce of the marriage tie for adultery or bigamy. The only reason for adding bigamy to adultery is that adultery is very often difficult to prove. You have got to hire detectives, prove identification and a thousand and one things. You may grant a divorce for bigamy because any one would naturally accept the proposition that if a man had married a wife the tendency would be towards the consummation of the marriage and by implication it would be said that where a man had gone through, or contracted, a bigamous marriage, the implication of an adulterous relationship existed. In this way divorce may be secured, but the causes will not be increased or the procedure widened. I doubt if there are many members of this House who realize the change that has taken place in the practice of this House, or, rather I might say the enlargement of the Parliamentary practice. Until this year it was a rare thing for a marriage to be annulled on account of impotency. But two cases have gone through, I understand, this year. I do not set this out in any critical spirit but I speak of it as a lawyer. I would like every lawyer in this House to read the evidence in those cases. I do not believe any lawyer sitting on either side of this House would have granted a divorce in the Sherk case on the ground of impotency as it was proven. There is another case—Hawkins—where the evidence is no better. That is a case this year I do not know whether or not it has passed this House—but I think it has—where a divorce was granted, the respondent not being present, evidence of the adultery being given by the housekeeper of a house of ill-fame who swore that some six or seven years ago she saw a man whom she alleged was the original of a photograph that was produced to her in a position from which it might reasonably be presumed that he had committed, or was about to commit, adultery. Is there a lawyer in this House who would commit a man on the charge of theft on the ground that some body said that he identified the man because he had seen

him six or seven years ago and there was produced for identification a photograph? That is what it is coming to—indeed, that is what it has come to—because this House is not the tribunal which should act. If conditions are bad to-day they are going to be worse to-morrow. Are we going to stand by and allow conditions to grow worse until there is a national scandal simply because we have not the courage to handle the situation?

The conditions to-day are not fair. Parliament has recognized the moral right to a divorce being granted. When a man who has the money can come to this House, prove adultery and get his divorce, is it fair that those who went overseas should be deprived of this right because they do not happen to have the $300 or $400, as the case may be, which may be necessary to get through a Bill? Is divorce to be the rich man's luxury? I am not going to say for one moment that if we had no divorce in Canada some members could not with reason say we are going to keep this thing out of our national life; but are the men who have conscientious objections against this thing, are the men whose religious convictions will not permit them to vote for this Bill, going to vote against it and allow a worse condition to exist than would be the case if this Bill were allowed to pass?

I cannot believe it possible. Members may object on the ground of conscientious scruples, object on the ground of religious convictions, but they should maintain the morals of the Canadian people and maintain a high plane in the national life. I believe this will best be done by the Bill which is now before the House securing the consent of a majority of the members of the House and I am satisfied that if the matter is given fair and due consideration, freed from extraneous or irrelevant objections, the consent I am asking for will be obtained.

Mr. W. A. GRIESBACH (West Edmonton): Mr. Speaker, I rise only to thank the hon. member for Kingston (Mr. Nickle) for the splendid presentation of the case he has given and to place myself on record as supporting the Bill.

Mr. A. E. FRIPP (Ottawa): Mr. Speaker, I have listened with a great deal of attention to the speech made by the hon. member for Kingston (Mr. Nickle) but I must say he has not convinced me that it would be a wise thing for the House to pass this legislation. On the contrary, I am convinced that it would be very dangerous to pass a Bill that would place the marriage contract and all that it involves upon the same footing as any ordinary contract or dispute to be disposed of by our courts of justice. I have had a great deal of experience in our courts and I regret to say that the respect that was formerly held for the administration of justice is not increasing nor is the oath which is taken by litigants considered with the same solemnity as it was some years ago. If you open the door to granting divorce I venture to say you will increase the crime of perjury to a great extent.

The argument, as I understood the hon. member, really resolves itself into this: He quotes practically the case of the returned soldiers as a reason why we should depart from the practice that at present prevails. What is the remedy for that? There is a remedy under the present procedure for people of small means. It is not the case that divorce, under the present system, can only be secured by a person who has a long purse. I have seen cases this session in which the Senate have remitted the fees so as to put divorce within the reach of any person who can go to any court.

This Bill provides, as I understand it, for an appeal to the Court of Appeal of this province from the decision of a judge sitting nisi prius. Why an appeal of that kind to the Court of Appeal in the province of Ontario, and probably a further appeal to the Supreme Court, would exceed a thousand dollars. So that the ground of expense does not seem to me to be sufficient ground for opening a door. Make divorces easy to obtain and you will multiply them, I venture to say, in the next five years, by a thousand. Do we want to have in the Dominion of Canada the same condition of affairs that exists in the United States? If there is one thing that Canada and Canadians ought to be proud of, I think it is the respect for the marriage tie which is displayed in this country, and the difficulty there is in getting that tie dissolved. I, for one, Mr. Speaker, would hesitate to depart from the practice that now prevails. Every hon. gentleman in this House who practices law must have hundreds of people coming to him each year, wives or husbands, with difficult matrimonial matters and asking "Cannot we get a divorce?" I say to such people: "No, you can only get a divorce by going to the high court of Parliament. It is a very expensive proceeding, you will have to make out a very strong case," and the result is that these people go home and

make the best of their married life as they promised when they entered into the matrimonial state—for better and for worse. If you make it easy to get a divorce, if you say to any person who consults you: "Yes, we will bring an action to dissolve this marriage, or we will bring an action for divorce," I venture to say that nine-tenths of the litigation before our courts within the next few years will be composed of divorce cases. Hundreds of people consult me about their troubles at home. When you explain to them the present difficulty of getting a divorce, they are perfectly satisfied, and I never hear any more of them. I fancy they return home and by the exercise of a little forbearance are able to live together as man and wife should. If you make it easy for them—and we have unscrupulous practitioners in the legal profession as well as in other businesses—if you put it in the power of solicitors to inaugurate these actions, then, Sir, we will find that the state of this country would be practically the state of the United States so far as the dissolution of the marriage tie is concerned. Holding these views, I propose to move, seconded by the hon. member for Kings, P.E.I., (Mr. McIsaac):

That this Bill be now not read but that it be read a second time this day six months.

Sir ROBERT BORDEN: I come from a province in which a divorce court has existed ever since Confederation, and I think the view which the hon. member for Ottawa (Mr. Fripp) has expressed would be very much modified had he ever lived in a province and under a jurisprudence in which divorces were granted by the courts and not by Parliament. The hon. member for Ottawa put his finger upon the real point in issue when he said that it is a question of practice, that is to say, of procedure. This is precisely the question which the House must consider this afternoon. We are granting divorces in Canada in respect of every province within it at the present time. No one has any doubt of that, no one can for a moment question that fact.

It is not a question of establishing any new principle. It is purely a question as to the procedure by which and of the conditions and safeguards under which divorces shall be granted. Can any one believe that so important a matter intimately affecting the social life of our people should be decided under loose procedure by a Parliamentary Committee of the Senate and afterwards by a Committee of the House of Commons rather than in a Court of Justice under all the safeguards which are provided under the practice of courts which deal with such matters?

What is the practice in divorce courts whether in this country or in Great Britain? It is the practice to provide every possible safeguard and to take every possible precaution that no divorce shall be granted without absolutely satisfactory evidence. It is the practice to provide every possible safeguard against collusion. How is that carried out? By the appointment of a King's Proctor, as he is termed, an able lawyer selected by the court, who is charged with the duty of representing the court and the public interest, who has the right to cross-examine every witness and to address the court and who has the right also to call witnesses in case he suspects the bona fides of the application, the character of the evidence or the probability of collusion.

Compare such practice and such safeguards with the course which prevails in this Parliament, of which I have known something for more than twenty-three years. My hon. friend (Mr. Fripp) truly declares that the question involved in this Bill is one of procedure and of practice; but if he will compare the practice of the courts, the safeguards there provided, with the practice which prevails in the Committees of the Senate and of this House, he will invite at once the defeat of his motion.

I am not desirous of making divorce easy, and I venture to say that the experience of every province in Canada which has a divorce court indicates that the safeguards which are thrown about these applications do not lend themselves to easy divorce. I would challenge any statement to the contrary, because I know—at least I knew very well up to 15 or 20 years ago when I was engaged in the active practice of my profession—the record of the province of Nova Scotia, and the number of divorces up to that period was not large. Contrasted with the record of this Parliament it would, I think, compare very favourably.

Then, so far as is concerned the question of cost; I have been told of witnesses being brought from as far as Edmonton during this very session for the purpose of giving their testimony before the Divorce Committee of the Senate. If we are to grant divorces in Canada, does any good reason exist why that evidence should not be given in the city of Edmonton, or in the city of Calgary, or before some court there under the safeguards that I have mentioned, instead of having these witnesses brought eighteen hundred or two thousand miles to the city of Ottawa that they may give their evi-

dence here. If it is a question of practice, as my hon. friend from Ottawa (Mr. Fripp) has said, then, as far as I am concerned, the practice of placing this question under the safeguards of a court and committing applications for divorce to tribunals which are convenient to the people who may unfortunately be obliged to resort to them, is an infinitely better practice than that which we now have in Canada. Therefore, for the reasons which have been very cogently and clearly stated by the hon. member for Kingston, I am in favour of the Bill, the second reading of which he now asks the House to approve.

I do not commit myself to every detail of the Bill because I have not studied it; I am dealing only with the general question whether divorces in Canada ought to be granted under proper safeguards by the duly constituted courts of the country, or whether they ought to be dealt with by a committee of the Senate and, in a perfunctory way, by a committee of the House of Commons, and without the safeguards which are always available for the trial of causes in the courts of this country.

Sir HERBERT AMES (St. Antoine): Mr. Speaker, with a view to obtaining certain information that was necessary for the Canadian Patriotic Fund in determining whether there was a field of usefulness for it after the war, I circularized all the principal branches throughout Canada to find out whether, if the fund should suddenly terminate, there would be any considerable number of residual cases, that is, cases of women and children who would be left without any means of support and who would not be provided for by the military pension, or other allowances. I asked our branches to state in all cases what were the reasons why certain families now on the fund would be without means of support if the fund should terminate. I was surprised to find in looking over the returns—we got them from every part of Canada, long lists of cases of women and children in distress—that a very considerable number of them were deserted wives of men who had gone overseas; the wives of men who had been married overseas or of men who, having gone overseas, had discovered wives that they had previously had over there and remained with them. There was no means by which these families could be helped except through the Patriotic Fund, and I realized what the people of this country do not realize: That when a woman permitted her husband to enlist and go overseas, she ran not two risks, but three. She ran, first, the risk that he would be killed and she would be a widow; in which case she would undoubtedly be adequately provided for by way of pension by a grateful country. She ran the second risk that her husband would be seriously maimed or injured and that she would have to live with a cripple for the remainder of her life. The Government recognizes that contingency under the pension law and will undoubtedly meet it in the future. But no one has realized the third contingency: That when a woman lets her husband go overseas and be absent a number of years, conditions might arise, aside from casualty, under which he might not come back; and there are a great many women in Canada to whom that third condition has come.

I want to put in a plea for these women, many of whom are without children, some of whom have one, two, or three young children. I want to put in a plea that it be made possible for them to begin life again under new and better circumstances. These women, for the most part, are poor; they cannot earn any considerable sums of money. The obtaining of the three or four hundred dollars necessary to enable them to come to Ottawa and get a divorce is as impossible to them as the raising of enough money to build a Parliament building. It is impossible for them to secure any form of relief. Are you going to ask these women to live the remainder of their lives neither married or unmarried? They have to look after themselves, and if you do nothing for them in this connection you put them in a position where they are likely to fall and to increase that portion of the population which we consider undesirable. If you establish divorce courts in the various provinces, in cases of this kind distressed wives may, without great expense, appear before them and prove desertion without difficulty by producing letters from their husbands showing that they are living with other women; and in this way you will make it possible for them to secure relief. You will make it possible for a woman so situated to begin life again, to re-marry under happier circumstances, to open another home, perhaps, in some western portion of Canada where she and her children may live an honourable and a happy life. In view of the special war conditions that have arisen and of this special consideration which was not with us before, we must face facts as they are; and I submit this argument to the House as one of the reasons why legislation

of the character suggested should be passed, and passed now.

Hon. W. S. FIELDING (Shelburne and Queens) Mr. Speaker, the member for Ottawa (Mr. Fripp) in strongly opposing this measure, said that if it should pass, the cases of divorce would be multiplied by thousands. If his statement is well founded —and I know it is his deliberate judgment —then that which he regards as a reason for the rejection of this Bill is the strongest possible argument in its favour. If thousands of honest men and women in this country are entitled to divorce, not on new grounds—as the member for Kingston (Mr. Nickle) has shown, we are not introducing new grounds—not on trifling grounds such as, we are told, divorces are granted in some other countries, but upon the well-established grounds recognized by our courts and by this Parliament, the fact that these men and women are entitled to divorce and are unable to get it because of the present machinery is the strongest argument why that machinery should be discarded and some better machinery set up.

There are strong religious objections to divorce. The most numerous religious body in this country is known to have strong objections to divorce, and another very considerable religious body has, to some degree, similar objections. These objections, which are based upon religious grounds, are entitled to our most profound respect, and if they succeeded in preventing divorce then we might by all means commend them. But they do not do anything of the sort. We are not considering to-day the question whether or not divorce shall be granted. Divorce is granted in some of the provinces, as has been shown, by judicial machinery, and at Ottawa by machinery which cannot be called judicial and to which you can hardly properly apply any term of respect. Divorce, therefore, is being granted and is going to be granted; the only question is whether it shall be granted by decent machinery, or by that which is a burlesque of justice. That is the whole question. If any hon. member thinks that he can prevent the granting of divorce by opposing this Bill I understand his position and respect him for it. But since divorce is going to be granted anyhow, and since the only question is whether it is to be granted in the decent way described by the Prime Minister when he referred to the method pursued in the province from which we both come surely there should be no hesitation. I very cordially support the member for Kingston.

Mr. JAMES McISAAC (King's, P.E.I.): Mr. Speaker, as the seconder of the amendment submitted by the member for Ottawa (Mr. Fripp), I wish to say, without going into the matter at any length, that I am opposed to divorce on moral grounds, and I will not give my vote to facilitate it. I am convinced that divorce accelerates and increases immorality, and I for one shall not vote for anything which, in my humble judgment, will have any such effect. I am proud to say that I come from a province where there is not on record, so far as I know, any account of a divorce having been granted.

Sir ROBERT BORDEN: Is there not a divorce court there?

Mr. McISAAC: I presume the Supreme Court can grant a divorce, but I do not know. There is no divorce court there.

Mr. NICKLE: There is a procedure there. The Lieutenant-Governor, assisted by a number of members of the Executive Council, has the right to grant divorces, but, of course, a few applicants come to Ottawa.

Mr. McISAAC: I have not known nor have I heard of any divorce taking place in Prince Edward Island so long as I have lived there, and that is all my life. For these reasons, briefly, without going any further into the question for the moment, I second the motion of the hon. member for Ottawa (Mr. Fripp).

Mr. PETER McGIBBON (Muskoka): It does not appear to me that this Bill is one which this House should pass. It may be quite true it is the better method of conducting divorce proceedings, but one of the first things that struck me when I went overseas a few years ago was the ease with which divorces were granted in the old country. It did not seem to my mind to lend any dignity to either the judicial proceedings or to the nation. It looked very much as though it were a case if a man wanted to get a divorce from his wife, that practically all he had to do was to spend a night with a certain party, notify his wife of the fact and tell her to get a divorce, which probably she proceeded to do. It acted, of course, in the reverse way as well. I think when we compare conditions in this country, bad and all as they may be, with conditions in the United States or Great Britain where divorces are undoubtedly made easier, all credit will stand in favour of Canada. The marriage tie is a

question which should not be made a football. People should not enter into a contract of that kind without serious consideration, without estimating all the consequences, and this Parliament should hesitate before placing this country in a similar position to that which may exist in such places as the American Republic and even in Great Britain. Such a course does not add to the dignity of the nation, nor to the dignity of Parliament.

Mr. T. M. M. TWEEDIE (Calgary West): I wish to say just a few words in support of this Bill. I have been somewhat surprised at the line of argument in the speeches of the hon. member for Kingston (Mr. Nickle), the hon. member for Shelburne and Queens (Mr. Fielding) and one or two others. They would lead us to believe that divorce when procured before the Senate is, in all cases, founded upon fraud and corruption, and that if applicants go to the courts and the jurisdiction is transferred, we are still going to have fraud and corruption there. There is no distinction whatever between divorce evidence and any other evidence, and it is only fair to assume that the people who are applying for divorce, no matter what the forum may be, are entitled to be credited with being as honest as any other citizens. It is true there may be some fraud or some corruption, but the question is: Should divorce be granted in the Dominion of Canada at all? I am absolutely of the opinion that it should be. I cannot conceive of any law which should compel a man to be tied to a woman, or a woman to be tied to a man for the rest of their natural days, when either one of the parties is living openly in adultery or has committed bigamy. That is all this Bill provides for; it confines the grounds upon which divorce may be granted to those simple grounds, and as the hon. member for Ottawa (Mr. Fripp) fears that divorces may become common in this country and may be easy, if he will read the report of the commission to the Imperial Government, which commission reported prior to the war, he will find there what will be practically a revelation to him as to what, in their opinion, may be considered as grounds for divorce. We do not wish to extend the jurisdiction; we wish simply to transfer the place where the case may be heard, and it is absolutely unfair, as it has been in the past, that any person should be compelled to come from Alberta and bring his witnesses with him and, in some cases, his counsel and incur expenditure of anywhere from $2,000 to $5,000 before securing a divorce. If a divorce is good for the man who has the means, it is absolutely as good for the man who has not, and money, that is, the ability to supply the necessary funds to defray the costs, should not be the test; the test should be the two principles that are set down in this Bill, that either party is chargeable with adultery or bigamy. The jurisdiction of Alberta has not yet been determined, but it will be determined by the Privy Council. I do not think, however, we need wait for that. If any doubt exists at the present time, in my opinion, it is the duty of this Parliament, as regards that province and indeed all other provinces, to remove that doubt. There should be uniformity. Why should the divorce court in Nova Scotia or the Supreme Court in British Columbia have jurisdiction over marriages and be able to grant divorces, while the interior provinces are denied that privilege? If, as the hon. member for Shelburne and Queen's (Mr. Fielding) points out, those courts can administer that branch of the law satisfactorily, that privilege can safely be extended to the other provinces to which it has been denied in the past. This is one of the best pieces of legislation which has been introduced into this House at this session, and I trust the majority of the members will see their way clear to give their support to the hon. member for Kingston.

Mr. DANIEL LEE REDMAN (Calgary East): I am very glad that the hon. member for Kingston has brought in this Bill. I have nothing further to add to the excellent reasons he has given in favour of it than perhaps to mention two conditions which pertain to soldiers particularly and also to the West. For the last year or so, I do not think a week has passed but I have had soldiers in my office at Calgary who have furnished me with sufficient evidence to make it perfectly clear that they are entitled to a divorce, but I have had to tell them that it will cost them possibly about $2,000 to get that divorce, when they consider the number of witnesses they have to bring from that point, their hotel expenses here and possibly the necessity of making another trip to Ottawa, because sometimes divorces have been only partly heard when Parliament has prorogued and the witnesses have had to return to their homes and to come back the next year. When I told them that, it became perfectly apparent that those men could not get a divorce. Divorce should not be a luxury

only for the rich; it should be open to the poor, and on that broad ground I wish to give the Bill my support. I have had soldiers say to me such things as this: We have gone overseas to fight for our country; we have come back; we cannot get our rights here, and we will go to the United States, where we can get our rights. I have known of several cases where soldiers have gone to the United States to get their rights.

As regards the question of uniformity, even if the Privy Council decides that Alberta has power under the old English jurisdiction to grant divorces, that divorce will still have that fault mentioned by the hon. member for Kingston (Mr. Nickle), namely, the fact that the wife, in order to get a divorce, must show additional aggravation, and I do not think we desire that to have any part in our divorce law in Alberta. For these reasons I shall support the Bill.

Mr. MICHAEL STEELE (South Perth): A few years ago I would have been inclined to oppose this Bill, but during the last four years I have had the honour of being chairman of the Private Bills Committee, before which the divorce Bills come, and with other hon. gentlemen I have had the privilege of attending, by arrangement, the Senate Committee on Divorce. I must confess that my attendance there has entirely changed my views on the existing procedure for granting divorce in Canada. In the light of that experience I am prepared to support the Bill introduced by the hon. member for Kingston (Mr. Nickle). I think the House is unanimous in desiring to prevent any pulling down of the bars in the granting of divorce. I quite appreciate all the arguments that have been put forward as to the necessity for keeping the expense of securing a divorce down to such a figure that the poor applicant will be able to secure one as well as the rich.

I shall support the Bill, not only because it may reduce the expense of securing a divorce, but because I believe that we should make it as difficult as possible, when the case is actually being tried, for the applicant to secure the divorce, and no divorce should be granted unless evidence is produced that absolutely proves the charges.

Under our present system the greatest evil is not the cost because after all the only essential cost so far as the Committee of Parliament is concerned is a matter of $210, all the other costs being incurred through the employment of counsel and travelling expenses; the great evil is that under the present system divorces can be obtained, and are being obtained, on evidence which, as the hon. member for Kingston (Mr. Nickle) has said, would not be accepted by the judge of any court in the land. I have seen several divorces granted during the present year which no judge or lawyer entrusted with the examination of witnesses would have been disposed to grant for one moment. I therefore think that the change in the procedure that is proposed will reduce, rather than increase, the number of divorces, and that is the reason I am supporting the Bill.

The House divided on the proposed amendment of Mr. Fripp, which was negatived on the following division:

YEAS.

Messieurs

Arthurs,	Fraser,
Best,	Fripp,
Boivin,	Lapointe (Kamouraska),
Bowman,	Leger,
Boyce,	McGibbon (Muskoka),
Bureau,	McIsaac,
Butts,	Michaud,
Cahill,	Molloy,
Cannon,	Murphy,
Casgrain,	Parent,
Chisholm,	Prevost,
Cockshutt,	Savard,
Copp,	Sinclair (Antigonish and Guysborough),
Demers,	Sinclair (Queens, P.E.I.),
Devlin,	Trahan,
Duff,	Truax.—35.
Finley,	
Foster (York),	
Fournier,	

NAYS.

Messieurs

Ames (Sir Herbert),	Keefer,
Anderson,	Knox,
Argue,	Long,
Armstrong (Lambton),	MacNutt,
Ball,	McIntosh,
Blair,	McKenzie,
Blake,	Maharg,
Bolton,	Marshall,
Borden (Sir Robert),	Martin,
Brien,	Merner,
Calder,	Middlebro,
Chaplin,	Mowat,
Charlton,	Nesbitt,
Charters,	Nicholson (Queens, P.E.I.),
Cochrane,	Nicholson (Algoma),
Crothers,	Nickle,
Crowe,	Pedlow,
Davidson,	Redman,
Davis,	Reid (Mackenzie),
Edwards,	Richardson,
Fielding,	Robb,
Fulton,	Rowell,
Griesbach,	Sexsmith,
Halladay,	Shaw,
Harold,	Simpson,
Harrison,	Smith,
Hartt,	Stacey,
Henders,	Steele,
Hocken,	Stewart (Hamilton),
Johnston,	

Sutherland, Whidden,
Thomson (Qu'Appelle), White (Victoria),
Tolmie, Wilson (Wentworth),
Tweedie, Wright.—68.
Wallace,

Main motion (Mr. Nickle) agreed to, on division, and the Bill read the second time.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

CONSIDERED IN COMMITTEE—THIRD READING.

Bill No. 64, respecting the High River, Saskatchewan and Hudson Bay Railway Company.—Mr. Tweedie.

CANADIAN PACIFIC RAILWAY COMPANY.

House in Committee on Bill No. 126, respecting the Canadian Pacific Railway Company—Mr. Boivin in the Chair.

Mr. J. E. ARMSTRONG: When this Bill was before the Railway Committee the words "or without" in the eleventh line were struck out in a somewhat hurried manner. I am satisfied that these words should be included in the Bill. Without these powers the Canadian Pacific Railway Company will not be able to operate their air service between any city in Canada and New York. We have granted the right to other aircraft companies to operate between Canada and the United States and other countries, and it is only a reasonable request to make that these words should be included in the Bill. I would therefore move that the words "or without," which were struck out by the Committee, be re-inserted. The members of the Government have been canvassed in regard to the matter and I understand they are in favour of these words being included in the Bill. The Canadian Pacific Railway Company claim that it is impossible for them to operate in the United States without these words being included in the Bill. They say they will be compelled to come under any restrictions that may be imposed upon them in operating in that country.

Amendment agreed to.

Mr. NICKLE: What is the amendment that was made in the Railway Committee?

The CHAIRMAN: There is a proviso added as follows:

> Provided that the exercise of the powers hereby conferred shall be subject to all such legislation and regulations by competent authority, whether general or special, as may have been heretofore or may hereafter be enacted or sanctioned for regulating or prescribing the conditions of aerial navigation or carriage and the obligations incident thereto.

Mr. J. E. ARMSTRONG: If that provision had been in the Railway Act of 1902 we would not have had any conflict in regard to the Toronto-Niagara Company.

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

SECOND READINGS.

Bill No. 139, for the relief of James Frederick Neild— Mr. Ross.

Bill No. 140, for the relief of Mabel Anna Ferguson—Mr. J. M. Douglas.

Bill No. 141, respecting the Chartered Trust and Executor Company—Mr. Nesbitt.

MESSAGES FROM THE SENATE.

SPACE IN NEW PARLIAMENT BUILDINGS —INTOXICATING LIQUORS—RAILWAY CONSOLIDATION BILL CONFERENCE.

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have appointed the Hon. Messieurs Fowler, Ross (Middleton), Bostock and Casgrain, a committee, to act with a like committee from the House of Commons for the purpose of assisting the Joint Parliamentary Committee for Parliament Buildings in the allocation of the space in the new Parliament Buildings between the two houses and also allocating certain space to various members and officials of the respective Houses.

Also, a message informing this House that they have passed Bill No. 107, and to confirm the Order in Council of the 24th day of February, 1919, prohibiting the importation, manufacture and transportation of intoxicating liquors, and the Order in Council of the 12th day of April, 1919, in amendment thereof, with an amendment.

And also, a message informing this House that the managers of the free conference on the part of the Senate will meet in the Senate Committee Room No. 70, on Tuesday the 24th June, at 3.30 o'clock in the afternoon.

MILITIA PENSION ACT.

Consideration of amendments made by the Senate to Bill No. 118 to amend the Militia Pension Act—Major-General Mewburn.

Major-General MEWBURN: It was agreed that the amendments as passed by the Senate should be re-drafted by the law clerk. I would therefore move that the amendments of the Senate be concurred in.

Motion agreed to.

ACT RESPECTING DIVORCE.

House again in Committee on Bill No. 77, respecting divorce—Mr. Boivin in the Chair.

On section 2—Definition of "Superior Court," "Court."

Mr. MOWAT: The draughtsman of paragraph (b) has not remembered that the proper designation of "Court" in the case of the province of Ontario should be "The Supreme Court of Ontario." There is a high court division but only for the subdivision or distribution of business. The title as given in the paragraph is therefore not a proper one. The words "High Court Division of" should be deleted.

The CHAIRMAN: It has been moved by the hon. member for Parkdale (Mr. Mowat) to strike out the words "High Court division of" from the eighth line, in paragraph 2

Mr. NICKLE: That is acceptable.

Mr. FIELDING: What is the object of having the Exchequer Court, as well as the provincial courts, charged with this function?

Mr. NICKLE: It was thought that while a court should be constituted for each province it might also be well to have one Dominion court with co-ordinate jurisdiction in reference to divorce.

Mr. FIELDING: Then you will have two courts. An applicant for divorce may choose whether he shall go to the provincial court or to the Exchequer Court.

Mr. NICKLE: With this difference, that any person domiciled in Canada would have the right to go to the Exchequer Court, but any person domiciled in one of the provinces must confine his application to the court of that province.

Mr. FIELDING: To be domiciled in Canada one must be domiciled in one of the provinces of Canada or in the Yukon territory. What is the difference? It looks to me like creating two courts for the same purpose.

Mr. NICKLE: The person would have the right of electing either to go to the court of the province in which he is domiciled, or to the Exchequer Court with Dominion-wide jurisdiction.

Mr. FIELDING: Why should there be two courts, why should there be any choice in the matter?

Mr. NICKLE: It was thought that certain conditions might arise that might make it advantageous to have a Dominion court. For instance, in the event of a divorce being sought, possibly in the province of Quebec, and the judiciary being at any time of the Roman Catholic faith and having conscientious objections to granting divorce, they might find themselves in a most embarrassing and difficult position providing they had to consider an application for divorce and give a decision, and I thought it unfair to put them in such a position.

Mr. BUREAU: There is no danger so far as the province of Quebec is concerned, because the judiciary there are not wholly Catholic, they are divided in the matter of religion; there are Protestant judges as well as Catholic judges. In such a case as the hon. gentleman speaks of, it would only be a question of changing the venue.

Mr. McKENZIE: I had intended raising the same objection that the hon. gentleman (Mr. Fielding) has made. I do not quite appreciate the necessity of vesting jurisdiction in the Exchequer Court of Canada, for the very reason that the hon. gentleman has advanced. The practice in the courts of the different provinces is quite different from the practice in the Exchequer Court, and usually in the latter case is much more expensive, although I do not know whether that would hold good with respect to divorce cases. Unless there is some good reason for it, I certainly would urge upon the hon. gentleman who is promoting this Bill to reconsider the question.

Mr. NICKLE: I would imagine that if the Exchequer Court were a more expensive court, the probabilities were that litigants would not seek redress there. I felt very much impressed by the necessity of avoiding anything that might bring embarrassment to any judge. I have a high regard for people's conscientious objections and religious beliefs, and to avoid the possibility of causing offence I thought there could be no objection to giving the Exchequer Court jurisdiction in these cases. I trust the leader of the Opposition will concur in that idea, although he may be of the opinion that Exchequer Court jurisdiction is unnecessary at the present time.

Mr. McKENZIE: My objection is based on the reason advanced by the hon. gentleman (Mr. Fielding), that we are duplicating the courts. It is true that at present, as regards the provinces, some cases can go to the County Courts and also to the Supreme Court. There is concurrent jurisdiction, but those cases are all in the one province. As I understand the Exchequer Court procedure, the Attorney

General, representing the Crown, can start an action without a fiat, and anybody else desirous of instituting proceedings has to get a fiat from the Government, and there is a lot of preliminary difficulty in regard to it that is foreign to the issue of a writ in the ordinary courts. If the necessity does not exist, I think it is rather undesirable to be multiplying difficulties.

Mr. ARTHURS: The explanation made by the hon. gentleman (Mr. Nickle) brings to my mind another set of cases that might arise under the proposal to give jurisdiction to the Exchequer Court. The very fact that it is more difficult to enter an action in that court, and perhaps more expensive, may lead to cases where the applicant for divorce will purposely choose the Exchequer Court in order to involve the respondent in financial or other difficulties. For instance, an action might be brought in the Exchequer Court where the respondent lived in British Columbia and the applicant in Quebec. This would put the respondent to a great deal of expense and trouble, and not only that, but it would, perhaps, lead to a divorce going through which might not be granted in the provincial courts.

Mr. NICKLE: I would hardly imagine such a situation as that would arise, for the reason that the Exchequer Court moves from place to place; it has no fixed location from which its decisions are given; and in the determination of the place at which the trial should be held consideration would have to be given to the request and the position of the applicant, and others, and no doubt the question would be settled on motion.

Mr. BUREAU. There are only two judges of the Exchequer Court. Suppose the senior judge should die; the assistant judge is a Roman Catholic, and until a successor was appointed the condition would not be as it is in Quebec, where a great many of the judges are not Roman Catholics.

Mr. NICKLE: I should imagine that in that case the vacancy would soon be filled.

Mr. COPP: With regard to subsection (e), I would point out that in New Brunswick the Divorce Court is presided over by a judge of the King's Bench Division; he is not specially a judge of the Court of Divorce and Matrimonial Causes. Why delay the application of this Act until this

[Mr. McKenzie.]

incumbent's time expires? Why not make the change now?

Mr. NICKLE: The intention was, as far as possible, to respect the courts as now constituted while the incumbents were alive, and that so soon as they passed away there should be a reconstitution of the judiciary, to be determined by the Bench of each province.

Mr. COPP: It dosen't make a particle of difference in the case of New Brunswick, because a judge of the King's Bench Division presides over the Court of Divorce and Matrimonial Causes.

Mr. NICKLE: That would be a matter for the judges of New Brunswick to determine among themselves. In that case the section would practically come into effect forthwith.

Mr. FIELDING: The same argument would apply to Nova Scotia, although in that province the judge is designated as the Judge of the Divorce Court. In New Brunswick, according to my hon. friend (Mr. Copp) the Judge of the King's Bench Division is not specially designated as Judge of the Court of Divorce.

Mr. COPP: He is so designated, but he is Judge of the King's Bench Division, and sits in other courts besides the Courts of Divorce and Matrimonial Causes.

Section agreed to.

On section 3—jurisdiction:

Mr. McKENZIE: I direct the attention of the member for Kingston to paragraph (c), which reads in part:

> For kindred within the degrees prohibited in an Act made in the thirty-second year of King Henry VIII entitled "An Act concerning pre-contracts and touching degrees of consanguinity.

Whatever these prohibitions are, they should be in the Act. Only a few lawyers in Canada can conveniently go back to that old statute and hunt up this reference. My hon. friend may find it congenial to look into these things and to go back to the time of King Henry VIII, but I am always opposed to a conditional law of this kind; the portion of the other statute referred to should be in the Act.

Mr. NICKLE: I shall be very glad to incorporate it as schedule A to the Act. To that end, I move that paragraph (c) be amended by adding after the word "consanguinity" the words "as set out in schedule A of this Act." I will read the proposed schedule A:

A man may not marry his—

1. Grandmother.
2. Grandfather's wife.
3. Wife's grandmother.
4. Father's sister (i.e. aunt by blood).
5. Mother's sister (i.e. aunt by blood).
6. Father's brother's wife (uncle's wife, i.e., aunt by affinity).
7. Mother's brother's wife (uncle's wife, i.e., aunt by affinity).
8. Wife's father's sister (wife's aunt).
9. Wife's mother's sister (wife's aunt).
10. Mother.
11. Step-mother.
12. Wife's mother (mother-in-law).
13. Daughter.
14. Wife's daughter (Step-daughter).
15. Son's wife (daughter-in-law).
16. Sister.

(b) 17. Wife's sister (sister-in-law).

18. Brother's wife (sister-in-law).
19. Son's daughter (granddaughter).
20. Daughter's daughter (granddaughter).
21. Son's son's wife (son's daughter-in-law).
22. Daughter's son's wife (daughter's daughter-in-law).
23. Wife's son's daughter (stepson's daughter).
24. Wife's daughter's daughter (step-daughter's daughter).
25. Brother's daughter (niece).
26. Sister's daughter (niece).
27. Brother's son's wife (nephew's wife).
28. Sister's son's wife (nephew's wife).
29. Wife's brother's daughter (niece by affinity).

(b) 30. Wife's sister's daughter (niece by affinity).

A woman may not marry her—

1. Grandfather.
2. Grandmother's husband.
3. Husband's grandfather.
4. Father's brother (uncle by blood).
5. Mother's brother (uncle by blood).
6. Father's sister's husband (aunt's husband, i.e., uncle by affinity).
7. Mother's sister's husband (aunt's husband, i.e., uncle by affinity).
8. Husband's father's brother (husband's uncle).
9. Husband's mather's brother (husband's uncle).
10. Father.
11. Step-father.
12. Husband's father (father-in-law).
13. Son.
14. Husband's son (step-son).
15. Daughster's husband (son-in-law).
16. Brother.
17. Husband's brother (brother-in-law).

(b) 18. Sister's husband (brother-in-law).

19. Son's son (grandson).
20. Daughter's son (grandson).
21. Son's daughter's husband (son's son-in-law).
22. Daughter's daughter's husband (daughter's son-in-law).
23. Husband's son's son (step-son's son).
24. Husband's daughter's son (step-daughter's son).
25. Brother's son (nephew).
26. Sister's son (nephew).
27. Brother's daughter's husband (niece's husband).
28. Sister's daughter's husband (niece's husband).
29. Husband's brother's son (nephew by affinity).
30. Husband's sister's son (nephew by affinity).

(b) This has been altered by the Deceased Wife's Sister's Marriage Act, 1907 (7 Edward 7, c. 47), which legalized marriage with a deceased wife's sister—including a sister of the half-blood.

Mr. SHEARD: I suggest that we go through these relationships seriatim; as the hon. gentleman has read them, they are nothing but a Babel of confusion.

Mr. NICKLE: Of course, it is most confusing. Really this provision was the adoption in the time of Henry VIII of the canonical law in reference to consanguinity and affinity. It has been the law of the British Empire and of Canada for years, with this exception: Some years ago there was an agitation for the legalization of marriage to a deceased wife's sister, and by the Deceased Wife's Sister Marriage Act of 1907 an amendment to that effect was incorporated into the law.

Mr. SHEARD: Did I hear the words "sister-in-law" read in the schedule? If I mistake not, I have seen something like this in the English Church prayer book. If that is in the schedule, would not a deceased wife's sister be a sister-in-law?

Mr. NICKLE: Yes, but a brother's wife would also be a sister-in-law. While it is legal to marry a deceased wife's sister, it is not legal to marry a deceased brother's wife.

Mr. SHEARD: Is the word "sister-in-law" in that schedule?

Mr. NICKLE: Yes, it is in to this extent, that a brother's wife is a sister-in-law.

Mr. SHEARD: Is it so defined?

Mr. NICKLE: Yes, and I so read it.

Mr. McKENZIE: I know of a case where a man married his brother's widow. I certainly did not approve of it; I thought it was not a proper thing to do from a moral standpoint, but I did not know it was against the law because we have no Statute on that point in any province so far as I know.

Mr. BUREAU: We have in Quebec.

Mr. McKENZIE: In Nova Scotia, we have no Statute on that point. We would regard it as being common law with us according to the law of Henry VIII.

Mr. E. LAPOINTE: Is there not something in this that might be an encroachment upon the rights of the provinces? According to the British North America Act, matters concerning marriage and

divorce come under the Federal authorities, but on the other hand, in the following clause, it is stated that all things pertaining to the solemnization of marriage come under provincial jurisdiction. In some provinces, at least in the province from which I come, there is a law concerning the degrees of relationship that are prohibited. Supposing those provisions should not be the same, shall it be said that a man who is married according to the laws of his province could see his marriage annulled by a law of this Parliament as the one which will be passed now? There might be a conflict. I think the question ought to be studied before we pass this legislation.

Mr. NICKLE: I would be inclined to think that "marriage and divorce" as defined in the British North America Act would give the Dominion the right of determining the status of the parties and their right to enter into the state of matrimony. I would hardly like to go the length of saying—and I do not think my hon. friend will so argue—that the relationship of the parties had anything to do with the ceremony incidental to the marriage. If I may use the expression, I would think the status of the parties went to the very heart of the question, whereas the ceremony was more a surface arrangement, to carry my figure through.

Mr. MOWAT: I do not profess to be an authority on ecclesiastical law, but my recollection is that when the Deceased Wife's Sister Bill was passed in Canada in 1883 —my hon. friend refers to 1907 which was the year the British Act was passed, but we were quite ahead of Great Britain in that respect—the leaving out of the deceased husband's brother was a mere omission. Logically there is no reason why we should not do now what should have been done in 1883, and say that if a man can marry his deceased wife's sister, a woman can marry her deceased husband's brother. They are in the same degree of consanguinity, and we should not perpetuate the error of 1883.

Mr. E. LAPOINTE: What is the difference between a marriage which will be dissolved and a marriage which will be declared null and void ?

Mr. NICKLE: The distinction lies in this: A marriage is dissolved when a marriage has actually taken place, and a marriage is annulled when it is declared by the court never to have existed. As I endeavoured to explain this afternoon, the word " divorce " as commonly used in English jurisprudence is used as applicable not only to a recision but to an annulment. The difference would be this, to give an example: If A and B were married and had children, and if as the result of the misconduct of either, the marriage was dissolved, the children would still be legitimate. If, on the other hand, a man and a woman, although within the kindred degrees prohibited by the Act to which I have just directed attention, had gone through a form of marriage, that marriage would be void ab initio, and the children would not and could not be legitimate. One determines the dissolution of the marriage, determines the separation as from the date of the declaration. The annulment is a declaration of the fact that the marriage never existed and never should have existed in the eyes of the law.

Mr. BUREAU: If the issue is illegitimate, that is not right.

Mr. NICKLE: It was to get over that point that the proviso was put in:

> Provided, however, that no marriage shall be declared null and void after the death of one of the parties thereto unless such marriage was void ab initio.

But there is no question whatever that the hon. member for Three Rivers (Mr. Bureau) is correct in this, that an annulment which dates back to the date of the marriage makes any children subsequently born illegitimate and illegally born.

Mr. BUREAU: That is the unfairness of the thing. People might have been married in good faith, ignorant of any of the causes which would render the marriage void, and yet the issue would be illegitimate. A provision ought to be inserted which would make children born from that marriage legitimate. Of course, technically and legally, there never was a marriage, but for all purposes of society, if people have been living together in good faith and find out later on that, on account of a legal technicality, they were not married, the issue should not suffer from that.

Mr. NICKLE: My idea in drafting this legislation was to disturb as little as possible the general law of the land as it has been recognized for generations.

Mr. BUREAU: We could improve on that.

Mr. ARTHURS: This Bill goes further than the hon. gentleman contemplates. As I understand it, it will dissolve a marriage solemnized in the United States or any other country where the parties in question are domiciled in Canada. In the United

States, they have not this law according to Henry VIII, and marriages are celebrated there within much closer degrees of consanguinity than we have in Ontario or any other province. As a matter of fact, the marriage law of Ontario does not go as far as the schedule enumerated by the hon. member (Mr. Nickle). I know it is placed on the back of the application for a marriage license, and I am sure there are not nearly so many degrees of consanguinity mentioned. In certain states in the American Union a man may legally marry his deceased brother's wife. I have in mind at present two cases in which such a marriage has been solemnized and the parties are residents of this country. By this Bill, if it goes through, the children by such a marriage will be illegitimate to all intents and purposes and can be so declared by anybody. We should go slow in this matter, because it certainly involves the rights of innocent parties.

Mr. BUREAU: Could not a proviso be inserted to protect the issue in a case like that? My hon. friend says this has always been the law, but even so, that is no reason why, if that law is not just, we should not improve it, if we are going to legislate on the subject.

Mr. NICKLE: In reply to the hon. member for Parry Sound (Mr. Arthurs), this legislation was, of course, drafted for Canada.

Mr. ARTHURS: Does it not dissolve a marriage which has been celebrated in the United States if the parties are domiciled in Canada?

Mr. NICKLE: No.

Mr. ARTHURS: It declares it to be illegal.

Mr. NICKLE: No, it says that the Exchequer Court of Canada shall have jurisdiction and may declare the marriage null and void in certain specified cases. I have very grave doubts if a court would declare null and void a marriage that had been solemnized in the United States, provided that the parties came to Canada and had a matrimonial domicile in this jurisdiction. I would incline to the view that the court would say: "Having entered into the contract of marriage under regulations in another country that entitle you to marrriage, this court refuses to exercise its discretionary power and relieve you from the contract which you entered into in good faith."

Mr. ARTHURS: Why not remove all doubt by placing that in the Bill?

Mr. BUREAU: I would ask my hon. friend to reconsider that point; the clause might stand in the meantime.

Mr. McKENZIE: I voted for the second reading of this Bill in good faith, believing that the only question involved was a better method of enforcing the law as it now stands respecting divorce. I think that what this House desires is that we should provide a better means of enforcing the law as it now stands, but not that we should not in any way disturb the present status of the marriage laws or widen the grounds on which divorce may be granted. The clause we are now dealing with has a very wide scope, and is capable of constructions that might cause a great deal of trouble. I do not profess to understand the full effect of this clause. If I had had time to read the Bill before the second reading I would have strongly urged the hon. member to send the Bill to a special committee, and if there is any way now of having that done, I would suggest that it be done. Very nice and highly technical questions are involved affecting the most sacred relations of the people, and I am afraid that the Committee of the Whole is not the best place in which to deal with this Bill.

Mr. NICKLE: I quite appreciate the difficulty of the situation and the nicety of the questions involved, but I doubt very much if I have in any way widened the scope of the law, or extended it in such a way as to make it any broader than the parliamentary practice that now prevails or the practices prevailing in the various courts. Let us analyse for a moment the different grounds on which marriage may be declared null and void. If a marriage is a contract it necessarily carries with it the idea that each of the parties to the contract must give consent,—you cannot have a contract without the parties to that contract being at some time at one. Let us take the sections as they appear. Paragraph (a) says that any marriage may be declared null and void:

> —at the suit of the injured party, or the incurable physical impotence of a party to a marriage which existed at the time of the marriage.

In my remarks to this House this afternoon I directed attention to the fact that during the present session two marriages have been declared void by Parliament, or are in the process of being so declared, on account of physical impotency. That has been the law in this Parliament and is the law in the various provinces.

Mr. McKENZIE: I take no exception to that. That has always been understood to be the law.

Mr. NICKLE: We come now to paragraph (b) which says that the marriage may be declared null and void.

—for duress, coercion or want of consent at the suit of the injured party, unless such party has by his consent confirmed the marriage.

As those in the House who are lawyers know, duress means obtaining consent, I suppose, by force. It simply means that a marriage may be declared null and void where there has been no re-consent, provided that the injured party, that is the party who has had the marriage forced on him or her, is desirous of having the marriage dissolved. It would be radically unfair that a marriage should be declared null and void where there was duress, provided the party forced into the marriage was not desirous of having it dissolved. For instance, in the case of a woman forced into marriage by friends or otherwise, in the event of her having become pregnant it would be radically unjust that the marriage at the suit of the husband should be declared void. She being injured, and having been forced to consent, it might be that she might not be willing to have the marriage terminated, and her father might demand that it be not terminated.

Mr. McKENZIE: The word "duress," so far as I know, does not appear in our Nova Scotia statutes. If a person was forced into marriage it might come under the head of cruelty. Cruelty is a ground for divorce in Nova Scotia, but I think the word "duress" is new.

Mr. MOWAT: I think that the idea here was to deal with the cases of very young persons. There is a statute in Ontario, passed five or six years ago, which provided that the courts should dissolve the marriage of two young persons who are under the age of eighteen, I think it is, provided the marriage has not been consummated, and several applications have been made under that Act. The point raised by my hon. friend from Kamouraska (Mr. Lapointe) has been discussed in the courts, and one learned judge, Chief Justice Richard Meredith, has very definitely stated that he does not think the statute comes within the powers of the legislature. I think that this Bill would undoubtedly come within the power of this Parliament. These want of consent cases would be those of persons so young that they are not supposed to have arrived at the age where they can give consent, and the legislation before us would implement the existing legislation providing that a marriage should be dissolved which had been entered into foolishly and without consideration between two young persons.

Mr. BUREAU: I understand that the object of this Bill is simply to give jurisdiction to the various provinces to try divorce cases, instead of those cases coming before the Senate. I think the object of my hon. friend from Kingston, from his point of view, is laudable. It is to avoid the publicity and cut down the expense. Why not enact that divorce cases shall be tried before the courts enumerated in the Bill without changing the grounds for divorce in any respect whatever? I do not know just what the grounds are; I have never closely studied divorce law because, as my hon. friend will understand, we do not touch these cases. But I would suggest that the grounds for divorce which exist to-day should still subsist, and we need simply transfer the jurisdiction from Parliament to the courts of the different provinces as enumerated in the first section. The whole thing could be done in one clause.

Mr. NICKLE: The impracticability of that suggestion will be seen when I draw attention to the fact that in the various provinces divorce may be obtained for different reasons. In Nova Scotia, for instance, I think cruelty is a ground for divorce being granted; in some other province it is desertion, sometimes for a longer and sometimes for a shorter period. But when you apply that principle to Ontario and Quebec it will not work because we have never had in either Ontario or Quebec any law in regard to divorces. It has always been a parliamentary discretion. Parliament is not limited in any way as to reasons for which a divorce may be granted. If Parliament were capricious and decided that two persons might be divorced in the event of both having red hair, if that Bill could be forced through Parliament, the divorce would be illegal, because parliamentary divorces are by way of private bills and they dissolve marriage simply in the case to which reference is made. I therefore had to incorporate in this Bill the general principles of the law as they are and have been recognized up to the present by parliamentary practice and procedure. There is, however, one exception to which I would like to direct the attention of the committee,

and that is section (c) which states that marriage may be declared null and void:

—(e) at the suit of the husband, when the wife is pregnant at the time of the marriage by a man other than the husband, if the husband was ignorant of the pregnancy at the time of such marriage and has not, after the discovery by him of such pregnancy, by his conduct confirmed such marriage;

That struck me as being an eminently fair reason for which declaration of nullity might be obtained. In the event of a woman having been indiscreet and having reached a condition that demanded marriage to protect her name, if she inveigles some man into unknowingly marrying her and he subsequently discovers that she is pregnant to another man, he is entitled, if he so desires, to have the marriage declared null and void. Directing my attention for a moment again to the remarks of the leader of the Opposition (Mr. McKenzie) and referring to subsection (d) in which power is given to declare the marriage null and void for insanity at the time of the marriage of either of the parties, it still carries out the same principle to which I at first directed attention, that if there was no consent there could be no marriage, because marriage is a contract and if a person is insane he or she is unable to give valid consent. And taking subsection (f) which gives power to the courts to declare marriage null and void at the suit of the injured party, when the other party wilfully refuses to consummate the marriage, these are all a confirmation of principles repeatedly recognized in this Parliament.

Mr. McKENZIE: I wish to say now, in the presence of the Prime Minister (Sir Robert Borden) that I voted for the second reading of the Bill with the understanding that I was affording more complete machinery for enforcing the law as it now stands. If the hon. member for Kingston were able to present to the Committee the various grounds upon which the Senate of Canada had been granting divorces for the last fifty years or so I would feel no difficulty. I am quite willing that we should furnish machinery for the granting of divorces for any cause for which the Senate would grant them. But I am not familiar with any cases of the class last mentioned by the hon. member as having been before the Senate, and I do not think that they grant divorces in cases of that kind. If they do, I would be satisfied, but I am not in favour of widening the scope of grounds for divorce.

Sir ROBERT BORDEN: I have not been present during all the discussion. I am impressed with the view put forward by the hon. member for Kingston, that if we are to establish courts in those provinces which have none at the present time, and to provide a law in those provinces because no divorce law exists there, it would be an unfortunate course if we should so frame our law that one ground for divorce would be sufficient in one province and not in another. The principles in that respect would not be uniform. It is necessary not only to establish courts in the provinces of Ontario and Quebec but also to establish principles; and if you establish principles there, then you must have regard for the principles which have already been established in the provinces where jurisdiction in divorce exists. The course that has been taken by my hon. friend (Mr. Nickle) is, as I understand, to examine the grounds which prevail in Great Britain and in the various provinces, and the jurisdiction that has been exercised, and out of that to bring certain principles here, which certainly do not extend the grounds upon which divorce may be granted in some of those places. The section in that respect is rather restrictive than enabling, and I think that every one of the grounds here, except the one which the hon. member for Kingston has just now alluded to, is regarded as a proper ground either for pronouncing a divorce a vinculo matrimonii, or declaring a marriage null and void ab initio

Mr. McKENZIE: The Prime Minister will consider the case of insanity. This is a very insidious disease and exists sometimes for a long time before it can really be pronounced as actual insanity. I do not want to give any excuse to any man to get clear of the responsibilities of the marriage contract. If a man's wife happens to get out of her mind—or it may be the other way about—he will say: Although I did not discover it at the time, she was insane when I married her and the contract ought to be set aside. That, I think, would be giving rise to a very grave difficulty and something that is not known in our courts. I have never heard of any attempt being made to set aside marriage because some person has happened to develop insanity, and this principle is capable of creating a great deal of trouble.

Mr. CANNON: I hold in my hand the Civil Code of Quebec and would direct the attention of the hon. member for Kingston to titles of it, section 115 and the following sections. The hon. member for Kingston has read a schedule he has attached to his Bill, and I think that this schedule

would be in contradiction of section 126 of the Civil Code of Quebec. If I understand the matter rightly the situation would be this: A man could apply to a court in accordance with our federal divorce law and obtain an annulment of his marriage, while, under our Civil law, his marriage would be valid. The consequence would be that although he was divorced from his wife nevertheless, according to our Civil law, she would still have the rights of a wife.

Mr. NICKLE: As I said before the hon. member (Mr. Cannon) came into the House, in my opinion marriage and divorce is set out in the British North America Act and jurisdiction is in this Parliament enabling the Dominion House to determine the status of parties and the relationship of each to the other permitting them to marry. If this Act passed, I think the kindred degrees regarded as entitling persons to legally enter matrimony would be those I read to the House as expressed in subsection (c) which I promised to make a schedule.

Mr. McGIBBON (Muskoka): Subsection (d) is absolutely useless unless this Parliament is going to enforce a medical examination of both parties at the time of marriage. No man will take six months, twelve months or two years after the marriage has taken place to know if the party was sane or insane at the time of marriage.

Mr. NICKLE: I think the hon. member overlooks the position that the court would take. The Act says that the court may declare the marriage null and void for insanity at the time of the marriage of either of the parties thereto. It will be incumbent upon the person desiring a declaration of nullity to prove to the court that the other party was insane and the principle upon which the decision is generally given is that the onus of proof is on the party making complaint. If the condition is that six months after the marriage it would be impossible to say whether or not the person was insane at the time of marriage, the proof would fail and the marriage would be declared legal.

Mr. McKENZIE: The difficulty is that once a husband and wife enter the court for the purpose of dissolving their marriage it is an end to all happiness. The court may refuse a divorce but that does not re-establish happy relations in that family. If a man is encouraged to go into court thinking that he has an insane wife, that is the end of it. He may not succeed in proving that she is insane but it breaks up the family and destroys the confidence that should exist between a man and his wife. My view is that we should confine the reason for divorce to the grounds of immorality. I am not fond of making new contractual relations and that sort of thing. The reason why a marriage would be set aside on the ground of insanity would be the same as the setting aside of a deed or conveyance given by an insane person—because the party signing it was insane when he signed it. This question of insanity is entirely new to me. I cannot bring myself to agree to this provision.

Mr. STEELE: With regard to this clause making insanity a new cause for granting divorce, it seems to me that it goes too far or it does not go nearly far enough. If the clause is inserted here merely for the purpose of dissolving a contract made between two parties, one party to the contract being insane at the time, it may be justified. But I think there is a far wider reason for preventing the marriage of those who are insane or those who tend to become insane. That, to my mind, would be a good reason for inserting a clause such as this in a divorce Bill. I believe that one of the chief functions of marriage is the reproduction of the species. I believe also that many people who may not be pronounced insane to-day are on the road to becoming partially insane, and people on that road, to my mind, should not be allowed to marry; or, if they do marry, the marriage should be dissolved at the earliest possible time so as to prevent people in that mental condition reproducing their kind. I am glad this provision is here, for the reason that it is a recognition by Parliament of the fact that people who are insane, or who may possibly tend to become insane, should not enter into the marriage relation. Having recognized that fact, I think that Parliament, not in this Bill, but at some time, should go very much farther and prohibit the marriage of those who, if they reproduce their species, will produce children or offspring who will be mentally defective. Subclause (a) perhaps requires an explanation, or very careful consideration. It says that the marriage may be dissolved:

> At the suit of the injured party, for the incurable physical impotence of a party to a marriage which existed at the time of the marriage.

I am not aware if that term "physical impotence" has a well-defined legal meaning. If so, perhaps, no objection can be taken to it. But if it is to be taken in the

medical sense it should be defined. I might also draw attention to the fact that bigamy is now given as one of the causes for the dissolution of marriage. I would like to ask the hon. member for Kingston (Mr. Nickle) to explain how it will affect the present practice in regard to the granting of divorce?

Mr. NICKLE: The reason bigamy was put in as well as adultery is this: As I explained in the House this afternoon, it is often most difficult to prove that adultery has taken place. The fact that there is a bigamous marriage is more easily proven. If a man who is already married goes through a form of marriage with a second woman and commits bigamy, it is not unreasonable, but rather natural, to suppose that as a result of that bigamous marriage an adulterous relationship with the second wife will take place.

Mr. E. LAPOINTE: This Bill is more important than some hon. members may realize. It has been introduced by a private member of the House when there is no time for the consideration of private members' business. No one expected that the Bill would be proceeded with this session, and that is a good reason why we have not studied it as it should have been studied before being discussed by the House. I respectfully suggest that the Committee should rise and report progress and that members should have an opportunity of studying the Bill before discussion be proceeded with. The question of provincial rights arises, which is most important. There have been many discussions in this House about the rights of the Dominion and the provinces concerning marriage matters. There is the question of civil rights which has been raised by my hon. friend from Dorchester (Mr. Cannon). It is only fair that I should ask the right hon. the Prime Minister (Sir Robert Borden) to give us an opportunity of studying the Bill. It is a most important piece of legislation, and I ask that its consideration should be postponed.

Sir ROBERT BORDEN: As far as postponement for a reasonable time is concerned, I think the hon. member (Mr. E. Lapointe) is quite within his rights in asking it. I do not like to undertake any engagement further than that. If that is the desire, I shall move that the Committee rise, report progress and ask leave to sit again.

Progress reported.

TECHNICAL EDUCATION.

On motion of Hon. J. A. Calder (Minister of Immigration and Colonization) Bill No. 131 for the promotion of Technical Education in Canada was read a second time, and the House went into Committee thereon—Mr. Boivin in the Chair.

On section 2—definition:

Mr. BUREAU: Would the minister give an explanation of the words in paragraph (c): under which the various forms of technical education are to be—

—approved by agreement between the minister and the Government of any province as being necessary or desirable to aid in promoting industry and the mechanical trades.

Why is it necessary to have the approval of the minister and the Provincial Government interested? I think it would be better to define in this section what me mean by technical education. I understand the intention of the Bill is to promote technical education and I do not think that the definition as to what it is should be left to any agreement but should be made by law.

Mr. CALDER: "Technical education" as used to-day is a somewhat loose term. Sometimes it is used almost synonomously with "vocational education," and we also have the term "industrial education." The purpose of defining the term in this way is, as the paragraph states, to leave the character of the education to be carried on to an agreement between the provincial and the federal authorities. Personally, I am inclined to the view that the real purpose of the Bill will be served best by leaving that as a matter of agreement between the two Governments. Technical education as strictly applied usually refers to the class of work that is carried on in a technical institution, but it seems to me that we must give it a broader meaning. I know the Minister of Labour has in mind the advisability of arranging for a class of education that will be carried on outside of these technical institutions that are provided for in some of the provinces. Probably the term "industrial education" would be more applicable than "technical education." Allow me to give an example. In one of our cities certain industries are established in which there are a large number of employees. It may be advisable to provide means whereby certain classes of instruction can be carried on in those industrial establishments. The idea is to have the widest possible meaning in order that in the provinces concerned the Minister

of Labour may reach an agreement as to the application of the term "technical education" as it is desired to be used in many particular instances.

Mr. BUREAU: The definition given in the paragraph seems to be wide enough. It seems to cover everything from teaching a man how to saw wood with a handsaw to imparting instruction in industrial chemistry. Why should the system of instruction proposed under this Bill be determined by special agreement? In our province we have a technical school at Three Rivers and one at Shawinigan Falls. At the latter place there are various industries. For instance, the Canadian Chemical Company manufactures chemicals, and they have a branch in which industrial chemistry is taught. Paper is also manufactured there, and instruction in paper-making is given. The manufacture of calcium carbide is also carried on. Each town or centre ought to be able to provide the means to help develop its particular industries. Now, suppose the minister makes an agreement with a province, and in the meantime a new industry should be established as to which some special institution for giving instruction might be needed; in that case, apparently, it would derive no advantage from the money which is to be voted under this Bill.

Mr. CALDER: The idea back of this legislation may be shortly put as follows: The Minister of Education of a province—or whatever provincial minister has the administration of the Act—will, in conjunction with the Minister of Labour, determine the manner in which these moneys are to be supplied for the purpose of technical education within the province. Now it seems to me that if you get down to a restriction of this definition it will only tend to defeat the object of the Bill. My own idea is that the more elastic the provision the safer it will be. The Agricultural Aid Act, as I understand it—I have nothing to do with the administration of the law—has worked out very well indeed. As the hon. gentleman can quite well understand, where we are providing advances for agricultural education and agricultural extension work, there is a great variety of undertakings to which that might be applied. But the provinces and the Federal Government have had practically no difficulty in coming to an agreement as to the manner in which those moneys should be expended, and I think there will be very little difficulty in this case, if the law is left as it is.

[Mr. Calder.]

I think it will be distinctly advantageous to leave the law in such form that the provinces and the Dominion may come to an agreement as to the manner in which the moneys are to be expended. I have not the slightest doubt that the wishes of the province with regard to the application of these moneys will be very largely respected by the federal authorities.

Mr. BUREAU: I agree that we should not impose undue restrictions as to the application of the moneys, on the contrary, we should provide that all cases where expenditure of this kind may be desirable shall be covered, and it is just for that reason that I think these things should not be defined or determined in an agreement entered into between the Federal Government and the provincial authorities. Let us set out in the Act the full interpretation and signification of the words "technical education."

Mr. CALDER: The hon. gentleman's contention would be sound if an unlimited amount of money was to be applied to this purpose. But the amount is limited, and there must be some selection of the many forms of activity available for this purpose.

Mr. BUREAU: I want to leave it to the province to make the selection.

Mr. CALDER: The selection may, I think, very well be left to an agreement between the provincial and the federal authorities. That phase of the question was very fully discussed at the interprovincial conference. I was present during all the conferences, and not the slightest objection was made by the premiers of the provinces to this method of procedure. They referred to the manner in which the administration of the Act respecting aid to agriculture had worked out, and intimated that they saw no reason why the same procedure should not hold good in the case of grants in aid of technical education. I do not, therefore, anticipate any difficulty in that regard.

Mr. TRAHAN: I would suggest that agricultural education be included in this definition. The Government intends to encourage technical education, to develop our industries, and to promote the welfare of returned soldiers. I understand also that the Government have made arrangements with the various provinces under which returned soldiers will be induced to settle on the land. Agriculture is our basic industry. Broadly speaking, the two chief classes of the community are the workingmen and the farmers; why should the Gov-

ernment aid one class in the matter of education and not the other? Agriculture is a science, and in order that it may be carried on successfully it must be studied. In all countries large sums of money are spent for the development of agriculture and for agricultural education. I suggest that the minister add after the word " vocational " in the second line of paragraph (c) the word " agriculture ".

Mr. CALDER: The hon. gentleman has overlooked the fact that in 1913 an Act was passed in this House providing for grants for the very purpose which he mentions. Section 3 of that Act provided that for the purpose of aiding and advancing the farming industry by instruction in agriculture, and for the purposes authorized by the Act, a sum aggregating $10,000,000 should be distributed among the provinces in much the same way as is provided by this Bill.

Mr. BUREAU: The matter of technical education is one which comes within the purview of the various provinces. In view of the industrial development which has taken place, the provinces have been making efforts to promote special lines of education. Why should the Government not hand these sums to the provinces and let the provinces, without any string or agreements, continue the systems which they have developed? We must proceed on the assumption that the Provincial Governments are going to do their utmost, as they have done in the past, to promote technical education, and that they will use this money to the best advantage. There is a clause here which provides that in case of any disagreement the Minister of Labour shall be the sole and final judge. But there is a way of avoiding any disagreement. We are confident that the provinces will use this money for the purposes indicated in the Act; let us make the advances to them and let them use the money for these purposes according to their particular requirements.

If we are doing this to assist the provinces in promoting technical education, to go on and develop further what they have already commenced to do, let us make conditions that they shall use the money for this specific purpose, hand over the money and let them distribute it as they please. A certain control must be exercised, but it ought not to go further than to say: We give you this money for technical educational purposes, and we trust you are going to carry out the purposes for which we give it to you. We ought to trust the provinces enough to permit them to administer the money without any specific agreement, without any surmise that they will not use it according to the intention, or even suspecting that a disagreement may arise requiring a court to decide it. I do not anticipate any disagreement, because I know there is enough laudable rivalry between the provinces as regards education that we may trust them to use the money to the best possible advantage.

Mr. CALDER: I can only repeat what I have already said, namely, that that phase of the question was very fully discussed at the conference. I was present at the conference, took part in the discussion, heard everything that was said, and I am quite within the mark when I state that at the conference not the slightest objection was raised along the line mentioned by the hon. member. The conference agreed that if grants of this kind were given, the Federal Government should retain the right to enter into agreements for the expenditure of that money just as they had done under the Agricultural Aid Act, and it was further stated freely by the provincial representatives that in the working out of that law no difficulty had been met at all, that everything was running along harmoniously, and that they expected the same would occur in the administration of this legislation. As a matter of fact, the question of arranging for some sort of inspection to see that this money was expended for the purposes mentioned in this Bill, was discussed, and the provinces agreed if the Federal Government thought that necessary, to allow federal inspectors to go into their institutions in order to see that the money was expended properly. I thoroughly agree in one sense with the viewpoint of the hon. member (Mr. Bureau), but we shall not reach that stage until we make direct subsidies to the provinces to a greater extent than they are now receiving in order that they may carry on their affairs as they see fit. Just so long as we must make special provision by federal acts, by special grants to the provinces, the expenditures of those moneys must be a matter of arrangement. Personally I would be only too glad if the time had arrived when an arrangement could be entered into whereby the provinces would receive a larger sum in order that they might carry on their domestic affairs as they see fit; but we have not reached that stage yet, and it may be some time before it is reached.

Mr. J. H. SINCLAIR: I quite agree with the minister that the best system would

be for the Dominion to advance the money to the provinces and to allow the provinces to use it in their best judgment for technical education or any other matter in the provinces. I pressed that view on the minister at the time when he introduced the resolution, advocating that he amend his Bill so as to adopt that principle. There are many cases in which the Federal Government is trying to tie up the Provincial Governments in regard to provincial expenditures. This is not the only one; I know other similar efforts are being made to control the policy of the provinces as regards questions of this kind. That is not a good policy. My hon. friend says that the time has not yet arrived. The time seems never to arrive with my hon. friend; it is always to-morrow that things are to be done. There cannot be a better time than the present to do this, because we are now embarking upon the course of assisting technical education. It will not be denied by my hon. friend that in every province a great deal of interest is being taken in this question, and splendid work is being done in certain provinces now in the prosecution of technical education. Surely, if this be the case, we can very well trust the provinces in the expenditure of the money. In the United States there is a similar system by which, I understand, money derived from public lands of the western States is used for purposes of technical education in various States. The State has to comply with certain regulations, to furnish certain equipment, before it can partake of the grant; but a condition of that kind would be reasonable for my hon. friend to impose. The Act in the United States is called the Morell Act. This system has been in existence in the United States for a good many years, and I understand the Federal Government there does not exercise the same control as my hon. friend purposes exercising over the provinces I see no good reason why this should be done, and I think the point is well taken, and I should like if my hon. friend would give it his consideration now and this money be given to the provinces without any string to it, without the Federal Government's exercising any control over the manner in which it is to be expended, except that it shall be expended for technical education and that the province shall do its share in providing certain funds. That would be a reasonable proposition; but when my hon. friend undertakes to lay down the kind of technical education a province shall teach, he is going a little too far. The hon. member for Three Rivers (Mr. Bureau) has pointed out that the interests of the several provinces differ very much, and it is by the province itself that that question can best be decided and not by the Federal Government.

[Mr. Sinclair.]

Mr. E. LAPOINTE: I am glad this point has been raised as I intended to raise it myself. I view with a certain degree of apprehension these pieces of legislation which relate to matters coming under provincial jurisdiction.

Mr. CALDER: I think the hon. member will consider that this question is not entirely within provincial jurisdiction. If he followed the discussion which took place in this House two or three years ago on the motion of the hon. member for Maisonneuve (Mr. Lemieux), he will know that the general consensus of opinion was that the Federal Government had concurrent jurisdiction in this particular field of technical education, and I should like him to bear that in mind in his remarks.

Mr. E. LAPOINTE: The kind of education to be given and the manner of giving it are purely provincial matters. The Government could certainly help the various provinces by way of subsidies, but as the hon. members for Guysborough (Mr. Sinclair) and Three Rivers (Mr. Bureau) have stated, no string should be attached to the grant given by the Federal Government. Formerly in this country many big battles were waged on this principle. The Government have tried to get around the difficulty in this way:

Instead of taking away the rights of the provinces outright, they seem in some way to buy those rights by giving money to the provinces under certain conditions, which conditions, after all, involve the surrendering by the provinces of some of their rights and privileges. At the time of Confederation the provinces relinquished some of their rights to the Federal Parliament, and retained other rights. Now it is not fair for this Parliament to interfere in matters reserved exclusively for provincial jurisdiction, even by way of giving subsidy under certain conditions. My hon. friend says, and the Bill states, that there should be agreements between the minister and the different provinces before the grant is made. Now, if one of the provinces fails to reach an agreement with the minister, that province will not get anything, but the citizens of that province will be taxed to pay for education in another province which should be paid for altogether by the citizens of that second province. That is

not fair. If it can be done with regard to technical education it may be done with regard to anything else.

Take the question of national schools which was raised here the other day. I did not happen to be present when the matter was under discussion, but I think most hon. members will agree that that is a matter which does not come within the jurisdiction of this Parliament. The question of education is a very delicate question in this country. Suppose this Government does in the matter of national schools what it proposes to do in the matter of technical schools, and grants subsidies to the provinces provided those moneys, shall be spent on the establishment of national schools, would that be fair? Some of the provinces would refuse to accept the money. Would it be fair for this Parliament to ask the citizens of those provinces to pay for education in other provinces, when education is a matter of exclusive provincial concern?

I think the Government should consider very seriously before taking away to such an extent the rights of the provinces, especially at a time when we are not blessed with so much money that we do not know where to spend it. At the present time there is a gap to be filled between our expenditure and our revenue, and we do not know where to get the money, and I submit that now is not the time to give away millions and millions of dollars either for highways or technical education or anything else which is a matter of exclusive provincial jurisdiction. If the country was in a state of great prosperity we could afford to be generous, but in view of the financial condition I think we should wait a little before giving away this money especially in connection with a matter which is not under federal jurisdiction.

Mr. TURGEON: When the Minister of Immigration brought down the resolution upon which this Bill is based, he will remember, I called his attention to the fact that it might interfere with provincial autonomy. I suggested at the time that instead of the Federal Government launching upon a programme of housing, highways, and technical education, it would be wiser and more advantageous to the country at large simply to grant a subsidy and leave these matters to be worked out by the provinces. The provinces would be only too glad to encourage technical education. They have not been able to do much in the matter up to the present moment, especially the smaller provinces, because of lack of funds. In New Brunswick, for instance, it is entirely due to lack of funds that in the matter of education we have not progressed like the provinces of Nova Scotia, Quebec and Ontario, which have much larger revenues. At the same time, during the last ten years, the expenditure of the province of New Brunswick on education is double and treble the amount we spent in former years. Ever since the admirable report of Dr. Robertson on technical education, six or seven years ago, we have been awaiting with anxiety the decision of the Government, to apportion that amount of $10,000,000 according to the very letter of his recommendations. That report did not say that there should be an agreement between the Federal Government and the provinces regarding the manner in which the money was to be spent. I was under the impression, from the minister's reply when the resolution was under discussion, that there would be no such provision as we find provided for an agreement between the Federal and Provincial Governments, but that the money would be given to the provinces to be spent as in their judgment seemed best to meet the local needs. I trust the minister will consider the objections made by hon. gentlemen on this side of the House who have preceded me, and that every safeguard will be provided against any interference on the part of the Federal Government. The minister might say that provincial autonomy is well safeguarded in this Bill, but I trust that after he has heard our arguments he will accept the proposed amendment of my hon. friend from Kamouraska.

Mr. CANNON: The province of Quebec would never have entered into Confederation unless guarantees had been given that education would be absolutely and exclusively within the competency of the Provincial Government. This is a Bill purporting to encourage technical education. Now, education, as the hon. member for Kamouraska (Mr. Lapointe) has said, is a matter of the greatest importance. The greatest and the most unfortunate conflicts we have had in Canada have arisen out of educational matters. It is needless for me to remind the House of the unfortunate conflicts which arose, for instance, in the province of New Brunswick at the beginning of the Confederation era, or of what happened in Manitoba, and in more recent years, in the province of Ontario. These conflicts on educational matters have retarded the union of the different races in Canada, and the less we have of them the better for all concerned.

This Bill, although it does not appear to be so, is in reality a very serious encroachment on provincial rights. The Bill provides that should there be any conflict between the Federal Government and the Provincial Government the matter would be decided by the minister. The minister would therefore have the right to impose his views on a province in connection with an altogether provincial matter. Further, the Federal Government will have the right to appoint all officials in connection with the operation of this law, with the result that the minister may appoint a man to go into Ontario, Manitoba or British Columbia and in connection with their technical schools impose his decisions on the Provincial Government. That principle is a very unsound one and violates in a flagrant manner the agreement entered into by all the provinces in 1867, when it was agreed among the provinces that formed at that time the Canadian federation, that matters educational would be left altogether within the purview of the provinces without any interference from the Federal Government. If the Federal Government wishes, and has the means, to be generous, let it enable the provincial authorities to promote technical education. But as hon. members have already said, let these grants of money be without any string whatever. We do not wish to have educational conflicts in Canada, and if this Bill is passed as it is now, we shall have a direct intervention of the Federal Government in educational matters, which are a most delicate point in this country as the Committee knows. I do not think that a Bill such as this would promote the welfare of our country, but to the contrary. If the Federal Government wishes to make grants to the provinces, let it give the money to the Provincial Governments and leave it to them to decide what to do with it. If these loans or grants are to be merely a pretext for the Federal Government to take hold of educational matters in the provinces, so far as I am concerned I would rather not have a cent, and retain the liberty and freedom that we enjoy in our province in regard to education.

Mr. FIELDING: From my viewpoint as well as from that of the hon. member, it would be more satisfactory if the provinces were placed in possession of sufficient funds, through increased subsidies, to handle these enterprises themselves. because in a large degree they are provincial. Still, however, as a choice between letting technical education go by the board and receiving aid for such purposes under this Bill, I prefer to have the grants. I am not prepared to take so strong a view as to say that we should not have them at all. If we could define technical education in such clear and distinct terms as would be beyond the possibility of debate, perhaps that would be a help. But in the absence of such a definition, which, I fancy, would be difficult, I see some reasons in favour of the agreement which, I think, ought to commend themselves to my hon. friend from Three Rivers and those who agree with him. If there is to be no clear, distinct and indisputable definition of what constitutes technical education, then it is most desirable that there should be an agreement with each province to guard against any dispute. The machinery is to be largely provincial, and more than that, the province can only avail itself of a grant on the condition that it shall put up a large amount of money. It is therefore of vital importance that the province and the Dominion shall come to an understanding at the beginning. If there is no general definition of technical education, and I admit the difficulty, there are advantages in having an agreement with each province at the beginning, because you could then adapt your agreement—although uniformity is desirable if possible—to the different forms of technical education which the provinces already have. Without such an agreement you may find yourself getting into trouble with the Provincial Governments. It seems to me that from that viewpoint there is much to be said in favour of having such an agreement. The hon. minister will recall that in the resolution stage of this matter, anticipating the possibility of some difference between the Dominion and the province, I suggested that perhaps by the time the Bill came before the House he might have some draft of what he proposed to ask the province to sign. I do not anticipate for a moment that any effort will be made to crowd out any particular province. Least of all do I fear, as my hon. friends from Quebec do, that any interference will be made with the recognized principle that the local governments control education. As regards technical education, it is worth remembering that this grant, although it is late in coming, is the outcome of a policy which the Government of Sir Wilfrid Laurier took up some years ago, when we appointed a technical education commission which made a tour of the world and gathered information, upon which they made a most valuable report. It is sometimes made a matter of complaint against the governments of a later day that

they pigeon-holed that report and did nothing. Well, the Government is doing something now, and I would rather have them do it in this way than do nothing at all. When the Government of Sir Wilfrid Laurier appointed that commission, headed by Professor Robertson and including a number of able men, we certainly created the impression that in some degree the matter was a Dominion one, and I look upon this movement as a belated endeavour on the part of the Government to carry out the intentions which the Liberal Government had in mind when they appointed that commission. There is, however, force in the criticism that the minister has too much individual power in this matter, and provision should be made that any report he makes under this Act should, at all events, be subject to approval by the Governor in Council.

Mr. BUREAU: I do not wish to be understood as objecting to a federal grant to the provinces for technical education. My objection is to the procedure and the mode in which the grant is to be made. It was never intended by the previous Administration that the grants to be made for technical education should be subject to certain terms or conditions or any specific agreement, or should be determined by special considerations to be laid down by the Federal Government.

Mr. FIELDING: I do not think they got as far as that.

Mr. BUREAU: No, but there was talk of it, and I for one certainly would not entertain for a moment the suggestion that any agreement should be made necessary that would in any way restrict the policies which have been established by the various provinces. There is a good deal in what the member for Kamouraska says. It is possible that some provinces may not take advantage of the scheme, owing perhaps to some condition imposed, and if no agreement could be reached between a province and the Federal Government it would be most unfair that that particular province should be called upon to pay any part of the subsidy that might be paid to other provinces. If the Federal authorities are in earnest about this matter and are really anxious to develop technical education, they should trust the provinces and rely upon their seeing that the money advanced shall be used to the best possible advantage. Why give rise to any suspicion as certain legislation has heretofore done? As my hon. friend from Kamouraska says, this matter may be regarded as a bait for the provinces to enter into agreements to receive money for technical education purposes. He pointed out that if this principle extended to some other system of education and some province should refuse to enter into any agreement with the Federal Government, it would be unfair to tax that province. I do not believe that the minister need have any fear about the misuse of the money which may be granted to the provinces for technical education purposes.

The minister can put it in another way; he can say that no amount greater than the amount expended by the province shall be granted. Let the province be allowed to expend the money. If the minister is entirely satisfied that the money has been expended for the purpose for which it was intended, let the grant be paid. There can be no misunderstanding or dispute. Technical education may be different in different provinces, and it may cover various branches of industry and manufacture. Let the Federal Government determine that the amount to be granted shall be granted upon the basis of the population and the expenditure made by the province, and let the money be paid over without requiring them to enter into any agreement defining what form of technical education shall take in a certain province, and without having to pass a law with so many clauses as this. As far as the other danger which was pointed out by my hon. friend from Dorchester and my hon. friend from Kamouraska is concerned, I think, to use the expression that hon. gentlemen on the other side of the House used in 1911, it is the entering of the thin edge of the wedge, and it is an encrochment by the federal authorities on provincial rights in so far as education is concerned. I have enough confidence in any province to say: Here is the money for technical education; take it and use it for that purpose. If it is not used for that purpose the fact will be easily ascertained, and under those circumstances cut off the grant next year and let the province be deprived of the money that they would have otherwise have got for that special purpose. I do not see that any good reason has been given by the minister for this restriction and agreement. He says that at the conference of the premiers the matter was discussed and that they were all agreed. They could not do otherwise. We have a French saying, "A cheval donné on ne regarde pas a la bride." I do not know how it could be translated, but the meaning is that when some one makes you a present

of a horse you do not examine the harness in detail.

Mr. FIELDING: You do not look a gift horse in the mouth.

Mr. BUREAU: You do not look a gift horse in the mouth, my hon. friend (Mr. Fielding) says, but in this case you do not have to, because it would cost you too much. We do not have to adopt the conclusion that members may draw, but we have to take into consideration the impression that this measure will create upon the minds of the outside public and the fears that may be created. We do not know what will happen. Things change so fast these days that we must be prepared for almost anything happening, and we must try to prevent anything happening that may give rise to the idea that something is being done which will curtail the rights of the provinces. It would be very easy for the minister to say: This Government will give so much money; this money shall be proportioned according to the population; it shall be payable in so many years, and the province which desires to have the benefit of the money shall spend so much for technical education purposes. I think that would cover the ground and it would do away with any idea that this is the beginning of an encroachment upon provincial rights. Of course, it was hard for the provincial ministers to discuss the question of provincial rights at the time of the conference. They did not know what the provisions of the Bill were to be. The details were not enumerated. These men were prepared to say that they would use the money for the purposes of technical education, but they wanted the Government to take their word for it. The Federal Government says that it has the jurisdiction and that it ought to be the final judge as to the proper use to be made of this money, but it ought to have enough confidence in the other people to take it for granted that the money will be used for the purpose for which it is appropriated and for that purpose alone. Rivalry in education is noble and laudable. There has been sufficient industrial development, and there have been enough sacrifices made by the provinces to establish industrial schools and provide technical education, that the Government should not be afraid, or feel the least suspicion, that this money will be diverted from the purpose for which it is granted. This grant ought to be made nobly and grandly and you should say to the provinces: "Here is the money; use it to promote technical education." I think that should be sufficient.

Mr. MANION. I thoroughly agree with the granting of aid by this Parliament for educational purposes, particularly technical education, but at the same time I feel that there is a good deal to be said for the arguments of the last speakers, the hon. member for Three Rivers (Mr. Bureau) and the hon. member for Shelburne and Queen's (Mr. Fielding). With many of the points made by the hon. member for Kamouraska (Mr. Lapointe) I entirely agree, but I do not agree with one argument he put up and that was that at this time when money is so much needed in this country we should perhaps consider not making this grant for educational purposes. Education is perhaps the most important question to be considered next to that of the health of our people, and I do not think that because of this war we should permit ourselves to be stampeded into withholding money that is so much needed for technical education. The point I would like to make regarding the importance of education is that if you look over the commercial history of the world for the fifteen or twenty years previous to the war you will find that the United States and Germany were rapidly gaining upon England commercially and the reason was that Germany and the United States stood very high with regard to their systems and types of technical education. The United States spent vast amounts of money on their educational system, including technical education, and I took the opportunity the other day of putting down some figures from a pamphlet that I read that I thought would be interesting to this House in regard to the amount of money spent by the United States on education, including technical education. The sums are stupendous as will be shown by the following statement:

U.S. total expenditure on education—
1871—$69,000,000; 1915—$605,000,000.
U.S. gifts to education by rich men—
1874—$6,000,000 1914—$31,000,000.
Rockefeller gave up to 1913—$118,000,000.
Carnegie gave up to 1913—$150,000,000.
Properties of universities, colleges and technological schools, in 1914—$802,000,000.

I mention the contributions of Messrs. Rockefeller and Carnegie because they might possibly give a certain amount of inspiration to some of the gentlemen in our country who have made vast amounts of money out of the war. With regard to the points mentioned by the hon. member for Three Rivers, the hon. member for Kamour-

aska and the hon. member for Shelburne and Queen's I believe many of them are well taken. There is no question which has been thought of so jealously by the provinces as that of education. I do not believe there is any real basis for the fear in some of the provinces that this may be the entering of the thin end of the wedge of interference with the present system of education in those provinces, but I think we have enough causes for misunderstanding in this country—and I believe they are misunderstandings and ont intentional injuries to any province—to make us careful and avoid the possibility of giving cause for any fresh misunderstanding at the present time. For example, I notice that one paragraph in the Bill says:

> The minister shall be the sole judge of all questions and differences that may arise under this Act or under any agreement made in pursuance of this Act.

In another paragraph it is provided that if the minister is not satisfied that the money was to be used to his satisfaction by a certain province he may refuse to grant it. My own personal opinion is that that is too much power to put in the hands of any minister. I do not for one moment believe that any of the present Federal ministers would think of using that power wrongly; but in my opinion, too great a power should not be placed in the hands of any one minister. I think if the Government decides upon such a paragraph as that remaining in the Bill the suggestion of the hon. gentleman (Mr. Fielding) that the power be vested in the Governor in Council rather than in a single member of the Cabinet would be a far better provision. At the same time I believe that the point made by another hon. gentleman is a good one, to this effect—that the money should be given to the province with the distinct understanding that it be spent on technical education. If it is not so spent the grant should be withheld the following year. I believe the Government would be well advised in any question of this kind to avoid in the case of any particular section of Canada any cause for misunderstanding. I wish to say positively that I believe that if any unpleasantness arose it would be due only to a misunderstanding, because I do not mean to insinuate for a moment that any member of the Government would wrongly use the power granted under this legislation. I repeat, however, that we should not give too much power to any minister and the substitution of Governor in Council in the questionable clause might be better.

Mr. McISAAC: If I apprehend the matter correctly the same principle is involved in this legislation as was embodied in the law by which special grants are made by the Dominion Government for the purpose of promoting agriculture in the several provinces, and also in the Bill still before the House providing for Dominion assistance towards the construction of highways. Under the present Bill the provinces will contribute money equally with the Dominion, and that before any agreement can be entered into between the Federal and provincial authorities. It may be said, why not give this money as additional subsidy to the provinces and not have any limitations such as are here provided. As I understand the proposition it is experimental in this way: The grant is limited to a period of ten years in the first place, doubtless with the idea of seeing how the matter will work out. At the end of that time it may be possible to provide new conditions and new arrangements, but in the meantime it does seem reasonable that while the federal and provincial authorities are equally to make grants there should be an agreement entered into as to what the nature of technical education should be. The hon. gentleman (Mr. Bureau) does not seem to entertain any distrust of the Provincial Governments; he is fully convinced they will carry out their part of the agreement, he is willing to trust them through thick and thin. Why should he not have equal confidence in the Federal Government or in the federal minister who may be empowered to enter into this arrangement? His confidence seems to be a little one-sided. The spirit of generosity and confidence which he expresses ought to be extended to the Dominion Government as well. Of course, if a Provincial Government is unwilling to enter into an agreement with the Federal Government, I suppose there is no obligation on their part to accept the money; they can appropriate money from their own revenues for the purpose if they choose. In any case the arrangement is only tentative, as I understand, and would apply only to a period of ten years in order that it shall be seen how the arrangement will work out. That is the way the situation presents itself to me. To my mind, the proposed legislation does not offer any insuperable difficulty. As to the suggestion of the hon. gentleman (Mr. Fielding) that the Governor in Council might be a court of appeal, so to speak, in case any dispute should arise between the federal authorities and a Provincial Government, that might be well, but

the proposition in its present form does not seem to me to afford any reason for objecting to an agreement with any Provincial Government, or any one really desirous that the experiment of introducing and advancing technical education in his province should be tried.

Mr. WHIDDEN: I am sure we are all very glad that the Federal Government is making some provision for aiding technical education in the provinces, although I suppose there will be differences of opinion as to ways and means. I think that if we study the Bill on its face and do not attempt to read into it what is not to be found there, there is practically very little to cause any alarm. As the hon. gentleman (Mr. Fielding) has pointed out, this is really the second step on the part of this House to carry out in part the recommendations of the Robertson Commission. I am not familiar with the Act which has made possible certain work along the lines of agriculture, but so far as I can learn the money granted to the provinces desirous of using it, on the advice of the Commissioner of Agriculture, has so far been wisely expended and received and used by the provinces in such a way as to commend their action to the Department of Agriculture here. My impression is that the Minister of Agriculture from year to year has had a good deal to say, in consultation with his Commissioner, in connection with the expenditure of that money, amounting to nearly a million dollars a year. I do not see why there should be any objection to conditions being insisted upon such as are provided in this legislation—in fact, this Parliament should not vote large sums of money to the provinces for this, or any similar purpose, without the imposition of some conditions, and especially where the provincial governments have a great deal to say in making the necessary agreements and adjustments so far as details are concerned. I think we know that the representatives mainly called upon to act in the several provinces will be the Minister of Agriculture and the Premier. These two men in most of the provinces would have the most to say. I think one of the things we must bear in mind in making a grant for technical education to a province is whether the money shall be spent on capital account, for example, or in connection with current expenditure. As one who comes from a western province where our equipment and our buildings as well are still in the pioneer stage, I do not think for one moment that we in this House could vote

for a blanket grant to the province of Manitoba for technical education with the understanding that the Provincial Minister of Education could decide perhaps, that, during the first year all of that money was to be spent for buildings and equipment in the city of Brandon.

I think it would be a misuse of funds, Mr. Chairman. Therefore, I favour the laying down of fair and reasonable conditions under which these moneys shall be advanced. If any wise multi-millionaire should at any time—I hope it may be in the near future—establish an educational fund and make possible the expenditure of a million dollars a year on some particular kind of technical education, that fund could best be administered by a group of trustees, and any province or municipality accepting moneys out of that fund would undoubtedly have to agree to certain conditions; otherwise the trustees could not provide for the distribution of the moneys. I realize that the analogy is not perfect; that, as the member for Kamouraska (Mr. Lapointe) has said, one of the provinces may be unwilling to accept the conditions, and, having in a sense contributed a part of the $10,000,000 to the Dominion Treasury, would not get back its share of it for the purposes of technical education. But I believe there would be very little danger of that; I do not think we need be afraid of the result of laying down reasonable conditions. We ought to trust each other a little; the federal authorities should repose some confidence in provincial departments, and vice versa.

One word with regard to a remark made by my hon. friend (Mr. J. H. Sinclair) in connection with the experience of the United States government in this matter. Leading authorities in technical education in the United States have felt for some years that the Federal Government made grave mistakes shortly after the conclusion of the civil war, during the early part of their reconstruction period, by making blanket grants for agriculture. They had no way of conserving the investments that they made and it is felt by those who have studied these investments that they were very largely wasted. With regard to the more recent grants in aid of technical education made by the United States government there is a feeling that there must be a measure of fair control; there must be a few simple conditions if the investments made are to be conserved in the interest of the nation as a whole. I support the Bill as it stands.

Mr. BUREAU: Do I understand the hon. gentleman to say that he would not trust the Government of Manitoba with the expenditure of money for buildings in Brandon unless control was exercised over the expenditure by the federal authorities?

Mr. WHIDDEN: No, I do not say that. I said that I would not want to see money granted to Manitoba spent in any one year on buildings and equipment in the city of Brandon.

Mr. BUREAU: Probably they would not do it.

Mr. WHIDDEN: But they might, if you granted it without laying down any conditions.

Mr. BUREAU: If we are to proceed on supposition and hypotheses, then I say that the Federal Government might do worse.

Mr. BURRELL: I had the privilege of introducing into this House the Agricultural Instruction Act, and had something to do with its subsequent operation. Although it is not precisely the same as this—

Mr. BUREAU: There is all the difference in the world. You have a Department of Agriculture here, and there is concurrent jurisdiction.

Mr. BURRELL: I would not say that there is all the difference in the world, though I admit that the two Acts are not exactly on the same footing. But there is a sufficient analogy to enable a good many of the same arguments to apply to both cases. It is one of the first principles that when Parliament votes money it must exercise a certain amount of control in connection with the expenditure of that money. In fact, it was strongly urged, not only from our side of the House but also by hon. gentlemen opposite when the Agricultural Instruction Act was introduced, that there was not sufficient federal control over the expenditure of the money which was being advanced. I did not take that view, because it seemed to me that the scheme as it worked out in the Act would develop on lines that would be thoroughly satisfactory to the federal and to the provincial authorities. Under that Act a certain sum was granted, which this year amounts to $1,100,000, for distribution among the various provinces. The conditions under which the expenditures were to be made were laid down broadly in the Bill itself, and agreements were entered into between myself as Minister of Agriculture and the Ministers of Agriculture of the different provinces in which, after a general discussion of the whole subject had been had, the class of work which would rightly come under the provisions of the Act was laid down. Occasionally there would be disputes on the question whether such-and-such a line of activity did come within the scope of the Bill, but these differences were finally adjusted amicably, and I am quite sure that the fact that the discussions were held served a good purpose and led to unity of action. It was much better to do this than simply to hand over a sum of money to the provinces which they might expend as they saw fit, and then find out afterwards whether or not the money was properly spent. The member for Three Rivers (Mr. Bureau) suggested that this money be handed over to the provinces to be spent by them on technical education as they might themselves determine, and if there were any disputes afterwards we might withhold the money at another time. His contention was that we should trust the provinces. But I am absolutely sure that in any agreement that is made the air will be cleared and satisfactory arrangements will be come to. As a matter of fact, in connection with the Agricultural Instruction Act, once we got the thing working on lines that were mutually agreeable, the programme for this educational work was really laid down by the provinces themselves; the federal minister simply made suggestions as to whether the expenditure of moneys on a particular line of activity was in accordance with the terms of the Act or not, and so on. That procedure led to greater continuity, and there was no difficulty at all. Nor do I apprehend any difficulty in connection with this Act. The minister representing the province concerned will, I have no doubt, outline the conditions in that province, state what work they are doing and what schemes they are carrying out, and I am sure that any agreement arrived at will meet the views of both Governments and still preserve a rightful measure of control or supervision by this Parliament over the expenditure. I would expect such a procedure to simplify the situation rather than complicate it, as my hon. friend suggests. As to handing the money over to the provinces with the idea that they might spend it as they wish, we must remember that provincial governments change from time to time and that ministers change; you may have great discretion in one case and great indiscretion in another. I think it will

lead to far less confusion, to greater unity of purpose, and to continuity of effort if the provinces and the Federal Government agree from year to year upon what form the expenditure shall take. I feel sure that there will be no trouble at all in that connection.

Mr. CALDER: The point at issue is quite clear, that is, whether or not the Federal Government should retain any measure of supervision over these expenditures, or whether some money should be given directly to the provinces to be expended by them as they see fit for purposes of technical education. I do not see that I can add anything to the argument, as the whole case has been placed before the committee. The Government, after considering the whole proposition have come to the conclusion that the wisest thing to do, under all the circumstances, is to carry out the idea as embodied in the Bill, and very largely for the reasons explained by the Secretary of State (Mr. Burrell) and for those given by the hon. member for Brandon (Mr. Whidden). In the United States the federal system is very much as it is here. Education is a State right. The Federal Government does not interfere with education in the various States. Nevertheless, during the past ten or fifteen years it has made many provisions of a similar character for aiding in agricultural, vocational and technical education, and in every one of those instances under the various laws, the United States Federal Government has retained a measure of control and supervision. Under their last law, passed in 1917 called, I think, the Smith-Hughes law, provision is made for very liberal machinery for the purpose of co-operating with the States, and, I think, for a very definite, specific and useful purpose, the purpose mentioned by the Secretary of State (Mr. Burrell). That is, if we can succeed in getting all the provinces in Canada to endeavour to work as far as possible along well-defined modern lines to secure the one result for the whole of Canada, instead of each province working as a separate unit, in the end we shall secure better results. As a result of the many conferences that were held between the representative of the Department of Agriculture, Mr. James, who is looked upon as one of the best agriculturists in Canada, and the heads and chief officials of the Provincial Departments of Agriculture for the purpose of considering what was best to be done in the interest of agricultural education in each province, I have no hesitation in saying that the $1,100,000 that has been expended up to date is being far more wisely expended than if the matter had been left entirely to the discretion of the Provincial Governments. Last fall we had the largest interprovincial conference ever held in Canada, comprising all the premiers and from three to five ministers from some of the provinces, and we had a very interesting and important conference. This matter was very fully discussed, and I do not think the representatives who were present hesitated to speak their minds. They spoke their minds on other subjects very freely, and during the whole discussion, if I remember aright—and I think I do—not the slightest objection was raised by any representative at that conference to the conditions underlying the aid given under the Agricultural Aid Act.

Mr. BUREAU: That is different.

Mr. CALDER: That is quite true, but when we were discussing the question of providing a system of grants for technical education, time and again reference was made to the manner in which the matter had been worked out as regards the Agricultural Aid Act, and there was not the slightest indication upon the part of any representative at that gathering that any difficulty at all was anticipated. The Secretary of State has put his finger on a principle we cannot overlook. Where the Federal Government is making a grant for a specific purpose, we have a right to retain a measure of control in order to see that that money is expended for that purpose. The hon. member for Shelburne and Queen's referred to this agreement being made by the Minister of Labour. He will find, however, that under clause 6 every such agreement must be submitted to Council and approved by the Governor in Council.

Mr. FIELDING: There is a later clause which says that in the event of a dispute the minister shall be the sole judge. It was to that clause I referred.

Mr. CALDER: Yes. Individual agreements with the provinces must all be approved by the Governor in Council. As regards the Minister of Labour being the sole judge in case any dispute arises under an agreement, I am quite prepared to meet the wishes of the Committee. I can see where there may be an objection to that provision, and we are quite willing to frame the clause so as to meet the objection which has been brought to our attention.

Mr. BUREAU: The minister seems to want to get out of this by referring to agriculture, and the Secretary of State seems to put the two classes on a similar basis. There is all the difference in the world between the two classes. In the Department of Agriculture at Ottawa, the work is, I understand, mainly along experimental lines, and it has all the equipment necessary to assist the provinces and to work in co-operation with them. But in this case the Government, in making a grant, wants to have a string on the end of its generosity so that the grant may be pulled back at pleasure, and this in a matter in which the Federal Government has no jurisdiction and which is entirely and exclusively within the jurisdiction of the provinces; and I may say that this is liable to cause suspicion to the outside world. The two cases are not on a par at all. If the Government wants to make a grant—this is not experimental work, we want to educate our children in certain trades and sciences—it is very easy for the minister to say: These are the conditions we are to impose upon those who want to benefit by the grant; you shall use the money for building technical schools or for salaries for technical instructors; those who want to benefit will come and take it; everybody is on the same footing; Parliament will support that, and Parliament will discuss and determine the conditions under which it is willing to vote the money and to give it to the provinces for such special purposes.

The Secretary of State says that Provincial Governments may change, and that a different Minister of Education in a province may not be up to the standard of his predecessor, or he may be unwilling. That argument works both ways. This Government may change, and if you are going to distrust the provinces there is no reason why you should not distrust this Government. If you are going to make a grant, do not ask the provinces to come on their knees and sign all sorts of agreement. Let Parliament that votes the money determine on what conditions the money shall be given to the provinces. Let the whole world know what the conditions are. Let the statutes define what shall constitute technical education, and let Parliament declare under what conditions the grant shall be given, and under what conditions it shall be refused. There is no danger, however, of any province refusing the money; at least, I hope not. Now I do not want my words to be distorted; I do not want to be understood as being opposed to this grant. It is not the grant we are considering, but simply a question of ways and means. I say that if we are to vote the money we should determine the conditions under which it shall be given, and let everybody know the conditions. There is another clause in this Bill—I may not be in order in referring to it now, but we have to take the Bill as a whole—which says that the grant shall not be used for extinguishing any indebtedness or liability incurred before the 1st of July of this year. I think that is hardly fair. A province, for instance, which has taken the lead in educational matters may have bought sites and put up buildings. Is that province to be penalized because it has gone ahead of the others?

Mr. COWAN: Let it keep ahead.

Mr. BUREAU: Why should it not be allowed to use the grant for extinguishing the indebtedness incurred in buying the site and erecting the building? Why should it be penalized for what it has done? A province that makes a contract for the erection of a building or the purchase of a site on 2nd July can use the grant for extinguishing that indebtedness, whereas the province that made its contract on 29th June cannot do so; yet each province may have expended the same amount of money. I think that provision should not be in the Bill. That is why I say, let us determine here in this Parliament the conditions under which the provinces shall be entitled to receive the money, and then let the Government decide before making the grant whether the provinces come within the four corners of the law. If they do, let them get the grant and dispose of it for technical educational purposes as in their judgment seems best.

Mr. TURGEON: The Secretary of State, an ex-Minister of Agriculture, (Mr. Burrell) has told us of what took place in the matter of agricultural education as between the Federal Government and the provinces. Now we cannot compare agricultural education with other educational work. There is a special clause in the British North America Act providing for co-operation between the Department of Agriculture in the Federal Government and the provinces in matters of agriculture, but another clause makes it imperative that education shall be left solely to the provinces, and without that clause Confederation would not have been accomplished. It is one of the most vital clauses in the British North America Act, and the one perhaps most conducive to the happiness of the

people. My hon. friend when Minister of Agriculture was perfectly within his rights in trying to bring about co-operation between the provinces and the Federal Government in matters pertaining to the development of agriculture, but I claim that the Minister of Immigration and Colonization is not in the same position, and therefore we must safeguard provincial rights which are here endangered. I want the money to be given to the provinces for technical education. We all know that every province is anxious to have technical education, and I believe they are all willing and anxious to co-operate in every possible way for its development. The minister need have no fear that the money will not be spent for that purpose. I say that the provinces should be allowed to decide in what way the money shall be spent. It may be that in some provinces where technical education is not so far advanced as in others, in New Brunswick, for instance, for the first year or so perhaps the teachers of the primary schools may be entrusted with the duty of imparting technical education. At all events, all that the Federal Government is interested in is that the money is spent for the purposes of technical education. If the grant was made to the provinces and they were left to decide how it should be spent, without any conditions being imposed by this Government, there would be no encroachment upon provincial rights, which are always regarded jealously by the provinces. I trust, therefore, that the minister will be satisfied with a provision that will enable the provinces that receive the grant to spend it for the purposes of technical education according to their best judgment.

Mr. E. LAPOINTE: I realize that to oppose the granting of any money to the provinces is not a very popular thing, but as far as I am concerned, I would oppose the granting of this money if by accepting it the provinces have to relinquish any of their provincial rights. I think the mere fact that the ministers are citing the grant for aid to agriculture as a precedent, shows how dangerous this legislation is. The two things cannot be compared, because agriculture comes under federal jurisdiction as well as under provincial jurisdiction; but that is not the case with regard to education. The British North America Act explicitly provides that education comes exclusively—the word "exclusively" is used in the Act—under provincial jurisdiction.

Mr. BURRELL: If you want to labour that point you can apply precisely the same

[Mr. Turgeon.]

argument in the case of the Agricultural Instruction Act—not the Act for aid to agriculture; that was the first Bill, passed in 1912—because the work we were carrying on under that Act was educational work. This Government was not establishing, and never has established, agricultural colleges or carried on educational work, but the money was voted specifically for educational purposes.

Mr. BUREAU: Experimental farms are educational work.

Mr. BURRELL: If you are going to argue that, then every form of governmental activity is, in some sense, educational. The specific educational work, as far as it applied to agriculture, was done under this Agricultural Instruction Act and was done by the provinces. I am sure there is no invasion of provincial jurisdiction because practically they would mutually agree. My hon. friend is rather anticipating a bogey that does not really exist.

Mr. E. LAPOINTE: This shows more clearly the danger of establishing such precedents. This Government started by giving agricultural aid to the provinces. Next came educational help with regard to agriculture.

Mr. BURRELL: For which they were very glad.

Mr. E. LAPOINTE: Now it is used as a precedent to give help to technical education, this Government keeping control of the manner in which the education shall be carried on. Other matters will arise, and the legislation of to-night will be used as a precedent for new legislation. The first precedent is agricultural education, and the second is technical education. As I said at an early stage of the proceedings, nothing will prevent a government, with such precedents, to give subsidies to provinces which will be willing to establish national schools within their borders. This is a dangerous procedure. This Government is gradually encroaching on the provincial area and it has done so in many matters. Take the question of the Department of Health which has been created this year. I have read in Hansard of many years ago a debate when a resolution to create such a department was proposed in the House of Commons at a time when Sir John A. Macdonald was Prime Minister. Sir John A. Macdonald, Sir Charles Tupper and other leading statesmen of that time stated emphatically that under the British North America Act this

Government could not establish a Department of Health. This year, of course, with all the precedents which the minister has adduced, a Department of Health has been created. The Government have given subsidies to the provinces for agricultural education, keeping control on that education. They want to give subsidies for technical education with a string attached, keeping control on a purely provincial matter; and they will do it in other cases on the strength of the precedent which we are creating to-night. The Minister of Immigration and Colonization (Mr. Calder) says there has been an inter-provincial conference at which no one objected. I would submit that the proceedings of provincial conferences should be made public. The atmosphere of the 20th century is not conducive to secret proceedings. If the great diplomats of the world have to make their proceedings public, our own diplomats in Canada, the ministers of the Federal Government and of the various provinces, ought to make their proceedings absolutely public too. But even if the minister agreed to that, I submit, the Bill was not prepared at that time, and I would not be surprised to learn that all the conditions which I read in the various sections of the Bill were not submitted to the provincial ministers at that time. However, even if they were submitted and the provincial ministers agreed to the legislation, that would not relieve me of my responsibility, as a member of the Canadian House of Commons, of the duty to uphold the constitution of Canada so far as provincial jurisdiction is concerned. I am in earnest in the objections I have raised against this particular Bill. I want to tell my hon. friend from Fort William (Mr. Manion) that I have not said I am opposed to technical education. I only said that this particular year is not a propitious year to give the money of this country to the provinces for works which are of a provincial character. The provinces are in a better position financially than this Government at the present time. I know some provinces which are in a pretty safe condition financially and are able to undertake works which come under their jurisdiction. Here, at this time, we do not know where to get money. I think expenditures which are of a purely provincial character should be borne by the provinces this year. When the country is more prosperous it will be time to consider the giving of help to the provinces by this Government. But, even then, I think this grant should be given freely to the provinces without any string attached to it. The provinces should be free to expend the money for the purposes stipulated, and there should be no control by the Federal Government of questions that are purely provincial.

Mr. PETER McGIBBON: The essential fact that has been overlooked, that Parliament, which is responsible for collecting the money, must of necessity be responsible for the expending of it, and that when this Government votes a grant to any province for any purpose it must necessarily see that the money is spent for the purpose intended. I cannot see how this could be done if the grant were not accompanied by some regulation. I agree with the statement of the member for Shelburne and Queen's on a former occasion that most of these objections generally disappear when accompanied by a large grant of money. I think the objections which have been raised to-night will not materialize to any great extent, and if they did I could not see the force of them. The difficulty ought to be overcome. It would be most unfortunate if a Bill of this kind, which holds out such great possibilities for Canada—and no doubt this matter is long overdue, for Canada has been living on the brains of the world to a great extent in industrial lines for a great many years—could not be taken advantage of by every province. As the hon. member for Three Rivers said, the provisions could be fought out and incorporated in the Bill. I am quite convinced that the Government must control the money and see that it is used for the purpose for which it is given. And it is necessary to see that the idea conveyed in the definition of technical education as given here is carried out by the provinces. As I said on a former occasion, it should also be seen to that the money is distributed to different parts of a province because education should be universal. The tendency in the past in all provinces has been to centre technical education in the cities and large towns, and even small cities have not benefited. That is one thing which should be guarded against in this Bill. Altogether, I think, the minister must of necessity accompany the grant with certain regulations.

Mr. CANNON: The hon. member says that expenditure of the money given by the Federal Government should be controlled by the Government. The argument at first appears to be a strong one, but in the relations between the Federal Government and the Provincial Governments large sums of money have been given by this Government, which has absolutely no right to supervise their expenditure. For

instance, the provincial subsidies given by the Federal Government every year amount to large sums. That money is given and it has never entered the mind of any minister of the Federal Cabinet to claim the right to ask an accounting of these moneys from the Provincial Governments.

Mr. BURRELL: That is given under the terms of Confederation which is a very different situation.

Mr. CANNON: But the reason for granting this in no way changes the system under which moneys have been given by the Federal Government to the Provincial Governments without the Federal Government retaining control or supervision thereof. If that can happen in connection with the payment of a subsidy I do not see why the same thing should not happen in connection with this Bill. The Secretary of State has made a comparison between his own Bill passed a few years ago and the Bill that is now being examined by the committee. I have under my hand the statutes of 1913 containing that Act. Without laying any stress on the argument put forward by my hon. friend from Kamouraska that there is a wide difference between agriculture and technical education, I must say that there is a wide difference between the two Bills themselves. Section 2, paragraph (c) gives a definition of technical education so general and elastic that all kinds of things may be included in the interpretation of the words "technical education." The Bill regarding agriculture contains no such provision. Why should we, in this new Bill, provide that the Federal Government shall exact an agreement from the Provincial Governments and shall define education, technical or vocational, when no such requirement was made in regard to the grant for agricultural education? We find, as was pointed out by my hon. friend from Kamouraska, that the Bill passed in 1913 is being used as a precedent by the Minister of Immigration and Colonization. He says that after having passed a Bill as regards agriculture we are passing a similar Bill as regards technical education. But that Bill did not contain the definition that this Bill contains, and that is where the danger lies. We do not want in our province any federal interference with educational matters. We have had enough trouble in the past, we do not want to have any more trouble now. Our province, as regards technical education, has done wonders. The minister knows what Quebec has done. We have technical schools in Montreal, Quebec, Shawinigan, Three Rivers and Sherbrooke. There is one being built in the city of Hull. I repeat, the province of Quebec has done wonders as regards technical education. We have never needed help from the Federal Government. Naturally, as business men our Government will certainly not refuse any help if it is being offered, but the Provincial Government and members from our province will not be willing to give away our privileges as regards education for any amount of money. If the Government wish to help us, we will not refuse the offer of $100,000, or $200,000 or perhaps $500,000, but let not the Minister of Immigration or any other minister attempt to interfere with educational matters in our province. We do not admit the principle because it is a principle altogether opposed to the British North America Act and also to our privileges and interests.

Let the Bill concerning technical education be the same as the Bill concerning agricultural education. We will not take any, or as strong, objection as we have to the present Bill. But there is also a new clause and every one of these new clauses is an encroachment upon our present privileges. The Bill shows the tendency of the Federal Government to interfere with and encroach upon provincial rights. What is the reason? The reason is very obvious. Confederation was accepted at the time only as a compromise between certain portions of this country. We know that. Lots of people in this country, instead of having a confederation as we have it now, would have preferred a legislative union. That has been the aim of a great many people. The aspiration of those people has not died with them. They have their successors in politics; they have had their heirs. Of course, it is impossible to-day for any man, or any Provincial Government to come out and say directly: We want to abolish the present system; we want to have only one government, a central government sitting in Ottawa and governing this country. Any man who would propose such a system would have practically no hearing in any of the provinces. But the Government is clever. The Government is taking an indirect route to attain that object. It is giving money to the provinces in different forms and interfering with provincial matters in different ways. What will be the result? Very soon the Provincial Governments will have such liabilities towards the Federal Government that they will become the mere tools and instruments of the Federal Government, they will disappear and instead of having in Canada the beautiful

political machine invented by Sir John Macdonald, Sir George Etienne Cartier and many others, that system will be destroyed and we will have a central government. We are not in favour of a central government. We are in favour of the present state of affairs and in order to safeguard our privileges we insist that there shall be no encroachment. Compare the Bill referred to by the Secretary of State, which is chapter 6, 3 and 4 George V with this Bill. There are no clauses in that Act such as we find in the Bill. There is no provision that the minister shall be the sole judge in case of disagreement. Yet the minister comes with this Bill and says that his only aim and object is to help technical education in the provinces. Although he is giving money to the provinces, if he wishes to restrict their privileges we will not accept the Bill. We think the Bill may be interpreted in such a way as to enable the minister to interfere with our privileges. Therefore, we are against the Bill and no matter if we do lose the money, we would rather do so than give up any of our existing privileges.

Mr. CALDER: During the course of his remarks the hon. gentleman who has just taken his seat made the statement that if this Bill providing for grants to technical education were practically on all fours with the Bill providing for agricultural education he would have no objection to it.

Mr. CANNON: Not so many objections, I said.

Mr. CALDER: If I remember the hon. gentleman's remarks correctly, he said he would have no objection.

Mr. CANNON: No.

Mr. CALDER: A portion of his song was that this Bill was materially different from the other Bills.

Mr. CAHILL: What does the minister mean by "song" in this House?

Mr. CALDER: It has an ordinary meaning that I think everybody understands. I must ask the Committee at this stage to allow me a few minutes and I think after I close we may as well report progress and rise. But before the House adjourns tonight, I would like to make the members of the Committee acquainted with what the real provisions of the Agricultural Aid Act are. This Act, which was passed in 1913, was originally called the Agricultural Instruction Act, and its preamble reads as follows:

Whereas it is desirable that encouragement be given to agriculture in all the provinces of Canada, and whereas great and permanent benefit will result to education, instruction and demonstration carried on along lines well devised and of a continuous nature—

——and so on. The third section of the Bill reads as follows:

For the purpose of aiding and advancing the farming industry—

By what?

—by instruction in agriculture.

Mr. CANNON: Would the minister be fair? I based my comparison mostly on section 1. Also, I would not like the minister to skip section 2 of the Agricultural Bill.

Mr. CALDER: If the hon. gentleman will wait, I am coming to his main contention. His contention is that there is no definition in this Act of agricultural instruction.

Mr. CANNON: The same as in this Bill.

Mr. CALDER: Exactly, the same as in this Bill, and the hon. gentleman takes exception because in section 2 of the Bill that is now being discussed there is provision for an agreement between the provinces and the Federal Government as to the manner in which these moneys shall be expended. Well, I do not understand the hon. gentleman at all. Just another moment, and I am through. If the Committee will refer to section 5 of the Agricultural Instruction Act it will be found to contain this provision:

The payments hereinbefore authorized shall, as to each province, be conditional upon agreement between the minister and the Government of the province as to the terms, conditions, and purposes, within the meaning of this Act, upon and for which the payments are to be made and applied, and such agreement shall be subject to the approval of the Governor in Council.

Mr. CANNON: That does not define "instruction."

Mr. CALDER: The two Bills are practically on all fours.

Mr. CANNON: It does not define "instruction."

Mr. CALDER: Neither is "technical instruction" defined——

Mr. CANNON: Certainly, it is.

Mr. CALDER: One of the objections made to the Bill by an hon. gentleman opposite is that as such instruction is not defined the Bill would be the better for it. Well, "agricultural instruction" as used in the other Act is not defined either.

Mr. CANNON: Not defined at all.

Mr. CALDER: Now, section 7 of the Agricultural Instruction Act reads as follows:

The Governor in Council may make such regulations as are deemed advisable for giving effect to the objects and purposes of this Act, and, notwithstanding anything in this Act, the minister, with the approval of the Governor in Council and with the consent of the Lieutenant Governor in Council of any province and upon such terms and conditions as are prescribed by the Governor in Council, may expend in any such province in any year the whole or any part of the grant provided for such province under this Act for the purposes set forth in the preamble of this Act.

In other words, in the Agricultural Instruction Act there is the fullest provision made for the entering into of an agreement between the provinces and the Federal Government for the purpose of expending the grants provided for in any form of agricultural instruction that may be agreed upon between the provinces and the federal authorities, and that is exactly the provision in the present Bill. I can quite understand the argument that is advanced, that technical education is not exactly on the same basis as agricultural education, but that there is a wide difference between the provisions of the Agricultural Instruction Act and the provisions of this Bill, I cannot see at all.

Mr. BUREAU: Between the subject matters as stated.

Mr. CALDER: That is an entirely different thing. The view I have stated is the one that is taken by the hon. gentleman who has just resumed his seat.

Mr. CANNON: What about section 6?

Mr. CALDER: That has reference to the minister having the power which I have already stated. That might be a provision inserted into any agreement between the provinces and the Federal Government. There is nothing in the provision at all to preclude an agreement of that nature. I quite see the objection that has been taken to that, but as I have already intimated to the committee I cannot see any reason why we cannot agree upon a clause that will meet with its unanimous approval. Mr. Chairman, I move that the committee rise and report progress and ask leave to sit again.

Progress reported.

On the motion of Hon. Mr. Calder the House adjourned at 11.35 p.m.

Saturday, June 21, 1919.

The House met at Eleven o'clock.

REPORT PRESENTED.

Progress reports of the Medical Services, Overseas Military Forces of Canada, from 1st January, 1917, to 31st March, 1919.—Major-General Mewburn.

CREDIT TO ITALIAN GOVERNMENT.

Hon. A. K. MACLEAN: I desire to lay upon the table of the House copy of the Order in Council providing a credit for the Italian Government, as promised yesterday by the Minister of Finance.

PATENT, TRADE MARK AND DESIGN, COPYRIGHT AND TIMBER MARKING ACT AMENDMENT.

Hon. A. K. MACLEAN (Acting Minister of Trade and Commerce) moved for leave to introduce Bill No. 150, respecting the Patent Act, the Trade Mark and Design Act, the Copyright Act and the Timber Marking Act.

Mr. BUREAU: Explain, please.

Mr. MACLEAN: Until a year ago the Patents Branch was administered under statute by the Minister of Agriculture, but last year the Patents Branch was removed from the Department of Agriculture, as the then Minister of Agriculture desired that the deputy minister should be concerned with no public duties other than those relating to agriculture. The Patents Branch was then, by Order in Council passed under the War Measures Act, placed under the administration of the Minister of Trade and Commerce. The purpose of this Bill is to give power to the Governor in Council to place that branch under any department of the Government or under any minister. The Bill also provides for the creation of the office of Commissioner of Patents, who will be the chief administrative officer of the branch. These are the only two amendments.

Mr. BUREAU: Is there any change in the mode of obtaining patents or trademarks?

Mr. MACLEAN: There are no substantive changes in the Patent Act. I did think earlier in the session that it was desirable to make further substantial amendments to this Act, but, chiefly for the reason that very important changes are likely to be made in connection with patents by all countries after peace is signed, I thought it better to postpone any important amendments to the Act until next session.

Motion agreed to, and Bill read the first time.

APPOINTMENTS IN POST OFFICE DEPARTMENT.

BILL TO ENABLE PERMANENT APPOINTMENT OF P.O. EMPLOYEES IN CERTAIN WESTERN CITIES.

Hon. N. W. ROWELL (President of the Privy Council) moved for leave to introduce Bill No. 151, respecting certain appointments in the Post Office Department.

Mr. BUREAU: Explain.

Mr. ROWELL: This Bill is introduced at the request of the Postmaster General (Hon. P. E. Blondin) to meet the situation created by the withdrawal of a number of postal employees in Winnipeg, Calgary, and Saskatoon from the service during the month of May. Members of the House will recall that it became necessary, in order to maintain the postal service, to take on a number of men in these post offices, and a number of men were taken on, mostly returned soldiers. It was not possible, if the public service was to be carried on, that these men should be required to take the ordinary examinations; there was not time for it. The object of this Bill is to authorize the Civil Service Commission to appoint to the public service in the Post Office Department those who were taken on temporarily at that time, provided that they are recommended by the Deputy Postmaster General and that the postmasters in these different cities certify that they are efficient in the performance of their duties.

Mr. BUREAU: Is there not in the present Civil Service Act a provision that that may be done legally in case of emergency?

Mr. ROWELL: No, the Civil Service Act as it stands does not cover the present situation. This is to appoint them permanently; under the Act as it stands, they might be appointed only temporarily. In order to secure the necessary men for these positions the postmasters in these cities felt that is was necessary to assure the men that their positions would be permanent; that they would not be dismissed in a few weeks' time.

Mr. MORPHY: Does the Bill provide for similar emergencies in the future, and if not, why not?

Mr. ROWELL: The Bill does not contain any provision dealing with the future. I understand that the amendment to the Civil Service Act, which is now before the House in the form of a Bill introduced by the Acting Minister of Trade and Commerce (Hon. A. K. Maclean), contains provisions which cover cases of a similar character arising in the future.

Mr. BUREAU: This is an exception to the Civil Service Act?

Mr. ROWELL: Yes, to meet the exceptional conditions that developed in May last.

Mr. CAHILL: Might I ask the minister if this is only to apply to men already appointed to the service? It is not intended for future appointments, is it, under similar circumstances?

Mr. ROWELL: It applies to any one who may have been taken on to fill vacancies in the service in these three post offices in the month of May last.

Mr. BUREAU: Confirmation of appointments, I understand.

Motion agreed to, and Bill read the first time.

ROYAL NORTH WEST MOUNTED POLICE ACT.

AMENDMENT MADE BY THE SENATE.

Hon. N. W. ROWELL (President of the Privy Council): Mr. Speaker, the amendment made by the Senate to section 8 of the Bill to amend the Royal North West Mounted Police Act, appears to have been made to some extent under a misapprehension. The object of the Senate was to introduce into the Bill an amendment of the same character as they introduced into the Militia Pensions Bill. It was not necessary, because the Bill already contained a provision dealing with the matter. I should, however, point out to the House that the Senate amendment goes somewhat further than the provision of the Bill itself, and I shall point out wherein it does so. The Bill itself prevents the widow or dependents of any member of the Force receiving a pension under the Mounted Police Act and also under any Canadian Pension Act. The amendment extends that provision and would prevent them from accepting a pension from the Government of Great Britain or of any other portion of the Empire and also a pension under this Act.

I have conferred with the Comptroller, and from the standpoint of administering the Police Force and in the public interest, we think that the amendment is not desirable, for the reason that we frequently get into the Force men who have served overseas, residents of the British Isles, who may be pensioners to a limited amount for services rendered in the British army, and

if this amendment prevailed, their widows and dependents would be compelled to elect between that pension and the pension they would receive under this Bill. So far as the Police Force is concerned, we do not feel that any pension or gratuity which any member or his widow or dependents might receive from the Government of Great Britain should necessarily be taken into account in dealing with the situation here. Therefore, I would move:

That the House do not concur in the Senate amendment, the matter having been already provided for in the latter part of section 8 of the Bill.

Mr. SPEAKER: There being some question as to the precise form which a motion of this character ought to take, I would suggest, if it be agreeable to the hon. minister, that the order stand for the time being while we make sure of our procedure.

Motion stands.

PURCHASING OF DEPARTMENTAL AND OTHER SUPPLIES.

RESOLUTION RESPECTING COMMISSIONERS' SALARIES.

On motion of Hon. Mr. Rowell (President of the Council) the House went into Committee to consider the following proposed resolution—Mr. Boivin in the Chair.

Resolved, That it is expedient to provide in the proposed Act respecting the Purchasing of Departmental and other Supplies and Materials for His Majesty, (Bill 46), now before the House, that the Chairman of the Purchasing Commission for Canada shall be paid an annual salary of seven thousand dollars, and each of the other commissioners shall be paid an annual salary of six thousand dollars, and that such salaries may be paid monthly out of any unappropriated moneys in the Consolidated Revenue Fund of Canada.

Mr. ROWELL: When the Bill was before the House, we discussed the matter at some length, and certain clauses stood over for further consideration, it also being understood that in committee the principle of the Bill might be discussed if any hon. member desired to do so. I think that was on the suggestion of the hon. member for Three Rivers (Mr. Bureau). What I would suggest to the committee, if the committee would consent, is that this resolution go through in order that it may be referred to the committee for consideration with the Bill, and the whole matter may be discussed when the Bill comes back into committee. As a matter of form, it is necessary to get this resolution into committee so that it may be discussed with the Bill.

[Mr. Rowell.]

Mr. BUREAU: I was unavoidably absent at the time, but after reading the debate, I remarked that the clause relating to the number of commissioners had been amended by substituting the words "not more than three" for the word "three." By this resolution is it not intended that the number of commissioners to be decided by the clause in the Bill shall be entitled to the respective salaries mentioned in this resolution? My impression was that if we were asked to pass a resolution authorizing the expenditure of money, the amount had to be definite and the number of positions, for the emoluments of which the amounts were to be paid, had also under the rule to be definite. If we do not know how many commissioners are to be appointed, if that is left to the discretion of the Governor in Council, it is very hard to appropriate moneys for officials who might not be appointed at all.

Mr. ROWELL: My hon. friend will see that this resolution does not deal with the appropriation. There will have to be a vote in the Supplementary Estimates for that, and the number of commissioners must be determined before the Government introduces in the Supplementary Estimates the necessary appropriation. The effect of this resolution will simply be to provide a salary of $7,000 for the chairman and salaries of $6,000 for any other commissioners who may be appointed. It is necessary, as a matter of form before we can consider that clause of the Bill, to have a resolution of this kind. The number of commissioners will be determined before we bring down a Supplementary Estimate dealing with the matter, which can be discussed further, if my hon. friend so desires, when the Bill is in committee.

Mr. BUREAU: All right.

Mr. McKENZIE: That safeguard which the President of the Council mentions as regards the voting of the money does not seem to be necessary under this resolution, because it says:

And that such salaries may be paid monthly out of any unappropriated moneys in the Consolidated Revenue Fund of Canada.

That would appear to me to give license for the payment of the salaries of these commissioners out of any money that is unappropriated. Therefore, if it is necessary that we should specifically know what amount of money is to be paid for this service, the amount ought to be named, because this resolution gives carte blanche to get it anywhere if it is available at all

and not ear-marked for any other purpose. While I do not want to obstruct the work of the minister or the progress of the Bill on that ground, this is the first time in many years that a resolution for a money Bill was introduced at this stage. I have been in this House for a long time now, and I never before saw a case where, if a resolution was at all regarded as necessary, such resolution was not introduced first and passed by the House before the Bill was introduced. There may be some provision for this, but there is nothing in the rules about it. Of course, there is what might be regarded as common law education in the books dealing with Parliamentary procedure, but the minister will find, if he consults those authorities, that he has not followed the practice. The clauses dealing with the money part should either be left blank altogether in the Bill or be printed in red ink so that that would be a blazing notice to everybody that this Bill was something apart from the ordinary procedure. Here we have a Bill printed in the ordinary way and the only blanks in it are blanks for the salaries. I understand they have had such cases in England, and the other procedure was followed, namely, the money provisions were left blank altogether or written in red ink to give notice to the House that there was something to follow. I cannot understand why the time-honoured practice was not followed in connection with this Bill just as in connection with any other Bill regarded as a money Bill which has been introduced into this House for many years past.

Mr. MORPHY: I have repeatedly in this House referred to the ease with which high salaries in new appointments have passed through this House. It has come to be a hobby with me, and I have made many a fight for the man who is getting only $600 a year, with probably a wife and five or six children to support, and who finds it very difficult to get an increase. He is thrown over practically as a man undeserving of any consideration by the House, and he cannot fight his own way through the departments except on a set grading starting very low. I notice this resolution provides for an initial salary for the chairman of $7,000. Why should that not be $6,000? It shows $6,000 salary for each of the other commissioners. Why should that not be $5,000? We are burdened with debt in this country; the cost of living will probably soon come down, and yet we are establishing a principle of the highest grade of salaries after the war is over as though the war were to continue for ever. I believe a man can be got as Chairman of this Commission for $6,000 as good as a man who is paid $7,000. Especially as we do not know who the man is, it is unwise to my mind to set a grade of salary which is going to be followed throughout the departments of this Federal Government.

It is an example that everybody else will be able to point to and say, "I want $7,000 for the position I hold, because this commission has set a new standard." I think that is a pernicious example to set; it is not economical, and I think the House should be plainly told before this resolution passes who the man is that the Government propose to appoint, what experience he has had, and what is his general fitness for this position. I am not making the argument that the salary is necessarily too high for the position, but a general argument bearing upon the salary question. I can conceive that if this commission is to perform its functions to the best interests of the country, before we are through we may require a man who would not accept less than $25,000 a year; but that is not my point. My point is that we are appointing a man at $7,000 a year and we have absolutely no idea who he is. That is a radical advance to my mind, and will be an incentive to every other branch of the public service to reach the same starting point. I have said before in this House that the $600 man receives no consideration. When a Bill of this character was under consideration some time ago I made a direct appeal to the President of the Privy Council, and he replied that the re-classification would take care of the $600 man. I have not had time to analyze the report, and I should like the minister to say before this resolution goes through whether the re-classification will better the salary of the $600 man.

Mr. ROWELL: Dealing first with the remarks of my hon. friend the leader of the Opposition, of course I cannot speak from experience in this House as to what the procedure has been in the past. I can only say with reference to the form of this procedure that it is the form advised by the Parliamentary Counsel as being the proper procedure in a case where the salaries had not been fixed when the Bill was introduced. The amount of the salaries was left blank in the Bill showing that they had not been fixed, and the resolution was introduced subsequent to the introduction of the Bill, but before the Bill had been consid-

ered in the House and as soon as the salaries had been fixed. I know that it was a very common practice in the Legislature of Ontario, of which I was a member for many years, to leave the money clauses of a Bill blank until the resolution was introduced. When the resolution had been passed it was referred to a Committee of the Whole House for consideration with the money clauses of the Bill.

Coming now to the question raised by my hon. friend from North Perth, I do not now recollect just what the provisions of the reclassification are, but I do know that the position of the men my hon. friend refers to is substantially improved under the reclassification. If my hon. friend will turn up the report which has been laid on the table of the House by the Acting Minister of Trade and Commerce he will see what is there proposed, and what is there proposed is not all that the men drawing the lower salaries will secure. There will also be a war bonus, which must be added to the amounts mentioned in the schedules, until the cost of living more nearly corresponds with what it was before the war than it does to-day.

Coming now to the question of the salaries of the Purchasing Commission, my hon. friend says, and very properly, that if we are to secure a man possessing the ability and experience which we should hope to secure for the chairmanship of this commission, we might have to pay a very substantial sum to secure him. I quite agree; I do not believe we could get a man of the ability and experience required for $7,000, if $7,000 was the only consideration, and he was dependent on that amount for his support; but I think we can make an appeal to public spirited citizens of this country, to some of our business men who have been willing to give war service in the past and who would be willing to serve their country at this time for a reasonable amount, having regard to the fact that they are rendering public service as well as receiving compensation.

Mr. MORPHY: Have the War Purchasing Commissioners received salaries in the past?

Mr. ROWELL: No, they did not receive salaries, and I might say that none of the existing commission will serve in the future. One, unfortunately, has died, and the other two, for business reasons are unable to continue. My hon. friend asks why the salary of the Chairman has been fixed at $7,000. There is one reason; it may not be a very good one. Personally I thought the amount should be higher, and I have no hesitation in saying so, but $7,000 is the salary of a Cabinet Minister, and the view prevailed that we should not fix the salary of the Chairman of the Commission higher than that of a Cabinet Minister; so $7,000 was agreed upon.

Mr. BUREAU: Cabinet Ministers' salaries are too low.

Mr. ROWELL: I agree that they are too low, but that is the situation.

Mr. BUREAU: Raise them.

Mr. ROWELL: I have frankly told my hon. friend how the $7,000 was arrived at. There is this further fact, that $7,000 is the salary of the Chairman of the Civil Service Commission, and it was thought that these two commissions might be put on a parity. Any other commissioners appointed, whether it be one or two, would receive $1,000 less than the chairman, which is the salary the Civil Service Commissioners will receive.

Mr. BEST: I understood that there is a purchasing committee in each department; are these committees to be done away with? What I should also like to know from the minister is this: About a year ago some men were appointed to re-classify the Civil Service, and it was understood their report would be presented to Parliament by the 1st of April of this year. In view of the fact that the Government knew that that report was being prepared, why is it that in the meantime some men have received increases ranging from $100 to $2,000? Why were their salaries increased before the report was brought down? My opinion is that this country is being run altogether too much by commissions. There is one other commission which I think the Government would appoint if we gave in to them, and that is a commission to tell us how to vote. I want the money of this country saved and conserved. Our public debt is large, and there are many men throughout this country to-day who are sacrificing because they know we owe so much. Why is it that cabinet ministers do these things that can only cause dissatisfaction in the Civil Service? Any one who has looked over the report must realize that nothing could do more to create dissatisfaction among civil servants. Some men are granted salary increases ranging from $100 to $2,000. In one particular case, a civil servant who was receiving $1,000 less than another man appears in the report as entitled to $300 or $400 more than this other man. The

head of one department is getting $5,000; and the head of another department $4,000; and the report of the Classification Committee says that the man getting $4,000 should get $4,800, and the man who is receiving $5,000 should be given $4,500, or $300 less than the other. Will this Government allow this sort of thing? If we want satisfaction among the people and among the civil servants, we must do something to stop that kind of thing. If we allow this condition to continue, considerable dissatisfaction will be caused. This is a very drastic step we are taking in the appointing of so many commissions. We do not know how many men are going to be appointed. We were told a year ago that there were to be three, and now there are two more, and as I am informed this addition is absolutely unnecessary and will result in nothing but a debating society. But in addition to these new men, there will be stenographers and clerks, and altogether the people are being called upon to pay thousands of dollars for many things that are entirely unnecessary. I think it is all right that we should try to pay every civil servant what he ought to get. The hon. minister told us they would give this man only $7,000, because Cabinet ministers were getting only $7,000, but the classification says that the deputy minister can get as high as $8,000. Why did the hon. minister not raise the chairman another thousand to put him on a level with the deputy? That would be only fair. I hope we shall have fewer commissions and that the people's representatives in this House will have some say in what is going on, and not have Bills, as happened last year and this year, forced through the House in the dying hours of the session, when we expect Parliament to prorogue. We do not know what legislation is coming down, and it is only fair to the members of the House that we should be given some idea of what is to be done in the dying hours of the session.

The CHAIRMAN: Before this discussion goes further, I must remind hon. members that this is certainly not the proper time to discuss the classification of the Civil Service. It has very little to do with the resolution before the House, to which I would ask that remarks be confined.

Mr. BEST: Mr. Chairman, I was just answering the minister. He took the matter up and I think I had a right to reply.

The CHAIRMAN: I did not call the hon. member to order. I merely asked that other hon. members should not discuss the Civil Service Report.

Mr. ARTHURS: The hon. member has raised an important point.

The CHAIRMAN: The point is not raised at the proper time.

Mr. ARTHURS: There is another point that I would raise: What will be done with the present purchasing agents of the various departments when this new commission takes charge? Are these men to continue to draw large salaries as in the past, or will their services be dispensed with? We have purchasing agents in every department, some of them very efficient men who are conversant with conditions and prices of goods which they have been purchasing for years, and I would like some information as to what the intention is in this regard.

Mr. ROWELL: I do not think my hon. friend was in the House on the second reading of this Bill, but if he would turn up the debate that took place on that occasion he would see that the matter was fully discussed. If my hon. friend does that and is not satisfied with the explanations and the statements then made, the whole matter can be reviewed when we get into Committee on the Bill.

Mr. MICHAUD: How many purchasing agents are there already appointed for the several departments of the Government, and will they still act as separate agents if this commission is appointed?

Mr. ROWELL: That matter is all explained in the debate we had. There was a lengthy discussion of some hours and all these matters were dealt with. The total number of employees at present in all the departments of the Government dealing with the matter of purchasing is in the neighbourhood of 300. I am not sure of the exact number, they deal with purchasing, receiving, inspecting and passing upon supplies.

Mr. BUREAU: The resolution provides that the Chairman shall receive $7,000 and the members of the commission $6,000. The number of commissioners is not determined, but there is a maximum number who may be appointed. This is an absolutely new expenditure over and above the present expenditure. These three men are being given powers already exercised by the ministers in the various departments, who are being paid salaries, small if you like.

Mr. ROWELL: It is new and additional, but we are convinced, as the old commission which recommended this is convinced, that the net result will be a substantial saving in the actual cost

of administration, by a combination of all these branches into one. But the greatest saving will be in the actual purchasing of all supplies for the Government where they can be purchased in larger quantities at the same time for all departments requiring the same classes of supplies.

Mr. BUREAU: I understand that, as I read the discussion that took place on the previous occasion. But I contend that we are paying $19,000 for administration over and above the expenditure under the old system. Whether or not the Commission will be a matter of economy can be discussed in the Bill, although I see that opinions differed very much on the question. It has been claimed that there have been extravagance and mismanagement, but that can also be discussed in the Bill. I am merely pointing out that this is an additional burden of $19,000.

Mr. ROWELL: It is an additional expenditure which the Government believes will enable them to reduce the existing expenditure.

Mr. McKENZIE: This is a proposition that ought to be opposed at every stage. I opposed the Bill as strenuously as I could when it was before the House and I intend to oppose it again, and I oppose the resolution. The minister will find that instead of reducing expenses of the various departments this will send them sky high above what they are to-day. I would imagine that deputy ministers and ministers, who are ordinary individuals, should have pride in seeing their departments economically and properly managed in the matter of purchases. If the heads of departments have no responsibilities at all except to pass orders over to an outside commission who will buy goods and pay the prices, there will be a keen rivalry between the departments to obtain things of the greatest excellence which they would do without if they had to shoulder direct responsibility themselves for the purchase of them. We are creating an institution to buy for all departments, and it is absolutely impossible for the Commission to know the requirements of the departments, or whether an order sent to them is reasonable or not. I cannot conceive of any difficulty in a deputy minister sitting for ten minutes in consultation with a man who is selling goods. He knows what he wants and the man is willing to sell to him, and he surely can get goods as cheaply as they are going into the market anywhere else. I am clearly of the opinion that this is absolutely a mistake. I am sick and tired of hearing of people serving their country for nothing. We have heads of big concerns serving the country gratis so far as salary goes, but they are drawing grist to their mills in other ways ten thousand times greater than their salaries.

I hope we have heard the last of this extraordinary patriotism that is abroad in this country. When this thing is inquired into we find that the man who has served without compensation has simply served as advance agent of a circus, or something else, to find out the best way to put up his posters. In like manner, these high patriots find their way into the departments and government positions and simply utilize those positions for the advancement of their own business, or to put money in the way of their friends. Whether they are getting a rake-off from it afterwards I am not going to say, but that is what is going on. It is better for this Government and this country to hire a man who has no such high ideas of patriotism, pay him and let the business of the country be done in a business way. We had never heard any complaint about the departments not doing their business properly until this War Purchasing Commission arose and found that they were in a position to do big things and to do them in a different way from what they had been done before. I look for no good from it at all. I would say, as has been said already by hon. gentlemen supporting the Government, that this is no time for extravagance or plunging into new experiments involving hundreds of thousands of dollars. The minister has been honest enough to tell us that he must increase the staff of this new department and that he must start with something like 300 or 400 men and women. He proposes to take whatever number of men are engaged in that commission now and pitchfork them into this new service over the heads of the Civil Service Commission, and, in that way, violate the law. Although there is no doubt that this resolution will pass, my good friend from Durham —I think it is—says that the next thing will be the appointment of a commission to tell us how to vote. I think there are sufficient commissions abroad now to tell hon. gentlemen supporting the Government how to vote on this resolution. All we can do from this side of the House is to protest against it. It involves extravagance and the unnecessary expenditure of money at a time when every dollar should count in the judgment of the Government, and particularly

when we are in the financial position that we are in to-day.

I submit to the Government that if any private concern were in the financial condition that the Government is in, it would be regarded as hopelessly insolvent. I say that seriously. What would we think of a merchant, a manufacturer, or a man at the head of any industrial concern in this country, whose finances were in the condition of the finances of the Government, plunging into unnecessary extravagance of this kind? I submit that there is not one financial law to be applied to the Government and another financial law to be applied to every going concern in this country. The Government should cut their coat according to their cloth and when money is low and hard to get, and the cost of living high, it should get along with the least possible expense. For this, and many other reasons, which have not yet developed, but which will develop under this Bill, I submit that it should not be passed at all. As for myself, I am determined to do everything I can against the piling up of any expenditure for this year, or possibly next year, that we can get along without.

Sir HERBERT AMES: Mr. Chairman—

Mr. ROWELL: Would the hon. gentleman allow me just one word? If the members wish to further discuss this matter I have no objection to moving that the committee rise so that it may be brought up again. I would do so for the reason that we have two or three matters of important Government business that it is desired to proceed with to-day. I had assumed that the committee would possibly accept the suggestion that I made, allow the resolution to pass and then the matter could be dealt with on the Bill in committee. But if it is the desire of hon. members to discuss the question further, I will move that the committee rise and report progress.

Sir HERBERT AMES: Mr. Chairman, I cannot sit quietly in my seat and allow such aspersions as we have listened to, to be cast by the hon. the leader of the Opposition (Mr. McKenzie) upon the men who have given their services free of charge for the last five years. I know man after man who has left his business, who has been under great financial loss, who has come here to Ottawa, and slaved as he never worked for himself, while our boys were at the front, actuated only by patriotic motives. When the leader of the Opposition arises here and imputes to every one of these gentlemen sordid motives and alleges that they were endeavouring to bring grist to their own mill he does something that he ought to be ashamed of. If there is anything that we shall look back to when this war is over with credit to ourselves it will be the fact that we had men in Canada, not five, or ten, or twenty, but scores who were willing to sacrifice their own private interests in the public cause while this war was on. I can point, as every one knows, to man after man who, when he goes back from Ottawa, having served at his own expense for the term of years that he has given to this service, will go back and live a quiet life, for the rest of his days, simply because there is nothing left in him. Let me just say one word in respect to the chairman of this War Purchasing Commission, a man from my own province whom I have known all my life as a man of the highest integrity and patriotism; he left a big business, left his family, came here and worked twelve months in the year for five years in order to save this country thousands of dollars as the head of the War Purchasing Commission. For any one to tell this House or this country that that man had some sordid motive other than the desire to render patriotic service is to make a statement that is unworthy of the House and unworthy the leader of a party.

Mr. McKENZIE: Perhaps Colonel Allison is one of those. He is one of that class and if my hon. friend wants to get into Colonel Allison's class—

Sir HERBERT AMES: No, I do not.

Mr. McKENZIE—let him get into it and drop his knighthood.

The CHAIRMAN: Shall the resolution carry?

Mr. McKENZIE: No; I am not going to take any aspersions from the hon. member. If honesty in public life is required, let the hon. member go into the office of Mr. Bourassa and ask him what he found about the hon. gentleman's honesty in handling public moneys and moneys wrung from the people of Canada.

Sir HERBERT AMES: I do not know to what you refer.

Mr. M. CLARK: I think I shall probably pour some oil on these troubled waters. I would like the committee, unless the leader of the Opposition says there is an insuperable objection, with a view to getting the business of the House forward in a reasonable manner, to take seriously the request of the minister that we should pass the resolution and take up the principle

of the Bill. I may say to the leader of the Opposition that I had intended to express the hope, which I do not see any need now to express, that he would not, like myself, be prevented from performing his constitutional duties as watchdog over public expenditures by any such vehement onslaught as was made upon him by the hon. member for St. Antoine (Sir Herbert Ames). The committee will agree that the leader of the Opposition does not need any such advice as I was about to give him because he has given evidence that he can meet vehemence with vehemence in any line of debate in this House. I do think that it would be a reasonable thing to accede to the request of the minister. I make the appeal all the more readily because I am entirely in accord, as the leader of the Opposition knows from a previous debate in this House, with his views on the question and will be prepared to speak in that sense when we debate the principle of the Bill.

12 noon.

Mr. McKENZIE: The motion made by the minister is that the Committee rise and report progress; and that motion is not debatable.

The CHAIRMAN: The motion that the Committee rise was certainly not made by the President of the Council.

Some hon. MEMBERS: Yes.

The CHAIRMAN: The minister said that if members desired to debate the matter further, he would make that motion. If the Chair had not understood that the President of the Council had put in the proviso which I have mentioned, of course the Chair would not have allowed any debate upon the motion, because the leader of the Opposition is right in saying that the motion is not debatable. But I understood that the President of the Council said: "If hon. members wish to continue the debate, I will move that the Committee rise".

Mr. McKENZIE: The minister made the motion twice. He may have qualified it in that way the first time, but he certainly made the motion without qualification the second time.

Mr. ROWELL: Is it the desire of hon. members further to debate the resolution, or will they accede to the suggestion that the resolution be adopted and that the whole matter be discussed when we are in Committee on the Bill?

Mr. McKENZIE: If we pass this resolution we commit ourselves to the principle of this Bill and of the whole business, and I do not agree to that.

Mr. ROWELL: We have already committed ourselves to the principle. The House voted upon the principle on the second reading of the Bill. I move that the Committee rise and report progress.

Progress reported.

BRITISH NATIONALITY, NATURALIZATION AND ALIENS CONSOLIDATION ACT.

Hon. HUGH GUTHRIE (Solicitor General) moved the second reading of Bill No. 138, to amend and consolidate the Acts relating to British Nationality, Naturalization and Aliens.

Mr. E. LAPOINTE (Kamouraska): At the risk, Mr. Speaker, of making an unpopular suggestion, I submit that we should not be compelled to discuss this Bill at the present time. The Bill, which is a very important one, was introduced on Wesdnesday of this week, only three days ago. Its most important sections are based on the Imperial Act of 1918, and I went to the library and tried to get that Act in order that I might study the Bill and give it proper consideration. I was told, however, that there was only one copy of the Imperial Act of 1918, and that it was in the possession of the Solicitor General (Hon. Mr. Guthrie). Of course, being a plain private member, I could not compete with my hon. friend in the securing of that book, and I do not think it is fair to the House or to the country that this Bill should be forced through three days after its introduction and before we have had time or opportunity of studying it and considering its various provisions.

Mr. GUTHRIE: Mr. Speaker—

Mr. SPEAKER: Technically, under the rules, the Solicitor General exhausted his right to speak when he submitted the motion. I take it, however, that the House will concur in permitting him to make his explanation.

Some hon. MEMBERS: Certainly.

Mr. GUTHRIE: I recognize that upon a casual reading of the Bill, it would appear to be somewhat involved and to require a good deal of consideration. However, I may explain that the Bill is merely a consolidation of the two Acts now in force in Canada in respect to naturalization, to which has been applied the Imperial Act of 1918, the precise language of the various sections of the Imperial Act being employed as far as possible. I have prepared a copy

of the Bill showing precisely, by indicating them in red ink, what are the clauses of the Imperial Act, and showing by marginal notes the verbal changes in each section. It will be remembered that a few days after the outbreak of the war—I think on the 7th of August, 1914—the Imperial Government passed an important Naturalization Act. This Parliament had passed an Act on the 24th of June, 1914, without knowledge that the Imperial Parliament contemplated any action in the matter. After the Imperial Act had been passed, this Parliament passed a further Act, on the 22nd of August, 1914, at the short summer session, to bring into force in Canada certain sections which had been adopted by the Imperial Parliament on the 7th of August preceding. On the 8th of August, 1918, the Imperial Parliament passed a further Act by way of amendment of the Imperial Act of 1914, and the two Acts now in force in Great Britain are cited as the British Nationality and Status of Aliens Acts, 1914 and 1918. It is provided in the Imperial legislation that any self-governing Dominion of the British Empire may adopt Part 2 of the Imperial Act, and that if it does so, a naturalization certificate thereafter granted in that dominion shall have force and effect throughout the whole of the British Empire; but until the Parliaments of the various self-governing dominions expressly adopt the provisions of part 2 of the Imperial Act, certificates of naturalization granted in the self-governing dominions shall have force and effect only in the British dominions in which they were granted. The matter was discussed at the last Imperial Conference, and it was generally agreed that a uniform naturalization law would be in the interests of every part of the Empire; but it was recognized that each dominion had a perfect right to regulate the matter for itself, so far as its own jurisdiction went. However, from a discussion which took place in the British House of Commons, I learned that practically all the self-governing dominions had expressed their intention to adopt part 2 of the Imperial Act. I do not really know how many have actually done so, but I think all save Canada and Australia. However, I am not certain in that respect. The main change effected in the Imperial law was in regard to the revocation of certificates heretofore granted, and in regard to the status of married women. We know that in Canada, prior to 1914, under the provisions of our law certificates of naturalization were granted after residence of three years. In 1914 we changed that law and made the period of residence five years; that is, in conformity with the requirement of the Imperial Act. But the Bill which is now before the House has included in it only the provisions of our own law passed in June, 1914, and in the following month of August, and in addition thereto the provisions of Part 2 of the Imperial Act, without any change whatever in the language except so far as is absolutely necessary to make it applicable to Canada. For instance, the tribunal in England which deals with the question of revocation of certificates, is not identical with the tribunal which will deal with those certificates here. Mere matters of form of that kind have had to be changed, but in other respects the language of the sections included in the present Bill is identical with the language in the British Bill.

Mr. BUREAU: What tribunal deals with the revocation of certificates in England? We have not had a chance to see the Imperial Act.

Mr. GUTHRIE: In Great Britain under the Act of 1918 the inquiry in regard to applications for the revocation of certificates is held by a committee constituted for the purpose by the Secretary of State. This is the language of the section:

> An inquiry under this section shall be held by a committee constituted for the purpose by the Secretary of State, presided over by a person (appointed by the Secretary of State with the approval of the Lord Chancellor) who holds or has held high judicial office, and shall be conducted in such manner as the Secretary of State may direct:

The language of that section would of necessity have to be changed in a Canadian statute.

My suggestion would be, if the Bill is given its second reading, that discussion in Committee go forward and that any reasonable time should be allowed members to make comparisons and further investigate the Bill. But until we can discuss it clause by clause, I do not think more can be gained by amplifying the general explanation which I have sought to give the committee. I know it would help very much in considering the Bill if this copy were used, and I would like to hand it to my hon. friend the leader of the Opposition so that he can see the manner in which the Bill has been consolidated.

Mr. BUREAU: Are there many copies of the Bill that my hon. friend is proposing to turn over to the leader of the Opposition? I see it is a printed document.

Mr. GUTHRIE: I made this single copy myself. Any one can do the same who will take the time. It is only to indicate the clauses in the Imperial Act that are not law in this country now, but which will become law if this Bill passes. This also indicates the necessary change. The other sections are all sections passed by this Parliament in 1914 and prior years.

Mr. BUREAU: I understand from my hon. friend that this is a consolidation of the Canadian Acts, with the addition thereto of part of the Imperial Act to make a Canadian a British subject in any part of the Empire. The Act of 1914 was passed under war conditions, and we then departed from the very basis of the other Acts. Heretofore our tribunals have been granting citizenship; if a man wanted to be naturalized he had to go before the courts. To-day we have taken away that jurisdiction from the judiciary and placed it in the hands of a political body—the Government or the Secretary of State.

Mr. GUTHRIE: I think if my hon. friend will read the section he will find he is mistaken. A man desiring to become naturalized still has to make application to the courts. The old Act was passed before the war, on the 24th of June, 1914. We have left the war-time procedure behind us.

Mr. BUREAU: I did not notice the change. I think applications for naturalization should not be left to the decision of any political body, neither should the revocation of certificates of citizenship. Under the Imperial Act which my hon. friend has just read the Secretary of State may appoint a committee under the Lord Chancellor or some man with judicial experience—some one who would be above any political feeling.

Mr. GUTHRIE: Our Bill provides for investigation by the judges of the superior courts in the various provinces.

Mr. E. LAPOINTE: Only if the Secretary of State thinks fit.

Mr. GUTHRIE: No. There are four distinct cases; in three of them the Secretary of State is bound to cause an inquiry to be made; in the other case—and it is the case only of a man who has been out of the British Dominions for seven years and has not kept up any connection therewith—the Secretary of State may cancel the naturalization papers. But these are matters that can be discussed in committee, and I do not think we can very intelligently deal with them on the second reading.

[Mr. Bureau.]

Mr. SPEAKER: I was about to call the attention of the House to the rule that on the second reading only the principle of the measure can be discussed. We are departing from that rule in this case and are discussing the effect of certain clauses.

Mr. BUREAU: I want to say on the second reading that I am against the principle of this Bill as indicated here. I am of opinion that these powers should not be left in the hands of the Government or of any politically organized body; the judiciary is the best tribunal to decide whether certificate of citizenship should be granted or refused. I also wish to register my most emphatic protest against the provisions in regard to revocation. If a man becomes a citizen of a country he is supposed to abide by the laws of that country, and if he commits such offences that revocation of his papers should be necessary, I think we ought to be able to make laws to remove such a man from society, instead of throwing him out of the country without any citizenship at all. We ought to think twice before taking such drastic steps and telling a man: "You foreswore allegiance to your native country; you have failed to observe the laws of this country to which you swore allegiance; therefore you are an outlaw." It is far better, if that man is so dangerous that he ought not to live in Canada or any other part of the British Empire, that you should jail him. Let us make laws to punish a man according to the offence he commits. We have power to do it, and we ought to exercise that power. To revoke a man's citizenship and place him in the position that he has no citizenship, that he is, in fact, an outcast, nationally speaking, is so drastic that in my opinion he would be better off in jail or dead. Any offence which merited revocation of citizenship might merit life imprisonment or the gallows.

He is better dead, and if any offence is such as to merit the revocation of a man's certificate of citizenship, it might merit a jail sentence for life, or even the gallows. We can pass laws here which will cover every such case. I wish to register my protest as regards the principle of this Bill on this ground, and possibly on other grounds, because I have not yet had time to study the Bill which I regard as a most important one. This Bill, which is going to determine the citizenship of a man, was brought up on the 18th of June, and we are called upon to-day to pass upon it and discuss the various conditions. We have not had any opportunity to look into the Imperial Act or to see the conditions upon

which that Act was framed and what the conditions are in this Bill. I do not know the opinions of the other members, and I am not going to call for a division, but I desire to object to the principle of the Bill as brought before the House.

Hon. Mr. BURRELL (Secretary of State): Mr. Speaker, I could not quite follow my hon. friend's argument in his earlier remarks, but I understood him to make a protest against the Act as it seemed to depart from the old practice by placing the naturalization of persons into the hands of political parties.

Mr. BUREAU: I said a political body, not party.

Mr. BURRELL: My hon. friend surely cannot mean that, because the fact is at the present day the Act under which we have been granting hundreds and hundreds of certificates—I am signing about 1,200 a month—is the new Act of 1914.

Mr. BUREAU: That does not change my views.

Mr. BURRELL: That is an Act which this House passed. In the previous Act what happened was this: Commissioners on naturalization were appointed, and they could simply take a man's affidavit that he had lived in the country for three years, he having been in that district for such and such a time. He took the oath of allegiance; this was handed into the court; a list was prepared; at the end of the court the list, comprising perhaps 100 or 200 names, was read out by the clerk without any examination of the applicants being had; the matter went through almost pro forma, and, in fact, numbers of naturalization certificates of this kind were known to be handed out in blank, no care being exercised. In 1914, that Act was changed by this Parliament, and, as a matter of fact, it has been in operation under much more satisfactory conditions since, because the old Act and the new Act were allowed to run concurrently for three years, from 1914 to the end of 1917, as it was thought that those men who were naturalized for Canadian citizenship for three years should be given an opportunity of taking up their homesteads under the old Act. But the new Act, under which we have been acting since 1914, and which was the only Act since January 1, 1918, instead of providing the old method, has provided a method under which naturalization is infinitely better safeguarded in the interest of this country than it ever was before, because the Act says this: A man shall pass in his application for citizenship, for naturalization, to the court; a three months' notice shall be given; that notice is sent to the Secretary of State, and the judge has then to hear the case for naturalization. The man has to have been residing for five years in Canada; he has to have an adequate knowledge of either French or English and to be a person of good character, and the judge has to satisfy himself on all those points. It is, I think, obvious to every hon. member that it is a most important matter, especially in view of what has taken place in this world during the war, that the naturalization and citizenship of every person should be of an absolutely irreproachable character. It is a thing we have to safeguard. No political party has had an opportunity of advancing its own interest under the Naturalization Act which has been in force for the last few years. The judge has to decide according to the provisions laid down in the Act. That is, therefore, not a new feature; it is simply embodied in this Bill which, as the Solicitor General (Mr. Guthrie) said, is simply to consolidate the Acts and also to embody the provisions which he has mentioned regarding revocation. No hon. member would argue that there should not be any power vested in the Government of a country to revoke naturalization where naturalization has certainly been improperly bestowed. That is a principle we could not accept; the details of that will be taken up in the clauses of the Bill.

Brigadier-General GRIESBACH (Edmonton West): Mr. Speaker, there is an aspect of naturalization to which I should like to direct the attention of the House, although I am not sure whether it might come up properly at this time or later. I refer to the question of the status of aliens who apply for naturalization, who come from a country in which there is legislation that prevents the alien from becoming a British subject even if he is naturalized here. I refer particularly at the moment to my understanding of the Delbrück law which obtains in Germany. By the provisions of that law, as I understand it, a man may be naturalized in Canada or elsewhere, but he still remains a citizen or subject of Germany with all his rights in Germany and with his responsibilities in Germany, and particularly the responsibility for military service. The situation was that, when the war broke out, citizens of Germany, impelled either by motives of patriotism which are to be commended, or because of the operation of this law, sought to return to Germany to bear arms and,

in many cases, succeeded in getting back to Germany and bore arms, a matter as to which some of us here can testify. I remember, in 1915, in trenches opposite a position which I held, Germans from the trenches shouted out inquiries as to conditions and persons in Edmonton, and we had reason to believe they were men from that city. Pressure is exercised under those laws in those foreign countries in this manner. A man is liable for military service notwithstanding the fact that he is naturalized in Canada, and if he does not return when his call is made, they confiscate all his property; they imprison him should he ever return to his own country again; they provide that he shall never be able to inherit any property in his own country; they deal even with his relatives and friends, and they bring pressure to bear upon him in every conceivable way. Indeed, it has, as a matter of fact, been found that the law is very effective. I am strongly of opinion that this country cannot afford and ought not under any circumstances to give naturalization to any man who comes from a country where a law exists that makes it impossible for him to become a citizen of this country, and this Bill should especially provide that no certificate shall be issued to any person who comes from any such country, the law of which makes it impossible for him to become a citizen in fact, in law and in every other respect.

Motion agreed to and Bill read the second time.

On motion of Hon. Mr. Guthrie (Solicitor General) that the House go into Committee on the Bill.

Mr. BUREAU: I understood from the Solicitor General that some time is to be granted for members to look into this Bill, and that it will not be discussed now in Committee of the Whole House. Is that right, or are we to be forced to go on now?

Mr. GUTHRIE: We could go on now with the old clauses that have been in force for the last few years and before the war, and any clause that my hon. friend wants to stand over, can stand over for a reasonable time, but many of these clauses will not require much discussion.

Mr. SPEAKER: This motion is not debatable.

Motion agreed to, and the House went into Committee on the Bill, Mr. Boivin in the Chair.

[Brigadier-General Griesbach.]

On section 1—definition of natural-born British subject:

Mr. BUREAU: I see this is taken from the Imperial Act of 1918. What changes does it make in the existing Act?

Mr. GUTHRIE: The section is precisely as it was in our law of 1914, with the exception of the words in paragraph (b) " or had become a British subject by reason of any annexation of territory, or was at the time of that person's birth in the service of the Crown; and " those words are taken from the 1918 amendment to the Imperial Act. Their object, of course, is obvious.

Mr. E. LAPOINTE: What is the exact date of the Imperial Act?

Mr. GUTHRIE: August 8, 1918.

Mr. E. LAPOINTE: Was that after or before the Imperial Conference?

Mr. ROWELL: The Act was passed after the Imperial Conference.

Mr. E. LAPOINTE: The reason I ask is because the Imperial Conference passed a resolution that another conference composed of the representatives of the United Kingdom and the Dominions should be called in order to agree upon a uniform law of naturalization. Is this Bill the result of such a conference?

Mr. ROWELL: No. The Bill was passed by the Imperial Parliament after it had been approved by the representatives of the Dominions, but there were two or three points that were considered of importance which were not covered by the Imperial Act, and the conference to which my hon. friend has referred was called for the purpose of considering those particular points. I do not just recall them at the moment, but I think I indicated them when we were discussing the report of the Imperial Conference.

Mr. E. LAPOINTE: Did the representatives of the Dominions agree on these outstanding points?

Mr. ROWELL: No conclusions have yet been reached on those points, and they are not embodied either in this Bill or in the Imperial Act. They will be covered by subsequent legislation.

Mr. PEDLOW: Take the case of an alien residing in territory annexed by the British Government. It is altogether likely that the British Government will annex or control for some time East Africa, for instance.

What would be the status of a German resident in that territory?

Mr. GUTHRIE: This Bill would not affect him one way or the other. This Bill only deals with those who have become British subjects by reason of annexation. There might be reasons why the people of that territory would not become British subjects, but any one who had become a British subject would have the privilege of continuing one under this Act. When the Imperial Act was introduced by the Secretary for the Home Department on the 12th of July last, Sir George Cave said:

This Bill was approved in principle at the Imperial Conference in the spring of 1917. Since that time a draft Bill has been circulated throughout the Empire and the draft has been approved by all the self-governing Dominions and India, with the exception of Australia, which has not yet approved the draft, but has indicated no dissent to it. The main purpose of the Bill is to introduce wider powers of revoking certificates of naturalization.

Mr. PARENT: Paragraph (c) says:

Any person born on a British ship whether in foreign territorial waters or not.

Now if the policy of the Government is to establish a Canadian merchant marine, would it not be well to insert the words "or Canadian" after the word "British" unless "a British ship" includes the ships of all the Dominions?

Mr. GUTHRIE: I think the clause as drafted would cover every ship sailing under the British flag. The restriction here is in the case of a birth occurring on a British ship in a South American port, for instance. The object of this restriction is that a person born on board a foreign ship shall not be deemed to be a British subject simply by reason of the fact that the ship was in British territorial waters at the time of his birth.

Mr. BUREAU: Suppose a British subject is naturalized in the United States, and a child is born to him while there. The next day he moves to Canada and becomes a British subject here by naturalization. Would the child take the citizenship of his father when he reached a certain age?

Mr. GUTHRIE: The status of children and married women is dealt with in subsequent sections of the Bill, beginning at section 11.

Mr. BUREAU: But the provisions have to be read as a whole, and that shows the necessity of going through the Bill very carefully. I understood from the President of the Privy Council that further legislation is to be brought down next year covering certain points that were to be dealt with at an Imperial Conference.

Mr. ROWELL: What I said in answer to my hon. friend from Kamouraska was that a committee had been appointed representing all portions of the Empire to consider certain questions which were not covered by the existing legislation, and that no final conclusions had yet been reached by that committee. When final conclusions are reached by that committee, they will have to be embodied in new legislation.

Section agreed to.

On section 2—Certificate of naturalization.

Mr. GUTHRIE: Subsections 5 and 6 are entirely new and are taken verbatim from the Imperial Act of 1918. Subsection 5 is taken from 5 George V, and subsection 6 from the Imperial Act of August, 1918.

Mr. GRIESBACH: I move:

That Section 2 subsection 1 be amended by inserting the following proviso after subclause C:

Provided that under no circumstances whatever shall a certificate of naturalization be granted to any person, a citizen or subject of a foreign state in which there exists a law, rule or regulation which qualifies limits or restricts the citizenship by this Act conferred or in any way exacts or requires from such foreign applicant military allegiance or service to such state on the event of threatened or actual war.

Mr. GUTHRIE: That would hardly be appropriate in the present section. If my hon. friend will give me the proposed amendment I will consider it. It would be more properly inserted about the end of part 1. I move that consideration of it be allowed to stand in the meantime. I will see that it is submitted at the proper time.

Motion stands.

Mr. BUTTS: Subsection (b) provides that any one who is of good character may be granted a certificate of naturalization if he has an adequate knowledge of either the English or French languages. It does not say anything about other languages, and in the great war we had other Allies than the French. For instance the Italians were our allies. Are they to be excluded?

Mr. GUTHRIE: This is only a matter of making persons British citizens. Before the war the opinion of this Parliament was that they should be familiar with the English or the French language, and in Great Britain, they have confined it to familiarity with the English language. I think that there should be some familiarity with either

the English or the French language provided for.

Mr. BUREAU: The languages of the country.

Mr. GUTHRIE: Yes.

On section 3—Effect of certificate of naturalization:

Mr. COOPER: How does this affect the Oriental?

Mr. GUTHRIE: I am not aware of any law that provides for the naturalization of Orientals in this country.

Mr. COOPER: The Oriental at the present time has no vote. Under this section he would be allowed to vote.

Mr. GUTHRIE: I am not prepared at the moment to answer that question. I shall have to inquire into it and answer it at a later stage. I was under the impression that they had no right to be naturalized or to become British subjects.

Mr. CROWE: There are two or three thousand Japanese in British Columbia who have taken out naturalization papers but they have no vote.

Mr. GUTHRIE: I think I can answer the question now. I understand Orientals have a right to be naturalized in Canada, but under certain local laws of the province they are not enfranchised, notwithstanding their right to be naturalized if they comply with all the requirements.

Mr. CROWE: The naturalization does not give them the right to vote.

Mr. GUTHRIE: No. It does not change the laws in force for the last thirty years.

Mr. E. LAPOINTE: Give them the provincial franchise and it would be all right.

Mr. BUREAU: Take the case of women—an Indian woman is a British subject. What would be her status? Would she be deprived of the right to vote by special legislation in this Bill? If she can exercise all the rights of a British subject she should have the right to vote, because under federal enactment all women who are British subjects and who have reached the age of twenty-one have the right to vote.

Mr. GUTHRIE: When we come to the Franchise Act that will be a fair matter to deal with, but not under this Bill.

Mr. MOWAT: If it is thought wise in the provinces to limit the franchise to certain nationalities there might be a contest with the provinces. If a certain class of Orientals are given all the rights, powers and privileges of British citizenship, we would be passing a law that would perhaps be inconsistent with provincial franchise laws.

Mr. GUTHRIE: The Franchise Act of a province can apply only to its own provincial franchise, which is beyond the jurisdiction of this Parliament.

Mr. MOWAT: I want to avoid the possibility of the Dominion franchise being different from the provincial franchise, and there might be a contest. By passing this law what will be the situation in regard to Orientals?

The CHAIRMAN: All these questions relating to franchise can much better be discussed on the Franchise Bill. They are not relevant under this section.

Mr. FIELDING: Suppose there is no Franchise Bill?

The CHAIRMAN: When it comes.

Mr. E. LAPOINTE: Political rights are mentioned in this section and the franchise is therefore relevant.

Mr. GUTHRIE: We confer all political rights on a person on naturalization. If any province, having jurisdiction, desires to limit the franchise in regard to persons who are not naturalized, it has the full right to do so under our constitution.

If in the province of Ontario they passed a law to exclude an Oriental from voting, or from exercising the provincial franchise, they would have a perfect right to do so. But they have no right to pass any enactment that limits or alters the Dominion franchise. We grant a certificate of naturalization to an alien and if a province did not want that alien to vote it would say so, but in so far as this Dominion is concerned, as soon as we grant the certificate we clothe the person to whom the certificate is granted with all the rights of a British subject.

Mr. COOPER: If an Oriental in the past has had a right to vote in federal elections that right has never been exercised and British Columbia would not desire that it should be exercised.

Mr. E. LAPOINTE: The provincial lists were used in the federal election according to the old Election Act. That is why Orientals do not vote in federal elections.

Mr. COOPER: That is the reason.

Mr. E. LAPOINTE: If we use the provincial lists for federal elections they have the

right to vote unless you deprive them of that right.

Mr. BUREAU: The right to say who should exercise the franchise in federal elections was delegated by the Federal Parliament to the province and that right will still be exercised by the province unless the delegation is cancelled and the Federal Parliament takes into its own hands the duty of legislating for that purpose. But, when a certificate of naturalization is given to a Chinaman, Japanese, or Hindu, that man gets the full rights of citizenship the same as any other man.

Mr. GUTHRIE: There has always been a provision in the law about conditional naturalization. I am speaking of the case of a man who receives full naturalization.

Mr. PETER McGIBBON: I think the limit of five years should be raised because I do not believe you can take a Chinaman or a Jap and make a good citizen out of him in five years.

Mr. GUTHRIE: You must adopt that period of time if you are going to make the provisions uniform throughout the Empire. Great Britain will not recognize our right unless we conform to their general scheme. Otherwise, our naturalization will be purely for Canada.

Mr. PETER McGIBBON: Why not get them to raise their limit?

Mr. GUTHRIE: They were requested to but they have definitely made the term five years and it will have to be adhered to.

Mr. PETER McGIBBON: I think that is a dangerous standard to set up.

Mr. ROWELL: Five years is two years longer than it used to be; it is raised from three years to five.

Mr. PETER McGIBBON: The time is altogether too short.

Mr. McKENZIE: Is there not some safeguard in the discretion of the court? Even if a man had been here for five years, if the Secretary of State, or the court, think he is not a desirable party to receive a certificate, I think they can refuse it.

M. FIELDING: There has been a distinction between the status of a British subject in Canada and a British subject in England. Is not the object of this to put them both upon a common plane?

Mr. GUTHRIE: Yes.

Mr. FIELDING: There will be no such distinction in the future?

Mr. GUTHRIE: No, it will be the same throughout the Empire. I move that the Committee rise and report progress. In the interval perhaps we will have an opportunity of studying the matter more carefully.

Mr. BUREAU: Will that be before Tuesday?

Mr. GUTHRIE: No, not till after Tuesday?

Progress reported.

ROYAL NORTHWEST MOUNTED POLICE ACT AMENDMENT.

Mr. ROWELL: Referring to the Mounted Police Bill, which was up this morning—I beg to move:

That this House doth disagree with the Senate amendment for the following reasons:

The amendment is inconsistent with the provisions of the proviso to clause 8 of the Bill and unduly extends the restriction contained in the said proviso.

And that a message be sent to the Senate to acquaint their honours therewith.

Motion agreed to.

At one o'clock the House took recess.

The House resumed at three o'clock.

PROPRIETARY OR PATENT MEDICINE ACT AMENDMENT.

On motion of Hon. A. K. Maclean, the House went into Committee on Bill No. 53 (from the Senate) to amend the Proprietary or Patent Medicine Act, as amended by Special Committee, Mr. Stevens in the Chair.

Mr. McKENZIE: What was the result of the sending of this Bill to the Special Committee?

Hon. Mr. MACLEAN: The report of the Special Committee, with suggested amendments, was submitted to the House some time ago, and the amendments have been printed and circulated among members of the House. The amendments recommended by the committee are substantially in line with the views expressed by a majority of the House when it was up for second reading. The committee have recommended that the sale of opiates containing opium or derivatives of opium be absolutely prohibited.

Mr. BUREAU: Before he went away the member for Beauce (Mr. Beland) made reference to the fact that certain hon. gentlemen, including, I think, the member for Muskoka (Mr. P. McGibbon), had taken a

particular interest in this Bill. I understand that the subject matter which the hon. gentleman had in mind was with reference to drugs containing opium or other narcotics. Are the proposed amendments incorporated in the Bill?

Mr. MACLEAN: We propose to incorporate the amendments in the Bill. I am accepting absolutely the recommendations contained in the report of the Special Committee, which, I understand, was unanimous.

On section 7—Prohibited medicines.

Mr. PEDLOW: I do not understand exactly how we are proceeding. Are you reading all the amendments?

The CHAIRMAN (Mr. Stevens): I might explain that practically the whole Bill is one section amending various sections of the Act.

Mr. PEDLOW: I think section 7 is subject to some discussion.

Mr. FOURNIER: In subsection (g) "If the article to be represented as a cure for any specific disease," we are going further than the law of any other country. The United States regulation on this subject is usually considered the most stringent, and it provides that the preparation may not be designated as a cure unless, as a matter of fact, it can be depended upon to produce the results claimed for it. I venture to say if you pass this clause you will have a whole lot of trouble. If you want to wipe out patent medicines that are no good, I might suggest to my hon. friend (the Acting Minister of Trade and Commerce) to not go any further than the United States and the British law.

Mr. A. K. MACLEAN: The section, as amended, will prevent the advertising of any drug as a cure. We are going just as far as the United States, but I think we are putting ourselves in a better position, although the legislation is practically the same.

The United States legislation is to the effect that patent medicines must not contain any false, misleading or exaggerated claims on the wrapper or label. It is very difficult to prove that. It is doubtful if any medicine is a cure for anything. Medical men who are members of the committee assured the committee that there was practically no such thing as a medicinal cure for any specific disease, except, perhaps, three or four. The effect of the United States legislation is to prohibit any advertisements of a patent medicine as a cure, and it is quite proper that we prohibit the advertisement of any medicine as a cure. This does not prevent manufacturers from selling their product.

Mr. FOURNIER: I think this would prevent a manufacturer of anything like antitoxin from selling his product.

Mr. A. K. MACLEAN: Antitoxin is not a patent medicine it is one of the things that might be denominated as a specific cure. A patent medicine is a medicinal preparation which is patented, and the formula is not disclosed to the public. If the formula is disclosed to the public, the preparation is not a patent medicine.

Mr. MANION: The reason that the medical men object to the word "cure" is practically what the minister states except that he goes further. Most of them state—and I think correctly—that there are only a few medicines in the world, such as antitoxin, which cure disease, and they are not patent medicines, they are medicines which are usually used. In the past manufacturers have quite often put up patent medicines representing them as cures. For instance, a manufacturer may put up a patent medicine representing it as a cure for consumption when, as a matter of fact, there is no such thing as a cure for consumption, and inestimable damage has been done to the people of this country by advertising such patent medicines as cures for consumption. The elimination of the word "cure" will do no harm to the patent medicine manufacturer, and it will give protection to the public whom we are only safeguarding in taking this stand.

Mr. PEDLOW: I do not think you can enforce this to the limit, because journals and periodicals printed outside of this country contain advertisements of medicines, the announcements claiming that the medicines are cures. How are you going to regulate in a case of that kind? If you discriminate against advertisements appearing in Canadian journals guaranteeing these medicines as cures, the owners of these proprietary medicines will have to go outside for their advertising mediums, and they can have their announcements published in English journals and those of other countries.

Mr. A. K. MACLEAN: This Bill will prevent the importation of any medicine which is represented as a specific cure for any particular ailment. It cannot prohibit the advertisement in foreign journals of any

medicine which is asserted to be a cure for anything. Clause 7 begins by stating:

No proprietary or patent medicine shall be manufactured, imported, exposed or offered for sale or sold in Canada if—

As in this particular instance,

—it is represented as a cure.

So the public are protected in that way. They can have the pleasure of reading in foreign journals advertisements about these medicines promising a cure, but that is all.

Mr. PEDLOW: Will that prevent an individual from sending outside for them?

Mr. A. K. MACLEAN: Yes.

Mr. PETER McGIBBON (Muskoka): I think I said the last time this Bill was up that the only object of a Bill of this kind is to protect the public, and I submit with all due respect to the minister that this clause does not give them any protection at all. It is rather around this clause that all the curse of patent medicines hinges. It is quite true that formerly we had a number of medicines advertised as cures for certain diseases, but that time has long since passed away, and now a manufacturer simply sets down symptoms which are peculiar to a certain disease and advertises his medicine as a cure for those symptoms, and that is far more effective than advertising it as a cure for any particular disease. This clause opens the door to all kinds of fraud, and innocent people will be imposed upon by the hundreds and thousands, and this clause ought to be eliminated.

Mr. A. K. MACLEAN: If we eliminate this clause, there is no protection whatever for the public. As the subsection stood in the original Bill, it read:

If the article be represented as a cure for any specific disease.

The word " specific " is stricken out in the amendments recommended by the Committee, so that the result of the amendment is that no patent medicine can be manufactured, imported, exposed or offered for sale in Canada if it contains the representation that it is a cure for anything, so that this is a positive enactment against representing anything as a cure for any ailment. If we strike this clause out altogether, then there is no protection for the public, and manufacturers can import and expose for sale any medicine represented as a cure. I thought my hon. friend did not quite understand the situation.

Mr. PETER McGIBBON (Muskoka): I quite understand the situation, but probably I did not make my point clear. This allows manufacturers to get around the purport of the Bill by simply changing the wording of their advertisements. The objections taken a few minutes ago are quite in order, namely that we ought to follow the lines laid down in Great Britain and the United States, or else we should put in a clause specifically prohibiting manufacturers from advertising a medicine, not as a cure, but as a relief for any specific set of symptoms, because that is the line all these advertisements are taking now. A manufacturer does not advertise his medicine as a cure for consumption, but the advertisement will describe the symptoms of tuberculosis and then describe the medicine as a cure for them. There is no protection for the public at all.

Mr. MANION: The intention of the committee was to eliminate the word " cure " altogether. It is possible, as the hon. member says, the word might be used as a cure for symptoms. You cannot eliminate advertisements of medicines claiming that they will give some relief, because they may give some relief to certain symptoms of certain diseases.

Mr. PETER McGIBBON (Muskoka): If you follow the law as it is in the United States and in England, you would have more effect.

Mr. A. K. MACLEAN: We have also this clause containing a prohibition against any representations of a false, misleading or exaggerated character being used on the label or wrapper. That is really the American provision. The Americans do not make an enactment against the use of the word " cure ". They state simply that no false, misleading or exaggerated claim shall be printed on the wrapper or label, and under that clause, they presume to prohibit the use of the word " cure ". We have specifically enacted against the use of the word, so that we are in a much clearer and stronger position than the United States, and besides that, we have their clause for what it is worth. If you attempt to prosecute a vendor of patent medicines on the ground that the wrapper or label contains misleading or exaggerated claims, it is, in my judgment, a very difficult thing to prove. I think we have in this Bill everything of importance in the American Act. We are also specifically providing against the use of the word "cure." Unless I had an opportunity of giving further consideration to the suggestion of my hon. friend, I would hardly care to accept it. We are en-

acting pretty sweeping legislation, and I thing it will meet the case.

Mr. PETER McGIBBON: I submit again that I am not interested in the manufacturers of patent medicines, but in protecting the public from deception. If I were a patent medicine manufacturer I would not want a different law from this.

Mr. A. K. MACLEAN: I am unable to agree with my hon. friend. We are specifically providing against the use of the word "cure" for any disease, and I think under that provision we could prosecute a man who advertised a cure for the symptom of any disease.

Mr. FOURNIER: I know something about the drug business, but I am thankful to say I have absolutely no connection with it now. I certainly think the minister will have a lot of trouble if he leaves the Bill as it is now, and I would suggest that he add after the word " disease," in paragraph (g), the words " unless it can be depended upon to produce the results claimed for it."

Mr. A. K. MACLEAN: I fail to see how a direct enactment against the use of the word "cure" is not better than an enactment against the use of that word with the qualification that my hon. friend has suggested. If we adopted his suggestion, it would be very difficult to secure a conviction. I am assuming that my hon. friend wishes to prevent the sale of patent medicines representing to cure certain diseases.

Mr. FOURNIER: Take the case of jaundice, for instance; that is not a disease but a symptom.

Mr. A. K. MACLEAN: I am told there is no cure for jaundice.

Mr. MANION: I do not like discussing medical questions on the floor of the House, as it smacks of talking shop, but as my hon. friend has mentioned jaundice, I agree that it is not a disease but a symptom. There is no distinct cure for jaundice, because it arises from many different causes, and anybody who advertised that a medicine would cure jaundice would come under the clause against exaggerated advertising, because there is no one thing that will cure all types of jaundice.

Mr. FOURNIER: I trust that the minister will accept my suggestion to add the words I have proposed to paragraph (g). That will be as far as the British and the United States law goes, and the Swedish law, too, I believe. It is the only way you can deal with patent medicines.

[Mr. A. K. Maclean.]

Mr. STEELE: I would direct the attention of the committee to subsection 2 of section 7. One of the matters that was urged in connection with this Bill was the necessity for curtailing the use of medicines containing opium for children. Subsection 2 says:

> No proprietary or patent medicine intended for administration to infants under one year old shall contain any opium or any derivative of opium, or any derivative of coal-tar.

I think the weakness of that subsection lies in the word " intended." Intended by whom? A manufacturer may put up a soothing syrup exactly along the line of the old-time soothing syrup and disclaim any intention of its being administered to a child under one year of age. The mother, knowing that it is really the same soothing syrup, or that it will have the effect of quietening her child, which she desires, buys it, and administers it to her child just the same as she did formerly. She is not responsible in any way under the law. It seems to me this subsection is absolutely useless for the purpose for which it was intended, and I would suggest that it be amended in order to meet the views of many people, and especially of the social workers of the province of Quebec.

Mr. A. K. MACLEAN: Section 6 says:

> All proprietary or patent medicines containing opium, or any derivative of coal-tar, and intended for administration to children over one year of age shall be labelled with the words " Dangerous for infants under one year old."

Mr. STEELE: Possibly that covers the situation.

Mr. PEDLOW: Is any penalty provided for an infraction of the provisions of this Bill?

Mr. A. K. MACLEAN: There is a general penalty clause in the Act.

Section agreed to.

On section 2—new section 7A.

Mr. FOURNIER: It is provided that five members shall be appointed on the Advisory Board, and I think that pharmaceutists actively engaged in the drug business should be represented.

Mr. A. K. MACLEAN: That is a fair suggestion.

Mr. FOURNIER: It should be made plain.

Mr. A. K. MACLEAN: I do not think it is good legislation to specify any classes of persons who shall constitute the membership of a board to be appointed under the law. The department must be trusted to

select the proper personnel. I quite agree with the suggestion that the class mentioned by the hon. member should be represented.

Mr. FOURNIER: The druggists, who number about 5,000 or 6,000 in this country, are respectable citizens and are entitled to consideration. It is no more trouble to include druggists actively engaged in pharmacy than it is to insert the Dominion Analyst.

Mr. A. K. MACLEAN: The statute does not designate any particular class for the board. We simply state that the chairman of the board shall be the Dominion Analyst, and he is the official of the department administering this and similar Acts. When the department constitute the board they will have in mind, of course the particular interests of the pharmaceutical profession in Canada. Personally, if I were asked to give an opinion, I would say that they are entitled to representation on a board of five, but if you say that one particular class shall be represented, you must stipulate in the Bill what other four classes shall have representation. The statute framed in that way would be unsound and too restrictive.

Mr. FOURNIER: I think that men actively engaged in the drug business should be represented. After all, we copy the United States in many ways, and there you will find that pharmacists are represented on boards of similar character, being represented even on the Board of Health.

Mr. A. K. MACLEAN: I do not mind saying that they will be represented.

Mr. McKENZIE: What Act is repealed?

Mr. A. K. MACLEAN: There was an Act known as the Doherty Act which contained a clause that had reference to patent medicines, and that should not have been in that Act. The amending Bill at page 3 in the second last paragraph contains an amendment by inserting immediately after section 16 a provision to the effect that any penalty incurred under the provisions of this Act shall be deemed an addition to and not in substitution for any penalty incurred under the law of any province. That is the section which we are repealing and which is in chapter 19 of the statutes of 1916. We are taking it out of one Act and putting it into this, because it has relation to patent medicines.

Bill as amended reported.

SUPPLY.

The House again in Committee of Supply, Mr. Steele in the Chair.

Mail Subsidies and Steamship Subventions—Steam service between Quebec and ports on the north and, or south shores of the Gulf of St. Lawrence and, or between the ports in Prince Edward Island, Nova Scotia, Newfoundland and the Magdalen Islands, $70,000.

Mr. CHISHOLM: What are the sudsidies under this item, and what trips will be made, and so forth? I should like some information in this respect.

Mr. A. K. MACLEAN: This is a combination of services that were performed last year under separate services and separate votes. It means no increase whatever. It is a re-arrangement of old services. It does not mean an additional vote of money. The contractors have not been able so far to perform the Newfoundland end of the service. They were to call at Prince Edward Island, Pictou, Mulgrave or Hawkesbury proceed through the lakes and on to Newfoundland. The company have been unable to obtain a steamer suitable for the service but we are hopeful that they will be able to do so any day now. At the time the contract was entered into last year it was thought that the steamer leaving Quebec and calling at ports of the south shore of the St. Lawrence would proceed:— en route to Newfoundland but the company have been unable to do that. Later, they asked to be allowed to take a portion of this subsidy and apply it to a direct service between Quebec and Newfoundland via Prince Edward Island and Cape Breton ports. While, up to the present time they have been unable to get a steamer to go on the service, we are hopeful that they may get one any day now.

Mr. J. H. SINCLAIR: Will the minister name the ports that they call at in Nova Scotia?

Mr. A. K. MACLEAN: I find I was in error in saying that there were several ports in Cape Breton that the boat would call at. Apparently there is only Sydney.

Mr. McKENZIE: What is the name of the boat that used to perform that service?

Mr. A. K. MACLEAN: It has not been performed for several years. It is a revival of an old service that was performed by some of the Dominion Coal Company boats.

Mr. McKENZIE: The Black Diamond line?

Mr. A. K. MACLEAN: The Black Diamond line. Very strong representations have been

made by the people of Prince Edward Island and Newfoundland and Montreal for the establishment of this service but unfortunately it has been impossible up to date to get a steamer to perform the service. There is no service but I am asking for the vote so that it may be available at the time that a boat is available.

Mr. CHISHOLM: If this service is to be established, I want to make a strong appeal to the minister to have the boat call on the western coast of Cape Breton. I think that the boat might call at Cheticamp. It is right on the route to Sydney. The only question is whether there is enough water and, due to the fact that there are no boats, we cannot discuss that feature of it. The boat that usually comes down there calls at that port. There is 21 feet of water. There is considerable amount of freight to be carried and if the boat calls at this port, it would give connection between that part of the country and the port of Sydney.

Mr. A. K. MACLEAN: If my hon. friend will be good enough to write a letter to the department covering that matter it will be inquired into.

Mr. CHISHOLM: I will do so.

Mr. A. K. MACLEAN: I am not in a position to give him any more definite answer. If Cheticamp harbour has not a sufficient depth of water to accommodate the steamer that would be a sufficient answer. I think that the Newfoundland subsidized services from Nova Scoia require rearrangement. There are too many different subsidies voted.

Mr. DUFF: At what port in Newfoundland will the boat call?

Mr. A. K. MACLEAN: St. John's.

Mr. McKENZIE: Does the minister say that St. John's is the objective?

Mr. A. K. MACLEAN: In this service. There is a subsidized service to Newfoundland, I think from Halifax. They go through the Bras d'Or lakes and then on to some port on the west coast of Newfoundland.

Mr. McKENZIE: I do not know that it is good business to send boats around to St. John's from Quebec unless it can be shown there is really business to be done. There is a line of boats running between North Sydney and Port aux Basques, Newfoundland, connecting with the line of railway across the island of Newfoundland unless it was found that the railway and the Reid line are unable to cope with the traffic and that there is business to be done it would hardly be desirable to add another subsidy.

4 p.m.

Mr. A. K. MACLEAN: There is a very real demand for a steamship service between Canadian ports and Newfoundland at the present time. The Reid-Newfoundland company are unable to handle the traffic arriving at North Sydney for delivery to their railway system. Great quantities of goods are now in Canada which should have been in Newfoundland months ago. Owing to the inability of the Reid company to handle the traffic, the Government had before it yesterday a representative of the Newfoundland Government who was here to ask that we loan them temporarily a boat to run between Sydney, or North Sydney and St. John's so as to relieve the congestion on the Reid-Newfoundland line. It will also be helpful to the Intercolonial railway. I think the Minister of Railways, or the Canadian National Railway Board, was enabled to meet to some degree the request of the Government of Newfoundland. There is a great congestion at the present time.

Mr. McKENZIE: The route between Canada and Newfoundland is established as far as North Sydney is concerned because the trade converges by rail at North Sydney. If it is necessary to add a further boat to carry the goods from the terminus of the Intercolonial railway at Sydney to Newfoundland I think it is good business but I do not think it is good business to start a boat from somewhere on the river St. Lawrence calling at intermediate ports and then going to North Sydney to take on goods. The railway is quite capable of handling the traffic going out through North Sydney and which can then be carried by boat across to Newfoundland.

Mr. A. K. MACLEAN: There is a considerable quantity of goods being purchased for Newfoundland in Quebec and Ontario. There is apparently a very substantial amount of business in Prince Edward Island which goes to Newfoundland. The steamer en route can call at Charlottetown. Later, I suppose, when the Reid-Newfoundland Steamship Company are in a position to purchase more steamers, they may be able to relieve the congestion. Our trade with Newfoundland is developing and Canadian merchants are anxious to maintain and improve their position in that regard. Unfortunately, we have not yet been able to get this additional steamer.

Mr. DUFF: The trouble is that at Port aux Basques the facilities are not adequate. Moreover, the steamship service which is now proposed to be subsidized will carry quite a different class of goods from that which has been handled by the ships of the Reid Company. Cattle, for instance, could not very well be transported by the boat engaged in this service between North Sydney and Port aux Basques.

Steam service from Sydney to Bras d'Or Lake ports, and ports on the east and west coasts of Cape Breton, $14,000.

Mr. A. K. MACLEAN: This is a new service which will be performed by a company now operating from Sydney. It will be a weekly service. The boat will leave Sydney, proceed through the lakes, and to points in Northern Inverness, and then run to Sydney via the south and west coasts of Cape Breton island.

Mr. CHISHOLM: What are the ports of call?

Mr. A. K. MACLEAN: Sydney, North Sydney, Baddeck, Grand Narrows, Marble Mountain, Castle Bay, East Bay, Big Pond, Irish Cove, Johnston's Harbour, St. Peter's, Poulamond, Grandique, Port Hawkesbury, Port Hastings, Port Hood, Mabou, Margaree, Grand Etang, Cheticamp, L'Ardoise, Arichat, Gabarus, Louisburg, Main-à-dieu, Port Morien, North Sydney and Sydney.

Mr. McKENZIE: If this was a service all-around the island of Cape Breton, commencing and ending at Sydney, I would look upon it as a splendid service. But the ports which the minister has mentioned are already served by subsidized boats. For instance, that part of the Bras d'Or Lakes south of the Grand Narrows bridge is served by the Richmond.

Mr. A. K. MACLEAN: The Richmond has been taken off and is replaced by this new steamer, which will carry out the service formerly performed by the Richmond. The new boat is larger and faster than the Richmond.

Mr. McKENZIE: A service such as the Richmond was giving in that part of the Bras d'Or Lakes should not be changed at the whim or caprice of any steamboat owner. The people have been getting a service; it is the money of the people that is being paid out in the granting of these subsidies, and merchants and others interested should be consulted. They were getting two trips a week from the Richmond, which is a very good little boat; now they are to get a weekly service simply because the owners of this boat think that they can make money in that way. When traffic or trade routes are established by a service subsidized by the Government, that service should not be thrown aside for something less serviceable without giving the people concerned an opportunity of expressing their views in the matter.

Mr. A. K. MACLEAN: I have been under the impression that this new service would be more satisfactory to the people of the ports concerned than was the service rendered by the Richmond. It is a very much larger boat.

Mr. McKENZIE: She worked very well.

Mr. A. K. MACLEAN: She probably had to call at these ports in order to carry freight, and consequently had to make two trips a week. However, if it transpires that this service does not meet the local requirements, it will have to be reconsidered.

Mr. McKENZIE: We have a Government creamery at the town of Baddeck. The great body of people on the Bras d'Or lakes south of the Grand Narows used to send their cream by the Richmond to the Grand Narrows and then it was transferred to the Blue Hill, and there must have been three or four trips a week. If there is only one trip that service is absolutely abolished.

Mr. A. K. MACLEAN: Has my hon. friend any objections to the changed service?

Mr. McKENZIE: If it is less efficient than the old, I certainly have. Those people are not in my county, but the creamery is, and it is a Government creamery. If this new boat is giving less efficient service to the people than the Richmond was giving, I certainly object to the change.

Mr. J. E. ARMSTRONG: Would the minister be good enough to tell the Committee the total amount of money that is paid out in steamship subsidies?

Mr. A. K. MACLEAN: In round figures the total amount to be paid this year is $2,400,000. Of course, that includes all sums paid for services on the Atlantic and the Pacific, which form the greater part of the total I have mentioned. After all, the moneys paid out for subsidies to local services in the Eastern part of Canada do not amount to very much. I cannot give my hon. friend exact figures.

Mr. J. E. ARMSTRONG: I am not particular about what is paid out in the East; I merely want the total. Have the Government control, and do they exercise control,

over the tariff arrangements made by these boats with the people who trade with them? If so, what is the nature of the control ?

Mr. A. K. MACLEAN: We have a very decided control over freight rates. In the first place, the freight schedules must be approved by the Government.

Mr. J. E. ARMSTRONG: What department?

Mr. A. K. MACLEAN: The Department of Trade and Commerce. For instance, we subsidize a service between the British West Indies and the ports of Halifax and St. John. We fix their rates. The rate on flour per barrel is ninety cents, and it has remained so during the war, constituting a decided advantage to Canadian millers. It was a cheap rate, too. It has the effect of keeping the freight rate on flour from points in Canada to the British West Indies via New York at ninety cents, and had we not control of the rate charged by this subsidized service, the freight rate would be very much greater to Canadian exporters of flour.

Mr. J. E. ARMSTRONG: Do I understand that the rates are fixed by the Department of Trade and Commerce, and that the department are in a position to know what rates should be charged along the Pacific coast and the Atlantic coast without having some official set aside for that purpose?

Mr. A. K. MACLEAN: All subsidized services must have their rates approved by the department. They submit their freight schedules to the department for approval, and the department advise themselves in the best way possible as to the fairness of those schedules. We have an inspector of the local services, in regard to which it would be most difficult to ascertain whether the freight rates are fair or not. So far as the Atlantic and Pacific freight rates are concerned, it is not a difficult matter for the department to be advised as to what are fair rates, because they are in touch with the commercial rates and can secure the advice of men competent to advise them.

Mr. J. E. ARMSTRONG: I am puzzled to know the extent to which these rates are examined into from time to time. While I know the Department of Trade and Commerce are very efficient in so many ways, I can hardly believe that they can possibly be in touch with the conditions existing at the different ports of entry that these boats are connected with, and I would be surprised to know that the department were able to control the shipping rates in the sense that the Railway Commission control railway rates.

Mr. A. K. MACLEAN: Our control is absolute to this extent, that unless a contractor will enter into an agreement with the Government as to the rates to be charged by him, he cannot get the subsidy.

Mr. J. E. ARMSTRONG: Does he file a schedule of his rates with the department?

Mr. A. K. MACLEAN: Yes.

Mr. McKENZIE: I am struck with the disparity in these items, Mr. Chairman. I know the services very well. There is a most important service under item 184, from Sydney to Whycocomagh performed by the steamer Marion. While I do not want to disparage the service rendered under item 185, I submit it is not one whit as important to that part of Canada as the service performed between Sydney and Whycocomagh. I cannot reconcile those votes. Then there is the service performed by the same people who expect to run this new boat between Sydney and the Bay St. Lawrence, along a rocky coast; they are to get only $6,000, against $14,000 for the service under item 185.

Mr. A. K. MACLEAN: The supplementals will contain an additional $1,000 for the service.

Mr. McKENZIE: My hon. friend knows the island of Cape Breton and the service performed between Sydney and Whycocomagh, serving a large number of people along the Bras d'Or Lakes. The owners of the boat get only $3,000 for that service, while the other service is subsidized to the extent of $14,000.

Mr. CHISHOLM: Might I ask the minister to kindly jog the memory of the Hendric Company, Halifax, I think, about which I wrote the minister a few days ago? This service is performed by the Strathlorn, which carries the goods past ports such as Margaree down to Cheticamp and Grand Etang, and if the weather is not sufficiently fine, carries those goods back to Halifax, and they are dumped down upon the wharf there. Such conduct is unjustifiable, and I do not see why they should be permitted to do such a thing. More than that, this year they have departed from their obligation as regards carrying out their contract to Inverness and have gone into another service, to Guysborough, which is entirely different, carrying goods to way ports, and returning to Halifax without going to Inverness ports at all back when it suits themselves.

If this be true, I would ask the minister to see to it that this is stopped or the boat be discontinued entirely. We are dependent upon that service.

Mr. A. K. MACLEAN: The company will be asked for an explanation.

Trade and Commerce—trade commissioners and commercial agents, including expenses in connection with negotiations of treaties or in extension of commercial relations: miscellaneous advertising and printing, or other expenditures connected with Canadian trade, $180,000.

Mr. J. H. SINCLAIR: What is the increase for?

Mr. A. K. MACLEAN: This increase is asked for just to have the supply necessary if any extraordinary expenditures are undertaken during the year in the way of development of Canadian trade abroad and by way of establishing additional trade commissioners. It is quite improbable that the additional amount will be used this year. Since the termination of the war, however, the department is frequently in receipt of requests to send trade commissioners to many new places with a view of ascertaining if it is possible to develop trade in those places. One would expect that these requests would be made at this time when all nations are contesting very keenly for commercial supremacy in all parts of the world. I thought it would be well that we should have, perhaps, a small amount in addition to that of last year for this purpose. At the present time, I cannot say that it will be used; it does not look as if it would be this year.

Mr. J. H. SINCLAIR: The statement was made by the Minister of Finance (Sir Thomas White) the other day that some $6,000,000 was expended by the Government in financing the sale of meat to Italy. Can the minister tell us what prices are being paid to producers of this meat and from whom it has been purchased?

Mr. A. K. MACLEAN: I think it was my hon. friend who asked the minister about this matter or, perhaps, it was some other hon. member, and upon his request I laid upon the table of the House this forenoon a copy of the Order in Council to which I would refer my hon. friend. I think it will give him the information he desires.

Mr. J. H. SINCLAIR: Does this Order in Council give the names of the parties from whom the meat was purchased?

Mr. A. K. MACLEAN: No, I do not think it would do that.

Mr. J. H. SINCLAIR: Can the minister furnish us with the names and the prices the meat was sold at?

Mr. A. K. MACLEAN: I cannot promise to do it to-day, but I would be in a position to do it on Monday.

Mr. J. H. SINCLAIR: Is the meat taken from cold storage warehouses?

Mr. A. K. MACLEAN: This was meat that was purchased in anticipation of sale to the Allied powers for army purposes, and, in fact, I think the Allied powers were morally obligated to take this meat. When the armistice came, the demand was reduced very materially, and the meat was on the hands of the contractors, who endeavoured to sell it to the Canadian public, but I believe they were unable to do so almost at any price. The British Government, my recollection is, undertook to make a disposition of it so far as they could, and they entered into some arrangement with the Government of Italy whereby they would take this quantity of meat that was in cold storage in Canada and which was in danger of being destroyed altogether or becoming useless. It was for that purpose the Canadian Government gave credit to Italy.

Mr. J. H. SINCLAIR: I understood the minister to say that the British Government was handling this business and that the meat had to be sold and that Canada undertook to finance the transaction. Is the Canadian Government by taking this step relieving the Imperial Government of a responsibility?

Mr. A. K. MACLEAN: This is a matter of business with which I have nothing to do, and I am speaking without accurate knowledge of the facts. I will send for a copy of the Order in Council, and I will endeavour by Monday to get the further information for my hon. friend.

Mr. McKENZIE: I must reiterate what I said to the minister some time ago about the sale of goods of this character or the sending of such goods out of the country. The law of supply and demand means the supply in a country itself and the demand in that country for that supply, or the demand that a foreign country might make upon that supply with its own means or money. The Canadian consumer was entitled to the competition that would arise in this country in connection with the sale of supplies of food that were in this country and the Government is not dealing fairly with the consumer when it is furnishing money to a foreign country in order to buy

those goods and take them out of Canada, because that has certainly a direct effect on keeping prices higher than they would be if the matter was left to trade and traffic in this country itself. I cannot see any justification why the Canadian consumers are compelled by this Government to a foreign country, when that money is to be used for the purpose of keeping prices at the high top-notch figures at which they are now. If we have a reduction at all by competition, it is by the supply becoming large and people being obliged to bid or do the best they can to get the current prices for their goods.

Mr. BURNHAM: What method would the hon. member adopt to establish the proper balance between the producer and the consumer?

Mr. McKENZIE: The law which exists and which is as old as the hills, the law which regulates itself as to supply and demand. If there is a large supply of beef in this country, and the merchant or the owner of it cannot keep at his high prices in order to get rid of it, he must sell at a lower price. But this Government steps in and says to that man: You need not sell at any lower price; we will keep you at war prices, and we will give money to foreigners so as to enable them to come into this country and buy that extra supply and take it out of the country and enable you to keep at your high prices. The law of supply and demand, as I understand it, is put out of operation in that way by artificial means, and I say that the Government of this country is not justified in doing that.

Mr. A. K. MACLEAN: There are just two views on the question which my hon. friend has raised. One is that no aid in the form of credits be given to our export trade, and that it be allowed to operate as in pre-war days. The other view is that you assist the purchasing country to pay for our goods by lending them the money. My hon. friend says that we should allow the law of supply and demand to govern all trade and commerce. Every nation desires that, but there is no such thing in some countries to-day as the operation of the law of supply and demand. The question of wheat, for instance, which we are likely to discuss some day next week, presents a great many difficulties. We shall have a wheat crop this year of probably 300,000,000 bushels, and an exportable surplus of from 200,000,000 to 225,000,000 bushels. Everybody knows that it is important that this Canadian wheat gets out of the country. Wheat is no better than any other product, except that it is more useful as a food than some others, and the wheat producer has no right to expect better treatment than the farmer who is producing other products, but it is very desirable from the standpoint of exchange that the wheat should get out of the country, because it is one of our exportable products. If we export 200,000,000 bushels of wheat, that means $400,000,000 coming into this country with which to pay for our imports from the United States, and therefore it is desirable that we should have a movement in our grain trade this year. But the Western farmer cannot export his wheat unless he gets paid for it in some way or other. Suppose that Great Britain says next September or October "We will not guarantee the price of wheat, and we have no way of buying your wheat unless you advance us the money. We will buy of Argentina or of Australia, who are willing to give us a credit." If that event should occur the situation would be serious, unless we loaned Great Britain the money.

Money will never pay for the imports of a country. Great Britain's gold supply would be exhausted in a week is she had to pay for her imports in money. So while natural trade is desirable, and is better for producer and consumer, and the sooner all nations get back to it the better, still conditions prevail which prevent it and for which nobody is responsible. I quite agree with the views of my hon. friend, but it may very well happen that we may yet have to give credits to help our export trade. Where would Canada be to-day if we were not exporting what we are under the credits that were given last year. There would be a congestion in this country of our exportable goods, and production would immediately diminish, because there would be no encouragement to produce. However, that matter has been discussed several times in Parliament, both sides of the case have been presented clearly and ably, and the question is likely to come up again next week on the amendments to the Grain Act. The Government are not anxious to establish further credits to any other country. It may well be that we have reached the point where it would not be wise, and might even be impossible, for us to grant further credits. I can assure my hon. friend that

no one is more anxious to cease the granting of credits than the Government, because many difficulties are involved in securing the credits and taking care of their distribution.

Mr. J. H. SINCLAIR: The minister has not dealt with the main question at all, that this manipulation of finance maintains high prices. Does he expect to go on doing this or is he going to stop? If it is true that the granting of credits is the cause of the inflation of prices, every time a credit is granted increases the price to the home consumer. When is it going to come to an end?

Mr. A. K. MACLEAN: I think the end will come when we reach the time hoped for by the leader of the Opposition when natural trade conditions will prevail, when the nations of the world will be importing and exporting as they did before the war, when we shall again have international competition. When Canadian products are sold, the price is agreed upon by the purchasing country. If Canada furnishes credits for the purchase of Canadian products by other countries, we do not fix the price. There is such a demand, particularly for certain food products and some manufactured articles, that prices are extremely high to-day. Take the case of wheat. The fixed and guaranteed price in the United States for this year is $2.26; ours last year was $2.24. That is a very high price for wheat, but I doubt very much whether the world will ever see again the price levels of days gone by when wheat was selling below a dollar a bushel. Although $2.24 seems a high price, the view prevails that it is not an excessive price. When the United States fixed the price at $2.26 last year, they submitted the whole matter to a committee of eight very expert men, and it was their judgment that that was not an unfair price for the producer. I have discussed this matter with a great many Canadian wheat producers, and I am bound to say that I doubt very much whether it is an excessive price, particularly if there is a small or average crop. The cost to the farmer of producing wheat is exceedingly high at the present time, or at least very much in excess of the cost which prevailed prior to the war. I suppose that if credits were granted freely by governments to all countries desiring to purchase their goods it would have the effect of driving up prices, but no country is anxious to give credits to-day. The United States Government is not giving any, although they realize that somebody in the United States must make advances to European countries or they would not be able to sell. I cannot see how any European country can purchase anything of any kind to any extent unless somebody advances them the money.

Mr. BURNHAM: We can all buy if you give us the money.

Mr. A. K. MACLEAN: But these credits have to be repaid.

Mr. J. H. SINCLAIR: The minister is speaking as if he were solicitous about the farmer, but it is not the farmer that is going to be benefited by this transaction which we are discussing; it is the owners of the cold storage plants, who have hoarded up this meat to fetch a high price. The people of Canada needed this meat, but the cold storage men would not sell it to them. They held it until, as the minister says, it was in danger of being destroyed, and then the Government steps in and furnishes money to export it to Italy, financing the bills for Italy. I have no doubt Italy is just as able to do its own financing as Canada. Why does the Government do this for the cold storage people? It is not in the interests of the farmers, for not one dollar of this money will go into the pockets of the farmers; it will go to the profiteers. That is what makes it so difficult for the people of Canada to accept the situation. It is not only in regard to meat and wheat, but in regard to other things as well. I was speaking to a merchant tailor this morning and he told me about the difficulty he had in securing cloth to keep his business going. He said that if you went to one of the jobbers' shops there were half a dozen persons looking for the same web of cloth, and one man would offer $5 a yard and another $6. They would bid against one another because they had to have it. The mills are busy making cloth for Rumania, and the Government is borrowing money from the people of Canada to finance the business. The millers do not care anything about Canadian trade. They are doing very well by selling their goods in foreign countries. This has to stop, and the sooner the better.

Mr. A. K. MACLEAN: I quite agree that it must stop, and the sooner the better. I am sure that it is the desire of all countries to get back to normal trading. But unfortunately there has been a war for four years or more and all trade and commerce has been disrupted and has been conducted for some time along artificial lines. I did not know when I was speak-

ing that my hon. friend had in mind this credit to Italy for the purchase of wheat. I was speaking generally of the policy of granting credits. I am not very well acquainted with the facts concerning the sale of meat to Italy.

Mr. CAHILL: Who were morally obligated?

Mr. A. K. MACLEAN: The British Government acting on behalf of the Allied governments. The producers in Canada were urged to get supplies together and have them ready for export, and the goods would have been required had the war continued. I understand that this meat that was sold to Italy was of such a quality that no purchaser could be found in Canada for it. It was known as "thin" beef and the owners offered it to the Canadian public at, I believe, very fair rates. I remember conversing one day with an hon. gentleman on the other side of the House who was engaged in this business in Quebec or Montreal, and he informed me that in that particular city—I think it was Quebec—you could not induce any one to purchase this beef because it was frozen or chilled. I shall endeavour to get the information my hon. friend requires about this sale of beef to Italy. I must repeat that I am not well acquainted with the facts.

Mr. CAHILL: Are these bonds in the case of Italy taken at the same rate as in the case of Rumania—5 per cent?

Mr. A. K. MACLEAN: At 5½ per cent.

Mr. CAHILL: Does not the Government attempt to do business with these countries on something more approaching a business basis? We were told the other day that Rumanian debentures were only worth 72 We are selling goods to Rumania and taking only 72 cents on the dollar, whereas we have to pay 100 cents on the dollar. The Government is making loans to other countries and increasing the cost of living to the people here. The cost of living in Canada is a very serious problem. The Textile Company and other concerns make exorbitant profits while the people are groaning under the burden of the high cost of living. The Government should try to reduce the cost of living rather than enhance it and make it harder for the people to live. I cannot understand why we should lend our money to the manufacturers of this country to sell goods to foreign countries whose credit is not good and take their securities at par when they are not worth par. Why should we look for the worst customers in the world and take their note at prices offered by the best customer? You cannot continue this artificial trade. The time will come when there will have to be an accounting. If these countries are not able to pay the people of Canada will have to pay, and are paying now. They are paying exorbitant prices for the products they buy here and the Government are only enabling the profiteers to get more money out of the Canadian people. I cannot see, for the life of me, how the Government can justify loans to foreign countries and take money worth only 70 to 80 cents on the dollar. The Government is enabling the profiteers to exploit the people of Canada, as was the case during the war.

Mr. STEVENS: I do not desire to delay the Committee, but it would be a mistake to allow to pass unchallenged the remarks of the hon. gentleman (Mr. Cahill) and others. The hon. member's opinion that the trade policy of the Government at this time is simply pandering to the profiteer is absolutely unfounded. He evidently overlooks the fact that the market in Europe today is bare of goods of all classes, including foodstuffs, which must be supplied and will be supplied. Where will the supplies come from? Chiefly from the American continent, that is, from Canada and the United States. We can, if we choose, take advantage of this extraordinary position, by arranging Government credit—where private credit has been eliminated by the war—through no fault of the manufacturer or trader—in Rumania, Belgium and France, where the factories have been blown up and storehouses have been under German control for years. These business concerns have no organization or credit, and the Rumanian, Belgian, or French Government, as the case may be, establishes national credit which this Government takes advantage of, and to the result of which I invite the attention of the hon. gentleman, because it is a matter of vital importance to Canada. Taking advantage of this dearth of goods in Europe, and being in the fortunate position of being able to supply those goods by the medium of Government credits replacing the shattered private credits, we are putting Canadian goods on the European market where they never were before. In other words, we are building up foreign trade. I have heard hon. gentlemen on the floor of this House chide the Government for not sending out more trade commissioners, and time and again attention has been drawn to Great

Britain, the United States, Japan and other enterprising counties that were spending hundreds of thousands of dollars in sending trade commissioners the world over to develop foreign trade, Now, here we have a perfectly natural opportunity to inject our trade into the European market. I come now to the point suggested by my hon. friend from Peterborough. The argument is advanced that we should not send goods to Europe at the present time under any arrangement of Government credits. It is contended that because there is a scarcity in Canada we should keep these goods here for the local market and prevent export. Let the hon. gentleman consider this point:

Supposing we shut off these Rumanian, French and Belgian credits, what would be the result? The American buyers would come over here, buy these goods, ship them to American ports, send them into Europe as American goods, and we would be in the same position as we are in to-day, except that we would not have secured an entry into the foreign market. My hon. friend from Guysborough (Mr. Sinclair) smiles. I speak in all seriousness when I say that that is exactly what would occur.

Mr. CAHILL: That would be fine; we would get our money back then.

Mr. STEVENS: We would get the money back then? Then the hon. gentleman hinges his whole argument upon the point whether the French, Belgian or Rumanian Government will redeem their pledges. The hon. gentleman suggests that, because of the low value of the bond, this Government is selling goods worth 100 at 72. He knows perfectly well that that is—I was going to say a false argument—but I will say an inaccurate argument. These bonds may only be worth 60 or 70 or 80 but the value of the goods fixes the amount that is paid for them in bonds. If the goods are worth 100 in gold, and the bonds are worth only 72 in gold, they will have to make up the difference in bonds.

There is another point. We were told by the hon. member for Guysborough a moment ago that this Government was encouraging the cold storage companies to hoard up meats for the purpose of shipping goods overseas. I have absolutely no sympathy with the so-called packing institutions. I have no brief for them; in fact, if I could drag anything out of them to show that they had been doing wrong I would be almost pleased to do so. But still we ought, as a Parliament, and as the leading element in this country, to send forth to the public the facts. As near as I can judge from the facts produced, the situation was simply this: There was a surplus of frozen beef last winter brought about by this condition, namely, that at the signing of the armistice current contracts—not prospective but existing contracts—were cancelled leaving, as it were in transit between the farmer and the ultimate market, large quantities of beef. My hon. friend suggests that the beef was spoiling, but experts of the Government have told us that this beef cannot spoil as long as it is frozen and that it will keep in good condition for a long time. There is no truth in the story, or inference, that the beef was spoiling. But there was a large accumulation at that period caused by the cancelling of these contracts. That beef was exported. As to the hoarding of other stuff in cold storage plants, no evidence has yet been brought forward, so far as I have been able to learn, either before the Cost of Living Commissioner or before the special committee of this House, to show that there has been a hoarding of other foodstuffs in cold storage warehouses. If that is so, we ought to know it. Let me just again emphasize this point at issue, which is all important in connection with getting into the European market, that if we fail to take advantage of the opportunity now, we will simply give the same privilege to the American traders and will not be one whit better off in Canada as far as the shortage of food is concerned. It is infinitely better for us to sell our goods at their market value in order to establish a market for future trade, even at the cost of a slightly enhanced value here at the present time. If there is anything that should be done by this Government at all it is the fixing of the spread at home. That possibly is a matter that may be brought to the consideration of this House a little later on, but under no circumstances should anything be done to interfere with the establishment of a Canadian foreign trade.

5 p.m.

Mr. CAHILL: The hon. member has given the best argument in the world why we should discontinue these credits. He says that the American people would buy the goods. If they did so we would be paid for them. We would get our money at the rate of 103 cents on the dollar instead of 72 cents on the dollar. The condition, according to the argument of the hon. member, is that Europe is bare of goods. I tell him that the pantries of this country are bare of goods and it is our duty to see that the people have provisions at a reasonable

price. If the European markets are bare of goods, and we have the goods, surely there is a market here. If we trade on a cash basis we should be able to get the money for our goods. The argument of the hon. member (Mr. Stevens) is that we are getting the bonds at 72, but that is not my understanding of it. I heard a question asked by the hon. member for Victoria (Sir Sam Hughes) the other day, and my understanding is that the Minister of Finance said that the Government were taking the bonds at par.

Mr. A. K. MACLEAN: Yes.

Mr. CAHILL: Is that right?

Mr. A. K. MACLEAN: Yes.

Mr. CAHILL: If the bonds are selling at 72 we are not getting them at 72 but we are getting them at 100. Therefore we are losing the difference.

Mr. A. K. MACLEAN: We expect that these bonds, when they mature, will be at their par value of 100. If Rumanian bonds could bring par in the markets of the world they would not have to ask for credit, but they would buy their goods wherever they liked.

Mr. CAHILL: I suppose that we may expect that our dollar in New York will be worth 100 cents but it is not so to-day; it is only worth 97. That condition of affairs prevails at all times and there is always fluctuation in the value of credit.

Mr. A. K. MACLEAN: The very reason that Great Britain cannot buy to an unlimited degree in Canada is that the British pound is worth about $4.60 and it is liable to go to $4 any day. If the rate of exchange was $4.86⅔ Great Britain would not ask for credit for the goods she buys from us. The fact that Rumanian bonds are quoted at 72 does not prove that they will not be retired at par when they mature.

Mr. CAHILL: It is a mighty poor business man who pays 100 for bonds that are only worth 72. It is mighty bad business to send goods to some foreign country and take their bonds at 100 when they are only quoted at 72. There is no argument for that. The people must suffer as they are suffering. While you are telling the people that the dealers are not able to sell their meat in this country and that they are sending it to Italy, it is significant that the price has been increasing and is higher now than when the armistice was signed. If these dealers offered these meats to the Canadian people they would find a ready market for them here, but perhaps the price would go down. Instead of doing that they have held them, shipped them to a foreign country and they have sold the goods on the strength of Canada's credit. When you take these credits which have been granted to Great Britain, that is a different proposition. The Canadian people probably owe Great Britain a billion dollars to-day, taking into consideration the obligations of cities, corporations and municipalities. That is a matter of adjustment between Great Britain and Canada. But there is no adjustment between Italy or Rumania and Canada. When we sell goods to these countries we should take their money for what it is worth in the market. There is no question in my mind but that we are doing mighty bad business when we charge our people 100 cents on the dollar and sell to a foreign country the same goods at 72 cents.

Mr. BURNHAM: The most serious question before the country to-day is the high cost of living and if we bonus certain industries at the expense of the general consumer the high cost of living for the consumer will not go down but will go up and there will be greater unrest than there is now. The hon. member (Mr. Stevens), at the close of his remarks, said that there is a great temptation to make use of, or to take advantage of, the foreign market at the enhanced price. That is to say, the subsidized exporter is to have the benefit of this credit at the expense of the general consumer. But the general consumer will not stand for it. It is all very well to have a brilliant prospect, but it may be a rainbow dream; and that is what this is. If the money we were making by taking advantage of the foreign market and of foreign possibilities enured to the general benefit of the Canadian consumer, then the argument would be justifiable, but when it is not so, you are, to use plain language, robbing the general consumer in order that the exporter may profit. The people of Canada are endeavouring to find out what the difficulty is, and when they find that it is because our butter, eggs, meat, and so on, are being rushed to a foreign market which is subsidized by our own people, and that they are being tortured accordingly, I am very much mistaken if they do not rise up and call a halt, saying: The limit is the suffering which we have to endure and the extra high prices which we are asked to pay but which we refuse to pay. If we are going to play fast-and-loose with the affairs

of the country in this way and take advantage of a temptation which is only going to carry its own sting with it, any attempt to solve the difficulty will be hopeless.

There is a prevailing heresy amongst some members of this House that if you sell goods in a given market you can always buy other goods from that market; that people must have goods bought from them if they expect to buy goods from you, or you hope to sell to them. That takes no account whatever of the element of profit, all of which is comprised in the single phrase "rate of exchange." Everybody knows that when the rate of exchange is against a country, as it is against Canada and in favour of the United States at the present time, this country pays from $13,000,000, to $15,000,000 in hard cash for the privilege of having the balance of trade against it—and that is the very thing that has come up in this argument now. To my mind, it shows a complete absence of a grasp of the difficulties of the situation.

Salaries, rents, wages, and contingencies under the Canada Grain Act, $1,150,000.

Mr. A. K. MACLEAN: The increase is due to that which we have just been discussing, namely, the increase in the cost of living. The Government have to pay higher salaries to all those who are engaged in administering the Canada Grain Act. But there is this comfort: the revenue derived from the operations of the Grain Act is more than enough to pay for its operation. Up to February 28 of this year, during a period of eleven months, the fees collected amounted to $998,000, while the expenditure was $906,000, so that we have a surplus of some $92,000

Mr. J. H. SINCLAIR: Upon what basis are these fees collected?

Mr. A. K. MACLEAN: They are elevator charges, fees for the inspection, weighing, and storage of wheat, and so on.

Mr. J. H. SINCLAIR: I saw some time ago a criticism by the Auditor General that these receipts had been placed to the credit of the Grain Commission and had not come into the Consolidated Revenue Fund. Has that been adjusted?

Mr. A. K. MACLEAN: That was in connection with the work of the Board of Grain Supervisors which was created to handle the wheat purchased in Canada last year and the year before by the Allied Governments. They controlled the wheat movement, designated what amount should go to the British and Allied Governments. and what amount should be kept in the country for domestic purposes, and what amount should go to the mills. The operations of this commission cease on the 31st of July, when all the wheat crop of last year will be out of the country. Unless fresh arrangements are made for financing the marketing of the Canadian crop, the Board of Grain Supervisors will not continue to exist.

Mr. J. H. SINCLAIR: Will the large balance that they have on hand be paid into the Consolidated Revenue Fund?

The CHAIRMAN (Mr. Steele): The item under discussion has to do with the Canada Grain Act.

Mr. J. H. SINCLAIR: How many persons are employed in connection with the administration of the Canada Grain Act?

Mr. A. K. MACLEAN: There are four members of the Grain Commission. On the inspection and weighing staff there are 140; Port Arthur elevator, 33; Moosejaw elevator, 17; Saskatoon elevator, 10; Calgary, 12; Vancouver, 3; total number of permanent employees, 224. Last year there were 254 temporary employees. This makes a grand total of 478. The total disbursement last year for salaries of permanent employees was $395,815; and wages to temporary employees amounted to $277,000: total, $673,000.

Mr. CAHILL: Who is the superintendent at Saskatoon, and what is his salary?

Mr. A. K. MACLEAN: There is no permanent superintendent at that point. The acting superintendent is Mr. Seddon, whose salary is $2,500.

Mr. CAHILL: Why has the appointment not been made, Mr. Chairman? The vacancy has existed for a couple of years, I think.

Mr. A. K. MACLEAN: The Board of Grain Commissioners are of the view that the amount of work done there does not necessitate the appointment of a permanent superintendent, and they think the present arrangements are quite sufficient.

Mr. McKENZIE: I read in the newspapers, or was told, that the grain elevators in the Northwest and at Port Arthur and Fort William were practically commandeered by Americans last year, that they filled those elevators with their grain to the exclusion of Canadian grain, and that that is causing stagnation of trade among our own wheat producers. I submit to the minister that whatever facilities for

transportation we have should be first utilized for our own people, and that no foreign country should be permitted to take advantage of them to the exclusion of Canadian wheat growers and transporters. Of course, I am only giving you rumours, Mr. Chairman, but if such has been the case I hope it will not be permitted to occur a second time.

Mr. MANION: The hon. gentleman is wrong in thinking that the elevators at the head of the Lakes were so used. Some elevators down on the Georgian Bay ports had American wheat in them, and there was a certain amount of blockade on that account. It really amounts to the same thing as the hon. member speaks of, but I just wish to make that correction.

Mr. McKENZIE: If the elevators were outside the control of the Government, I do not blame the Government. But I am referring to any facilities we have in Canada; our first duty should be to ourselves, and those facilities should not be permitted to get into foreign hands.

Mr. A. K. MACLEAN: Of course, the Government last year could control the movement of grain in or out of all elevators, whether owned by the Government or by private individuals. It is quite true that last autumn some American wheat did come into the elevators on the Georgian Bay ports, but none went into the elevators in the Prairie Provinces or at Port Arthur or Fort William. My recollection is that about 10,000,000 bushels of American grain came into the Georgian Bay elevators, and some people were apprehensive that it would react to the detriment of Canadian interests. However, as it happened, it did not injure our interests and has not caused any delay in the export of our wheat. At the present time the wheat crop of last year has been almost wholly exported either in the form of wheat or flour; in fact, there is hardly enough wheat left in the country for milling and seeding purposes, plus whatever the Wheat Export Company want. They feel they were rather oversold. I might say that recently permission has been given for the use of our elevators and railways for the carriage of American grain in transit to Atlantic seaboard ports for export, but we will only allow this for the next two months, July and August, and whenever any American grain gets into a Canadian elevator it will be only upon the understanding that the owners have shipping space for that wheat when it leaves the elevator and gets to an Atlantic seaboard port. If we have a large crop of wheat this year in the Canadian Northwest, as appears probable, our elevator storage capacity will be taxed to the utmost to carry our own wheat over during the winter.

To provide for the construction, acquisition, leasing or expropriation of terminal elevators, $30,000.

Mr. J. H. SINCLAIR: Are any new elevators under construction?

Mr. A. K. MACLEAN: No. It is rather an emergency vote we are asking for in the event of there being an unforeseen necessity of constructing some buildings in connection with our elevator system.

Mr. J. H. SINCLAIR: There have been no demands for elevators this year?

Mr. A. K. MACLEAN: I know of only two demands for elevators this year, one from Ontario, and one from Alberta. No definite decision has been reached by the Government as to whether those demands will be met.

Dominion Bureau of Statistics, $125,000.

Mr. CAHILL: Why the increase?

Mr. A. K. MACLEAN: It is due to the development of this particular Bureau. Arrangements have been made to acquire a much wider, and I hope, more useful range of statistics. The Bureau of Statistics is working closely in co-operation with the provinces in relation to certain statistics, and is also embarking upon a wider field of statistical work, necessitating a bigger staff to cope with the additional work.

Mr. J. H. SINCLAIR: Will a census be taken next year?

Mr. A. K. MACLEAN: I do not think so, but in 1921.

Mr. CAHILL: Has the Department of Railway Statistics been taken over by the Statistics Bureau?

Mr. A. K. MACLEAN: Practically, although there has been no formal transfer yet. As soon as the Railway Bill passes Parliament there will be a formal transfer. The Bureau of Statistics is making preparations for taking over the work, and, in fact, has commenced to do so. When the transfer is completed the railway statistics staff will be taken over there.

Mr. CAHILL: The Minister of Railways and Canals has a Bill on the Order Paper which he intends to bring forward if the general Railway Bill does not pass this session; that is, the Bill pertaining to the

location of railways. He intimated that possibly the Railway Bill may not pass, and, as we all know, it has been up to the Senate and back here on numerous occasions. The Government have one view on certain clauses and the majority of Parliament have another view. Now——

Mr. A. K. MACLEAN: We have power, anyway, under legislation already passed, to take over and transfer to the Bureau of Statistics the Statistical Branch of the Railway Department. Some of the clauses of the Railway Bill as originally drafted provided for the continuance of the statistical work of the Railway Department, but that was amended later, and the Bill as it now stands is, I think, satisfactory to all concerned.

Mr. CAHILL: In the event of its not going through Parliament this year, will the Statistical Branch be taken over by the bureau?

Mr. A. K. MACLEAN: Yes.

Canada Year Book, $13,500.

Mr. McKENZIE: Is this Canada Year Book a product of the Statistical Department?

Mr. A. K. MACLEAN: Yes.

Mr. McKENZIE: Why is it not all in one item?

Mr. A. K. MACLEAN: It gives to the House a little more detail of the expenditure of the Bureau. By having this appropriation assigned directly to the Canada Year Book, the committee will readily see just what it costs to get out that publication, and perhaps it is better to have it that way. The item has been inserted in that way for a long time.

Mr. COPP: Does this item cover the exact cost of the Canada Year Book?

Mr. A. K. MACLEAN: In 1918-19, up to February 28, that is, eleven months, the expenditure was $12,058.13; so this appropriation barely covers the cost.

Mr. McKENZIE: Is that the only blue book that is published by the Statistical Department?

Mr. A. K. MACLEAN: No; there are a number. Trade and Commerce Reports, Trade Statistical Reports, Agricultural Reports, Customs Statistics, will all be prepared and issued by the Bureau of Statistics hereafter, except one report of the customs showing the imports. Several other departments have their statistical work now performed by this Bureau. It is hoped that ultimately all statistical work will issue from this one department.

Mr. McKENZIE: It would be very much better, particularly for the information of members of Parliament, if all the statistical information of the different departments were found in one book.

Mr. A. K. MACLEAN: The Canada Year Book now contains figures referable to all departmental activities. The statistics of the Bureau will in the future be on a much more elaborate and useful scale than at present. But it takes a little time to get ready for that. I quite agree with my hon. friend that the greater compilation of statistics we have under one cover the better, particularly for the use of members of Parliament.

Mr. J. H. SINCLAIR: Some practical work could be done by this Bureau in connection with the proposed new methods of taxation. So far as I know it gives very little attention to questions of that kind. We want, for instance, to know how much the different provinces are levying for income tax and how that compares with the income tax levied by the Dominion. There is a proposition to levy a tax upon unimproved lands. Does this Bureau give any attention to these questions so as to give information?

Mr. A. K. MACLEAN: Does the hon. member mean, to give a comparative statement as to the different income-tax laws of the provinces?

Mr. J. H. SINCLAIR: Yes.

Mr. A. K. MACLEAN: I do not think it does.

Mr. J. H. SINCLAIR: That would be a practical thing for it to do. It would give us some information on the question.

Mr. A. K. MACLEAN: It would be very desirable for the Canada Year Book to contain a summary of all the taxation laws of the several provinces and of the Dominion.

Mr. J. H. SINCLAIR: As regards taxation of land values, if we knew the assessed value of all the land in the various provinces, under the ordinary municipal assessments and how much of that was city or town property, so that we would be able to tell how the taxation of land value affected the farmer, that would be practical information that we would find very useful, when these new methods of taxation are proposed. At present we have no source of

information on which to come to a decision whether such a tax is practicable or not.

Mr. A. K. MACLEAN: I think the department purpose dealing with the last suggestion of my hon. friend, that is, as to assessable properties in Canada.

West India Cable, $38,933.33.

Mr. COPP: Why are the odd cents added to this amount while the others are in round figures?

Mr. A. K. MACLEAN: This is Canada's share of the cost of cable communication with the West Indies, £8,000, by agreement with the Imperial Government, and it happens that our proportion contains the odd cents. This contract came into operation on the first of October, 1914, and lasts for a period of ten years.

Supervision lake and ocean freight rates, $6,000.

Mr. CAHILL: What is this for?

Mr. A. K. MACLEAN: This appropriation has been in the Estimates for a long number of years, but as a matter of fact, it has never been used up to date. We have in the Maritime Provinces a person who supervises subsidized services, but no person has yet been appointed to perform this particular service.

Mr. McKENZIE: I suggest to the minister that it would be entirely irregular to pass this item in the absence of the hon. member for Lambton East (Mr. Armstrong) who has given so much time and such painstaking industry of this matter. He attends very regularly the sessions in this House, but he is not here at present.

Mr. A. K. MACLEAN: I shall make the apology.

Mr. McKENZIE: I suppose it is understood that he can discuss this whenever he wants to.

To provide for the development and extension of Canadian trade, $150,000.

Mr. CAHILL: What is the explanation of this item?

Mr. A. K. MACLEAN: This is just the same amount as last year. The previous item of $180,000 has reference merely to Trade Commissioners work. These expenditures refer generally to our exhibits at fairs throughout the world. For instance, at the Lyons fair this year we had a total expenditure of $44,000. That fair took place in March and April, and Canada was very well represented; in fact, our exhibit is said to have been the most presentable and spectacular of any that was shown there. We had fifty stalls where Canadian products were exhibited, and, as a matter of fact, by virtue of this fair, several millions of dollars' worth of goods were sold in France, tentatively.

Mr. CAHILL: For money?

Mr. A. K. MACLEAN: Very little money, but the mere fact of exchange conditions has prevented the consummation of the tentative sales that were made.

Mr. MACKENZIE: What does the minister understand by "tentative" sale?

Mr. A. K. MACLEAN: A tentative sale means this, that somebody in France is willing to buy goods of a Canadian manufacturer exhibiting at Lyons within a given time if the former could make arrangements to pay for the goods. The prospective buyer might be very well off, but on account of exchange conditions as between France and the rest of the world he might have no means of paying. A man might be worth many millions of dollars in France and still be unable to pay for a small importation of goods from Canada.

Mr. CAHILL: There are dozens of such "tentative" bargains every day. Every boy that passes the store down here has the inclination to buy, but he is short of the money as a rule. Since we have to furnish the money to buy our own goods, I think we could very well do without this item altogether. The credit should surely be inducement enough, without spending more money to get this trade for which we are getting in return no money and no goods.

Mr. A. K. MACLEAN: If my hon. friend had his way he would make no effort whatever to develop Canadian trade.

Mr. CAHILL: I would let the Canadian people do that.

Mr. A. K. MACLEAN: The Canadian people are very largely inexperienced in foreign trade. The Canadian producer has been kept fairly busy supplying the domestic market in recent years, and our manufactured products are not generally known throughout the world. A nation must develop as an exporting country just as a child develops into a man, and anything that facilitates our exports and advertises abroad our capacity to produce and supply the needs of foreign countries is beneficial to Canadian trade and helps to establish us abroad. If we had no exhibitions and

no fairs, if we declined to send our official representatives abroad, Canada would make no progress whatever in its export trade. We must pay for everything we import by our exports.

Mr. CAHILL: We are paying for both our imports and our exports.

Mr. A. K. MACLEAN: Oh, no, my hon. friend is quite mistaken about that. We are exporting a great deal to some countries, and it is being paid for. I hope within a few months my hon. friend will have all the ground cut from under his feet about these credits, so that he will not be put to the trouble of making so many speeches on the inadvisability of furnishing credits. I agree with him as to the undesirability of having to do this, and the desirability of having natural trade conditions here and throughout the world, and I hope that if the Germans sign the Peace Treaty on Monday next the world will gradually, if not rapidly, reach the conditions in relation to international trade which prevailed prior to the war.

Mr. J. H. SINCLAIR: Did the Trade Commissioner at Paris represent us at the Lyons Fair?

Mr. A. K. MACLEAN: Yes. I am deliberately brief in my explanation of the Lyons Fair, because the Minister of Trade and Commerce was at the Fair this year, and I shall ask him to give an account of it on some other item.

Bureau of Industrial and Scientific Research: —Salaries and expenses, including printing and stationery, and the collection and distribution of information, and for Studentships, Fellowships, Special Problems and Forestry Studies, $120,000.

Mr. J. H. SINCLAIR: Did the bureau find out anything new this year?

Mr. A. K. MACLEAN: I am sorry my hon. friend is so sceptical about this vote.

Mr. J. H. SINCLAIR: I am not sceptical.

Mr. A. K. MACLEAN: I recollect that last year and the year before he was rather sceptical. I have great faith myself in any expenditure of money for scientific research purposes, and I think we are open to criticism for not having voted very much larger sums of money for that purpose in the past. It might interest my hon. friend to know that it was wholly through the Research Bureau that an industry is about to be established in his home county at Canso. A company has been organized to utilize fish waste to produce an animal food and some by-products.

Mr. J. H. SINCLAIR: Is it a private concern?

Mr. A. K. MACLEAN: It is private capital, but the investigations were made by the Bureau of Scientific Research. After making a very thorough investigation they succeeded in inducing a man in the province of Ontario to invest sufficient capital.

Mr. J. H. SINCLAIR: What kind of food will this plant produce?

Mr. A. K. MACLEAN: Cattle feed—linseed oil cake, and products of that character. The Bureau have also been considering the desirability of securing the establishment of a similar institution on the northern coast of the province of New Brunswick, and another on the Pacific coast.

Mr. McKENZIE: Will this enterprise be able to utilize dog fish?

Mr. A. K. MACLEAN: The Bureau of Scientific Research have given some attention to that matter, but I am not in a position to say how far advanced they are in their investigations. I know they are of the opinion that the plants that were erected some years ago for reducing dog fish, and which have since been abandoned, were not suitable for the purpose. They are further of the view that proper management was not secured either for the plant at Canso or for the one at Sable island, and that not sufficient scientific work was done while these plants were in operation. They think that a great many of the difficulties that confronted these plants might have been overcome had the proper men been in charge.

Mr. J. H. SINCLAIR: The minister may not be aware that a private company has been engaged in reducing fish offal for fertilizer for some years past. Will the new concern that is starting utilize dog fish in making cattle feed?

Mr. A. K. MACLEAN: I do not know whether it would be suitable for making cattle feed; I doubt very much whether it would. It would all depend on the success they had in extracting the oil from the fish.

Mr. COPP: This new concern is not being bonused at all? It is all private capital?

Mr. A. K. MACLEAN: All private capital. It is not being bonused.

Mr. COPP: That will come later, I suppose.

Mr. A. K. MACLEAN: At one time it would have been a fair question whether the

Government should assist, but private people were found who were willing to go into the enterprise.

Patent Record, $25,000.

This vote has been transferred from the Department of Agriculture to the Department of Trade and Commerce. There is no increase.

Mr. McKENZIE: For some years there has been talk of discontinuing this publication, and circulars were sent around last year asking members their opinion as to whether the publication should be continued or not. I stated myself last year that I did not think it was any good, and I think most members would find it useless to them. There is only one man in a hundred who might care to look at it. I can never find time to read it, and I do not think it is a good expenditure of money.

Mr. A. K. MACLEAN: Personally, I would be disposed to agree with my hon. friend that the publication is very apt to provoke profanity from the average person on receiving it through the mail. Nevertheless, the department feels that it is under obligation to print these records for circulation in foreign countries. The matter has not yet been fully settled. If there is any way of curtailing the expenditure I think that should be done. However, I believe there are difficulties in the way.

Grant to Canadian Engineering Standards Association for the promotion of uniformity of standards in metallic and other products, $10,000.

Mr. CAHILL: Is this a new item?

Mr. A. K. MACLEAN: The Canadian Engineering Standards Association (incorporated 1919) is a branch of the British Engineering Standards Committee founded sixteen years ago and closely associated with the British Board of Trade. The British Engineering Standards Committee was brought into existence for the purpose of introducing uniformity (Standardization) wherever possible in taps, dies, chasers and screw threads, all types of rolled steel sections, such as beams, deck joists, rails, angles, couplings, pipings, etc., and all detail parts in engineering structures and machinery. This standardization, if accepted throughout the British Dominions, would permit of such a uniformity that a lost part, for example, in a reaping machine—bolts, nuts, plates, etc.—could be replaced by purchase from some local manufacturer, and thus a very large amount of time would be saved and a great convenience afforded to the users of such machinery. The parts of a Canadian reaper sold in South Africa or New Zealand, for instance, could thus be forwarded from an adjacent hardware store. The aim of the Canadian Engineering Standards Association would be to provide for this standardization for Canada and to promote it by co-operation with the American standardization organizations. If it succeeds in bringing about standardization in Canada it will repay vastly more than the outlay that is likely to be involved. At present no work has been done in Canada on standardization of mechanical apparatus or parts. The field is an untouched one and it may be, therefore, a crusade of considerable magnitude to bring about the result desired. This association is comprised largely of trade engineers and it has to secure from the public a further $10,000. Their total expenditure this year they anticipate to be $20,000. They are not paid anything themselves, the work being purely voluntary. It was deemed a very good expenditure on the part of the Government to assist this voluntary organization by giving them a grant this year.

Mr. J. H. SINCLAIR: Is it a branch of the Manufacturers' Association?

Mr. A. K. MACLEAN: No, it is not. The British Government renders the same assistance in Great Britain, as does the government in the United States. If we can have standardization in our products, it is generally conceded, there will be a great saving the world over and in our own country.

To provide for bounty on linen yarns spun in Canada from Canadian flax, including expenses of supervision under Order in Council of September 3, 1918, $30,000.

Mr. A. K. MACLEAN: Owing to war conditions no linen thread has come forward from Great Britain since January 1, 1919. As Canada would be unlikely to secure adequate supplies, and as a suitable quality of flax is grown in sufficient quantity, in Canada, and as there were manufacturers of linens here who were disposed to undertake the spinning of linen threads and yarns from Canadian flax, an Order in Council was passed to bonus for a limited period the manufacture of linen thread. It is provided that the following bounty be paid for three years from 1st April, 1919, to 31st March, 1922.

.03c per lb. on linen yarn not coarser than 12 lea or finer than 20 lea.

.06c per lb. on linen yarn 20 lea and finer, but coarser than 40 lea.

.09c per lb. on linen yarn 40 lea and finer.

The total bounty is not to exceed $25,000 in any one year, or a total of $75,000 in the three years.

No bounty is to be payable until the day following the declaration of peace.

Resolutions reported.

On motion of Hon. A. K. Maclean the House adjourned at 5.55 p.m.

Monday, June 23, 1919.

The House met at Eleven o'clock.

THE JUVENILE DELINQUENTS' ACT AMENDMENT.

On the Orders of the Day:

Sir SAM HUGHES (Victoria): I desire to ask the Acting Minister of Justice when Bill No. 40, to amend the Juvenile Delinquents' Act, will be brought on, as there are a great many members very much interested in it.

Hon. ARTHUR MEIGHEN (Acting Minister of Justice): Bill No. 40 when it was introduced in this House had already been passed by the Senate. As I understood, the Bill had been requested by the Greek Catholic Church, as they wished their children to be disposed of under the Juvenile Delinquents' Act in the same way as Roman Catholic children. I have since found that the Bill did not originate with and was not asked for by that body, but was requested by the Associated Children's Aid Societies of Canada. The representations from the former body were that they did not wish to recognize the authority of the Roman Catholic church, but rather the authority of the Holy Roman See. On that being explained to me by Mr. Gisborne, I immediately took steps to ascertain the attitude of the Greek Catholic church, but so far I have had nothing come before me to convince me that the people of that church are anxious for the measure. Unless I do hear from them to that effect, I do not propose proceeding further.

Sir SAM HUGHES: In case the hon. minister should receive any such intimation from the Ukranian organizations, will he be good enough to notify those who have expressed an interest in the matter?

Hon. ARTHUR MEIGHEN: There is no reason why notice should not be given.

INDUSTRIAL UNREST IN CANADA.

WINNIPEG STRIKE—RIOTS.

Mr. D. D. McKENZIE: In view of the appalling reports that we get from Winnipeg, is the Acting Minister of Justice able to tell us anything about the circumstances prevailing there at present?

Hon. ARTHUR MEIGHEN: Matters in Winnipeg have been principally dealt with by the Royal North West Mounted Police. The President of the Privy Council will accordingly make a statement.

Hon. NEWTON W. ROWELL: Mr. Speaker, the position of affairs in Winnipeg, particularly as it relates to the part taken by the Royal North West Mounted Police in the incidents of Saturday, is briefly as follows: In the month of May I received a telegram from the Attorney General of Manitoba asking if the Mounted Police could act in co-operation with the provincial authorities for the preservation of law and order in Winnipeg, in case such action should be necessary owing to the disturbed conditions prevailing there. I thereupon caused instructions to be given to the Commissioner of the Mounted Police in the following terms:

> Attorney General of Manitoba has requested that force should assist in maintaining law and order in Winnipeg if required. Therefore kindly instruct local officer Mounted Police to co-operate with Attorney General if required by him.

At the same time I sent a letter to the Attorney General of Manitoba, and, in fact, a similar letter to the Attorney General of each of the Western provinces, to this effect:

> The Government here is anxious to render every assistance in its power to the provincial and municipal authorities in maintaining law and order, and protecting the lives and property of citizens from mob or revolutionary violence.
>
> We, of course, fully recognize that the initiative and responsibility in connection with the maintenance of law and order in each province rest with the Provincial Government, and with the municipal authorities, and that any action we might take should be in co-operation with, and at the request of, the provincial authorities. I write this to assure you that anything the Federal Government can do to assist in maintaining law and order in your province will be most cheerfully done, both from the standpoint of the military authorities and of the Royal Northwest Mounted Police.

It was with the full concurrence of the Minister of Militia and Defence (Major General Mewburn) that I stated in that letter that the military authorities would co-operate with the provincial and municipal authorities in maintaining law and order.

Sir SAM HUGHES: The minister has no authority in the premises. These troops must go out if they are called out by the provincial authorities, must they not?

Mr. N. W. ROWELL: I have just intimated that I wrote that letter with the full authority and co-operation of the Minister of Militia and Defence in advising that the Federal Government, through the Military and through the Mounted Police, would co-operate with the provincial and municipal authorities in maintaining law and order. Any action, of course, would have to be taken under the provisions of the law which defines the conditions under which the militia may co-operate.

Sir SAM HUGHES: Whether the Government is willing or not.

Mr. ROWELL: Quite so. The militia could be called out at the request of the municipal authorities; but this was simply to indicate the attitude of the Government in reference to these matters.

I understand that on Friday evening last a mass meeting of strikers, in which there were some five hundred or more returned soldiers, decided that they would on Saturday parade the streets of Winnipeg, notwithstanding the proclamation of the mayor that no parades should be permitted. They sent word to the Minister of Labour (Hon. G. D. Robertson) that they intended to meet in Victoria Park at 2.30 p.m. on Saturday, and that they would parade from there to the Royal Alexandria Hotel, where the minister was staying, and that the minister would there address them, on pain of violence if he refused. The Minister of Labour, desiring to avoid any possibility of a conflict with returned soldiers, or any possibility of a violation of the mayor's proclamation, sent word to the strikers, through the solicitor for the strike committee, that he himself would go to Victoria Park on Saturday at 2.30, and there address the strikers. That, however, apparently was not satisfactory to them, and the committee requested a meeting on Saturday morning which was duly held, and at which the Minister of Labour, Commissioner Perry of the Mounted Police, and Mr. Andrews, representing the Department of Justice, were present. The committee insisted that the parade would go on unless the strike were settled before 2 o'clock; the street railways, which had been operating for several days, were stopped, and the minister and others should address them, on Saturday afternoon at the Industrial Bureau, of which they would take possession. The mayor intimated that under no conditions would the proclamation against parades be withdrawn; that it must be strictly observed, and that he would not discontinue the street car service. The Minister of Labour intimated that it would not be possible to secure a settlement of the strike within the time limited, namely, 2 o'clock that afternoon; but he promised if the mayor's proclamation was respected and the parade cancelled that he would endeavour to secure for them the Industrial Bureau, in which to hold their meeting; and said that he would be prepared to address them there. Mr. Andrews left the conference for the purpose of securing the Industrial Bureau for the committee, and succeeded in doing so; but before he got back the trouble had commenced. The strikers—at least a group of them—insisted that the parade should go on. The mayor, with the approval of the Attorney General and in his presence, went to the headquarters of the Mounted Police and asked their co-operation in preserving law and order. That was the joint request of the mayor of the city, representing the municipal authority, and the Attorney General of the province, representing the provincial authority.

Sir SAM HUGHES: It was done in legal form?

Mr. N. W. ROWELL: It was done in proper form, yes. The Mounted Police were thereupon called out, and, as has already been stated in the press, moved down Main street, endeavouring to disperse the crowd. There was evidence of violence almost at once—so much so that the mayor read the Riot Act and then proceeded to militia headquarters and asked that the militia be called out. As I say, there were acts of violence; a street car which was passing down the track was seriously broken up; bricks, stones, and other missiles were thrown at the Mounted Police, and shots were fired from the mob. As a result, there were several casualties, and the condition was such that the officer in command of the police felt it absolutely necessary, as a matter of self-defence, that the police should fire. This they did, with the result that there were a number of casualties. The latest report is that the total number of casualties was thirty-four, of which sixteen were in the Mounted Police; that would make eighteen casualties in the mob. I am glad to say that the casualties among the police, though at first some were considered serious, have proved not to be so serious. All the police are out of the hospital now with the exception of one, who was more seriously injured than the others. Of the men in the crowd who suffered casualties, one was killed and one or two were probably seriously injured; as to the condition of the others, we have no specific

information. I should add that the militia came immediately to the assistance of the Mounted Police and the mob was dispersed in the course of half an hour or a little more. Since that time the city has been quiet; there has been no trouble since the dispersal of the mob.

Let me repeat that the first shots were fired by the paraders or those associated with them, and that Mounted Police fired only in self-defence. The information that we have is that the police acted with great coolness, great courage and great patience, as is characteristic of men of the Royal Northwest Mounted Police. What is true of the police, is equally true of the militia. As a matter of fact, I believe that the majority of the police were returned men, as were large numbers of the militia who were called out. Up to 7.30 p.m. last evening some 80 arrests had been made by the police.

Every one must regret that life has been lost on this occasion. Every one must regret that serious casualties have been sustained, but I am sure that members of the House and the sane and thoughtful people of the country will agree that law and order in Canada must be maintained. The sooner all classes fully recognize that it is the intention of the Federal Government and of the provincial and various municipal governments in Canada to maintain law and order and to protect life and property, the more speedily we shall reach a common understanding in relation to all matters affecting the public interest.

Mr. CAHILL: It is reported in the Ottawa Citizen this morning that returned soldiers in favour of the strikers started the parade; that crowds joined and a clash ensued. Is there any truth in the report that the parade was led by returned soldiers?

Mr. ROWELL: As I have already intimated, the group that presented the request to the minister was composed largely of returned soldiers, who, however, constitute only a small section of the returned soldiers in Winnipeg, the great majority of whom are entirely out of sympathy with the action of this group in starting the trouble.

Mr. H. A. MACKIE (East Edmonton): Is the strike in Winnipeg being continued on a demand for centralized power for collective bargaining?

Hon. A. K. MACLEAN (Acting Minister of Labour): The demand for collective bargaining is still dominant, I would imagine, in the minds of the strikers; they are still insisting upon it as one of the terms of settlement. The Minister of Labour, who is still in Winnipeg is in constant negotiation with representatives of employers and employees endeavouring to reach a settlement of the main issues which were the original cause of the strike.

Mr. M. CLARK (Red Deer): Can the minister give us any information as to how far it is true that three firms of employers are now prepared to concede what they at first refused?

Mr. ROWELL: My colleague has asked me to reply. I presume my hon. friend refers to the statement which was issued by the three employing firms on Monday last I think, as a result of a conference between them and representatives of the railway organizations. I am sorry I have not with me a copy of the statement, which has already appeared in the press. That statement recognized the principle of collective bargaining as defined in the statement. The representatives of the various railway organizations issued a statement endorsing and approving that definition of collective bargaining, and the railways themselves and Senator Robertson also approved that statement. It was a statement issued by the employers and approved by the Minister of Labour, the various railway employees' organizations, and the railways themselves, and it defined collective bargaining, as I understand, substantially in the same terms as it is now in use in the various railway organizations in dealing with the railways. As to how far that goes beyond what the employers were prepared to concede, I am not in a position to say.

Mr. LEMIEUX: Has a date been set for the trial of the strike leaders who were arrested the other day?

Mr. A. K. MACLEAN: No date has yet been fixed.

Mr. PETER McGIBBON (Muskoka): Is it the intention of the Government to give these men a speedy trial? It would appear in the public interest to do so.

Mr. MEIGHEN (Acting Minister of Justice): The Government does not decide on questions of that sort. The matter of the administration of justice is, of course, provincial, and under the Act any one accused of an offence can elect within a certain period whether he will take a speedy trial or not, that is under a certain section of the Code. I am not sure whether that section applies to charges of seditious conspiracy, but even if it does not, this Government has no say

whether the men shall take speedy trial; that is for the men to elect. If they do not apply for it, the Government cannot give it to them. It is a question of law, not a question of authority.

PRIVATE BILLS.

SECOND READING.

Bill No. 147 (from the Senate), for the relief of Annie Miville.—Mr. Mowat.

QUESTIONS.

(Questions answered orally are indicated by an asterisk.)

THE 1919 WHEAT CROP.

Mr. MYERS:

1. Has the Government taken any steps, or does it purpose taking any, relative to the disposal of the wheat crop of 1919?
2. Have any financial credits been arranged for?
3. Have arrangements been made for sufficient transportation facilities for the marketing of this year's crop?
4. Are there any negotiations pending with the United States Government regarding the using of the United States ports for shipment of wheat as in former years?

Hon. A. K. MACLEAN:

1. The matter of the marketing of the wheat crop, 1919, has been receiving the continuous attention of the Government. The Governments of the Allied European countries have not apparently yet determined whether their wheat supplies for this year shall be purchased and controlled wholly or partially by the said Government or whether normal trade conditions shall prevail in respect of wheat and flour importations. Until these matters have been definitely determined it is difficult to forecast with exactness the manner in which the Canadian wheat crop for this year will principally be marketed. The Canadian Government have representatives in the United Kingdom and Europe observing very carefully the probable wheat market conditions, the development of public policy in respect of this matter, and are closely in touch with Allied governments and governmental agencies dealing with this matter.

2. By reason of the facts set forth in the answer to question No. 1, the necessity of providing financial credits has not yet arisen.

3. The matter of the transportation of the wheat crop for 1919, both rail and water, in so far as possible is receiving the attention of the Government. It has been impossible to make arrangements in advance for ocean tonnage required for the unsold exportable wheat surplus, but it is believed that the Canadian wheat export trade will not suffer for lack of ocean tonnage during this year.

4. Informal negotiations have taken place with appropriate persons in the United States in reference to this matter. An abnormal wheat crop is anticipated in the United States this year, which will probably heavily tax the elevator storage capacity of that country for its own grain productions and thus render the same less available than usual for the export of Canadian wheat. It is expected that the port of Portland will as usual be available for the export of Canadian wheat, together with the elevator facilities there located. It is expected that the facilities of United States ports, outside of elevator storage, usually available to Canadian exports, shall continue to be available to Canadian wheat exporters during the present year.

RELEASE OF NAVAL RATINGS FROM ROCKHEAD PRISON.

Mr. DUFF:

1. Are the six naval ratings from T.R. No. 30, who were last year sentenced by court-martial to eighteen months' imprisonment in Rockhead Prison, still incarcerated in said prison?
2. If so, is the Government taking any steps to have the sentences of these young men commuted?
3. What steps, if any, are being taken to have them released?
4. When will these young men be released from custody?

Hon. Mr. BALLANTYNE:

1. No.
2. Answered by No. 1.
3. The Minister of the Naval Service issued orders for their release as from 14th June, 1919.
4. Answered by No 1.

ENEMY ALIEN PATENTS.

Sir SAM HUGHES:

1. What action has been taken by the Government regarding patents from enemy alien countries or enemy aliens in Canada?
2. Has the Government taken any of these patents over, as was done in the United States?
3. Are licenses for use of these patents granted to Canadians or others in Canada?
4. Will the Government publish a complete list of such patents now held by enemy firms or alien enemies resident in Canada?

Hon. A. K. MACLEAN:

1. Under the War Measures Act, 1914, orders and regulations were made by the Governor in Council on the 2nd of October, 1914, enabling the Commissioner of Patents to grant licenses for the use of patents held by subjects of states at war with His

Majesty, and preventing the assignment of such patents.

2. No.

3. Yes.

4. The matter is receiving the Government's consideration.

MR. B. L. WARREN.

Mr. SINCLAIR (Antigonish and Guysborough):

1. Referring to the answers in Hansard, that B. L. Warren, Sub-Collector of Customs, Bear River, N.S., also occupies the position of shipping master, harbour master and preventive officer at said port, is the said B. L. Warren receiving remuneration from the Government for filling these various positions? If so, how much?

2. What was the gross amount paid by the Government, or out of any funds under Government control, to the said B. L. Warren for his services for the calendar year, 1918?

Hon. Mr. BURRELL:

1. Nil, so far as the positions of shipping master and harbour master are concerned. Salary as Customs officer, $850.

2. Amount received from Customs Department: salary, $850; war bonus, $187.50; total, $1,037.50.

DALTON SANITARIUM, P.E.I.

Mr. SINCLAIR (Queens):

1. Has the Federal Government taken over the Dalton Sanitarium in Prince Edward Island, by purchase or by lease?

2. If by purchase, how much was paid for the said sanitarium, and to whom was it paid?

3. If by lease, what amount of rental is paid, when does the lease expire and to whom does the property belong?

4. How much does the said sanitarium cost per year for upkeep and maintenance?

5. How many patients would it accommodate when it was taken over?

6. How many patients will it accommodate now?

7. What did the new buildings, furnishings and equipment, etc., erected and installed by the Federal Government, to the said sanitarium, cost to date?

8. Were the contracts for the said new buildings, furnishings and equipments let by tender? If not, how were they let?

9. If by tender, what were the names of the tenderers, the respective amount of each tender, and the name of the accepted tenderer in each case?

10. Was the money paid direct to the contractors in each case? If not, how was it paid?

Hon. Mr. BURRELL:

1. By agreement.

2. Answered by No. 1.

3. (a) Rent free; (b) One year after peace is restored; (c) Board of Commissioners, Charles Dalton Sanitarium, North Wiltshire, P.E.I.

4. As the extensions and alterations to the sanitarium are not yet completed, it is impossible to state what will be the cost per year for upkeep and maintenance.

5. 27.

6. 75.

7. $139,574.55.

8. By tender. (Separate tender): H. & S. Lowe, septic tank, $2,375.78; H. & S. Lowe, alterations to buildings, $2,432.50; H. & S. Lowe, sash, $888; H. & S. Lowe, floors, etc., $900; H. & S. Lowe, various small items, $1,532.50; E. Parkman & Co., ventilator, $35; E. Parkman, frost proof pipes, $262.50; McRory & Son, painting sash, $550; Bruce Stewart, fittings for pumps, etc., $255. (Public tenders): XI. Stanley, Shaw & Peardon, plumbing, $590; X2. Stanley, Shaw & Peardon, heating, $1,900; X3. W. F. Douall, wiring, $4,320; X4. Phillips & Mutch, power-house and laundry, $68,250; X5. Brantford Oven & Rack Co., bake oven, $270; X6. Renfrew Refrigerator Co., refrigerator, $115; X7. McClary Mfg. Co., steam table, $193.71; X8. Geo. Sparrow & Co., battery of urns, $400; X9. Can. Chicago Bridges & Iron Co., water tower, $5,-510.

9. X1. Stanley, Shaw & Peardon, plumbing, accepted, $590; Currie & Murnaghan, plumbing, $625; X2. Stanley, Shaw and Peardon, heating, accepted, $1,900; Currie and Murnaghan, heating, $,600; X3. W. P. Douall, wiring, accepted, $4,320; Maritime Electric Company, wiring, $4,750; X4. Phillips & Mutch, power house and laundry, accepted, $68,250; Stanley, Shaw & Peardon, power house and laundry, $73,000; Russell & McAuley, power house and laundry, $69,568; H. & S. Lowe, power house and laundry, $75,000; X5. Brantford Oven & Rack Co., bake oven, accepted, $270; Montreal Metal Works, bake oven (not heavy enough), $125; Gurney-Massey Co., bake oven (not heavy enough), $208; McClary Manufacturing Company, bake oven, $352; Wrought Iron Range Company, bake oven, $279.50; X6. Renfrew Refrigerator Co., refrigerator, accepted, $115; Eureka Ref. Co., refrigerator, $175; Thos. Davidson Co., refrigerator (too small, not up to specification), $52.50; X7. McClary Mfg. Co., steam table, accepted, $193.71; Wrought Iron Range Co., steam table, $213.50; Geo. Sparrow Co., steam table, $225; Geo. Prowse Range Company, steam table, $229; Gurney-Massey Company, steam table, $266.95; Montreal Metal Works, steam table, $300. X8. Geo. Sparrow and Company, battery of urns, accepted, $400; Geo. Prowse Range Co., battery of urns, $455; Wrought Iron Range Co., battery of urns, $477; McClary Mfg.Co. battery of urns, $516; Gurney-

Massey Co., battery of urns, $507.30; Hamilton Brass Co., battery of urns, $510; Montreal Metal Works, battery or urns, $600. X9. Canadian Chicago Bridges, Steel Tank and Water Tower & Iron Co., lowest tender, $4,685, (additional capacity in tank and heating pipes), accepted, $5,510; Canadian DesMoines Steel Co., steel tank and water tower, $5,317; Ontario Wind, Engine and Pump Co., water tank, $5,200; H. S. Lowe, water tank, $6,100; Stanley, Shaw & Peardon, water tank, $6,765; Bruce Stewart & Co., water tank, $7,000.

10. Direct to contractors through their bankers.

QUESTIONS PASSED AS ORDERS FOR RETURNS.

Mr. BUREAU:

What are the names and addresses of all those who have been connected with or who have formed part of the 22nd Battalion?

Mr. McGIBBON (Muskoka):

1. How many pensions were granted by the Board of Pension Commissioners during the year ending December 31st, 1918?
2. How many pensions were refused by said Board during 1918?
3. Did a member of the Board of Pension Commissioners examine each case before granting or disallowing the same?
4. Was the granting or disallowing of claims signed by a member of the said Board, and individually checked by them?
5. How many complaints regarding pensions were made to the said Board of Pension Commissioners during 1918 and during the months of January, February, March and April, 1919?
6. What was the total expenditure for pensions for the year ending December 31st, 1918?
7. What was the total expense of administrating the Pension Act for the year ending December 31st, 1918?

UNOPPOSED MOTION FOR PAPERS.

Mr. DUFF:

For a copy of all reports, Orders in Council, and all other papers in connection with the Halifax Relief Commission, including a statement of all receipts and expenditures in this connection up to May 31st, 1919?

INTERNMENT CAMP, AMHERST, N.S.

Mr. J. H. SINCLAIR (Antigonish and Guysborough) moved:

For a copy of all correspondence, reports, telegrams, findings and other papers connected with an application for a pension made by Charles Walker, a Guard in the Detention Camp at Amherst, N.S.

Hon. Mr. MEIGHEN (Acting Minister of Justice): Should not "detention camp" referred to in this motion be "internment camp"?

Mr. SINCLAIR: Yes, it should be.

[Mr. Burrell.]

Mr. MEIGHEN: Then, should not question 21 be also changed accordingly?

Mr. SINCLAIR: Yes. I move that the change be made.

Motion agreed to.

SOLDIERS SETTLEMENT ON THE LAND.

BILL TO ASSIST SETTLEMENT OF RETURNED SOLDIERS UPON THE LAND.

On motion of Hon. Arthur Meighen (Minister of the Interior) Bill No. 95, to assist returned soldiers in settling upon the land, was read the second time, and the House went into Committee thereon, Mr. Steele in the Chair.

Mr. CAHILL: I would ask the Government to lay copies of Bills on the Table. Many members have no desks, and it is impossible for them to carry around their files with them. The result is that we have to hunt around for Bills. The Government knows what Bills are to be presented and might have copies ready to be distributed among the members.

Mr. MEIGHEN: Copies of the Bill have been sent for. The field of administration covered by this measure has been entered upon now for some considerable time and a very substantial amount of work has been performed, and the Committee is entitled, I think, to some account of the achievements in that field and the policies that have been followed, as well as to an explanation of the more ample powers which we are asking for by this Bill. The obligation of meeting the special requirements of returned men in connection with land settlement has been from the first partially, although not wholly, assumed by the federal authorities. Land settlement has been a federal administrative responsibility, at all events in connection with returned men from the South African war, and it has been so particularly for the reason that the Dominion was in possession, as owners, of the lands in the three western provinces upon which such settlement would most likely take place. In 1917, assuming that responsibility in that partial sense, a Soldiers' Settlement Act was passed, under the provisions of which the returned soldier was entitled to an entry for Dominion lands of 160 acres in addition to his ordinary homestead right. That Act of 1917 went beyond the previous legislation in providing as well for a loan to the settler not exceeding $2,500 upon his land. That was the first time that the Dominion Parliament ever ventured into the loaning field; a new

sphere of encouragement of settlement. That Act has now been in operation for something like twenty months. Naturally at first those taking advantage of it were few, but as time went on a considerable number have come under its provisions, until at the present time the exact figures total 2,156, of whom only 90 have abandoned the land. To some of those—by no means to all—loans have been advanced, and as time went on it became apparent that the area of available land suitable for agriculture still left unhomesteaded in the western country was going to be insufficient to permit the Soldier Settlement Board, established under that Act, to meet the demand or, indeed, to engage on any very extensive settlement afterwards.

As a consequence, the necessity arose of launching upon some scheme whereby lands that had been already alienated from the Crown and were lying unused in the various districts of the country in all the provinces should be acquired and made available for entry by these returned men. It was necessary that some such scheme should be devised, and we were then confronted with the question as to whether or not the Dominion Government should assume the responsibility of administering such duties as the acquirement of private land and the supervision of it within the boundaries of the provinces. That was a question fraught with very considerable difficulty. It would appear to many, and did appear—indeed, we were urged by many—that as the lands were private lands and as civil rights and the administration of matters connected with civil rights were by constitution a provincial responsibility, and, indeed, could be better handled by the provinces which were nearer to the scene of activities, we should enter into some co-operative scheme with the provinces whereby on the receipt of Dominion assistance actual administrative duties would be performed provincially. We were encountered, however, by a determined attitude on the part of the provincial governments, particularly in the West, against the assumption of any responsibility for settlement by returned soldiers, they taking the ground that in so far as soldiers were concerned the original line of demarcation between provincial and Dominion duties should be altered, and that as to soldiers the entire responsibility should be federally assumed.

That was, more determinedly, the attitude of the provinces; their attitude being explained, on their part at all events, by the fact that the federal lands were still held by the Federal Government. However, all argued that in so far as the soldier was concerned, the Dominion should assume the responsibility.

Under those conditions there seemed no course open to us but to venture upon a very much wider field and to launch upon a great scheme of settlement such as I think no federal authority had ever launched upon before. Accordingly, on the 11th day of February last, an Order in Council was passed under the War Measures Act, the necessity being upon us, in view of the earlier armistice that had been declared and the fast returning men. An Order in Council was passed whereby the Minister of the Interior, or, rather, the board under the Minister of the Interior, was given authority to acquire privately owned lands and to sell these privately owned lands to settlers as defined by the Soldiers' Settlement Act, 1917.

In Australia, where they have conditions paralleling ours in many respects, these duties have been undertaken by the state authorities and a system of co-operation has been worked out, complicated in many ways; but this was the system adopted there for the reason that they did not feel that the fact that the men were soldiers altered in any degree the division of constitutional duties that had been outlined in the Imperial Act creating the Commonwealth of Australia.

In Canada, however, we have, as I say, under all the circumstances, decided that it was the duty of the federal authorities. Indeed, it was imperative that this great task be not receded from, that some one undertake it; consequently we undertook it and our first step was the passing of the Order in Council of the 11th February last. Under the terms of that Order in Council the Soldier Settlement Board was empowdered to acquire in any province of the Dominion privately owned lands and to sell to any individual returned man as defined by the Soldiers' Settlement Act, a not greater acreage than 320 acres, with the provision that the land should be sold at the price at which it had been acquired, and that the amount owed by the returned man on the land should not exceed $4,500, he paying 10 per cent, as the minimum percentage, of the cost. It was also provided that the board should have power to acquire stock and implements and to sell the stock and implements also at cost to these men, $2,000 being the maximum allowed to each, and to loan to a man upon his improvements, or upon improvements to be made, a sum not ex-

ceeding $1,000. In this connection it must be remembered that under the old Act of 1917 power was given to loan not only upon the homesteads of soldiers, but as well to men who owned their land, a sum not exceeding $2,500.

Mr. MORPHY: Do I understand that power was taken in the Order in Council to lend to a soldier on his implements $2,000 and on the stock also another $2,000?

Mr. MEIGHEN: No, on stock and implements to loan a maximum of $2,000. By the terms of the Order in Council of the 11th February last such land as was acquired by the board must be resold to the soldier and the unpaid balance of the sale price should be repayable in twenty-five annual instalments including interest and amortisation, the interest being at the rate of 5 per cent. The $1,000 maximum loan for improvement was to be repayable on the same terms but the stock and equipment loan, as it was made on perishable articles, was to be repayable in four instalments, commencing in the third year and the settler was to be relieved entirely of any obligation in respect to it for the first two years. No interest accrued upon his stock loan for the first two years at all and he commenced to pay in the third year.

Provision was made in the Order for the protection of the settler against executions which might interfere with the Dominion security and also other safeguards were thrown around the investment which we undertook by that Order to make. Subsequently —on the 20th March of this year—it was provided that the loan upon the stock and equipment, which we were authorized to make to the man who purchased land, might also be made to the man who had homesteaded under the Act of 1917. From that date onward he became entitled, if classed as qualified, to a loan of $2,000 in addition to the $2,500 loan which he was entitled to by the previous law.

Under that condition, in the main, we come up to the present time. Other legislation was passed but it is of a character that can best be dealt with as I proceed subsequently to describe the work of the board. I should have said that under the Act of 1917 a board composed of Mr. Samuel Maber, who has been an official of the department for many years previously, Major Ashton, D.S.O., and Mr. Charles F. Roland, was constituted to carry out the provisions of the Act, Mr. Roland resigned his position in the fall of last year and shortly after his resignation, Mr. W. J. Black who had up to that time been Commissioner of Agriculture in the Department of Agriculture of the Dominion, was appointed permanent Chairman of the Board. As to these officials, they have worked with devotion and unsparing energy in the performance of their duties and I want to say that particularly to the conspicuous ability and application of the present chairman, the marked success, as I venture to describe it, of the board, is largely due. Under these Orders we have done considerable work up to the present time. Immediately the Order of the 11th February was passed, we deemed it our duty to address ourselves first to that considerable class of men who were in possession of their lands having returned from the front and who were facing seeding operations but were not in a position financially to undertake them. These men had their lands and seeding time was upon them but they were not able to get the seed in for that spring. Consequently an emergency organization was put on to take care of these men and it achieved its end.

After the land and loan regulations had been passed, we proceeded to the work of establishing the necessary organization to take in hand the far greater part of the task of acquiring suitable farm land and selling suitable farm land to suitable men. The line of policy to be pursued was not easy of determination. We were anxious to prevent too large and heavy an organization, and at the same time we were aware of the difficulties we were bound to encounter both in acquiring land of a proper quality and at a fair price, and in selecting the men to go on that land who had a reasonable chance of success.

We first of all took the ground that the principle that should govern us throughout was the welfare of the soldiers. First, we held that it was no assistance to a soldier to place him upon land upon which he was not likely to succeed, and no assistance to place him on good land at a reasonable price unless he were a man who was likely to succeed at that occupation. We therefore decided to appoint in the various districts, loan advisory committees, advisory councils and qualification boards composed of men of high standing in the community who would determine respectively the following questions (the loan advisory commitees being bodies composed of three men, one in each district to determine the quality of the land, and the amount of loan that could be advanced upon it) viz: the qualification of the soldier applicant as to whether or not he ought to be admitted to the benefits of the Act; and, if admitted,

in what category he should be classified to guide the operations of the supervisor in the subsequent supervision of his work. We have established accordingly qualification boards—some of which have been in operation for three or four months, and others for a lesser period, at the following points: At Victoria, and Vancouver in British Columbia; Calgary and Edmonton in Alberta; Regina, Saskatoon and Prince Albert in Saskatchewan; Winnipeg in Manitoba; Toronto in Ontario; Montreal, Sherbrooke, and the city of Quebec in Quebec; and one in each of the provinces of New Brunswick, Nova Scotia, and Prince Edward Island. Besides these, however, and for their assistance, there is a sub-office for determining the qualifications of soldiers at Nelson in British Columbia; in the Peace River district in the province of Alberta; and in the province of Ontario we just have one qualification board. We are enabled to confine ourselves to that number in Ontario by reason of the Provincial Department of Agriculture having representatives in many counties in Ontario which representatives act as sub-officers for the qualification board at Toronto; and every man in that province who desires to apply to be admitted under the provisions of that Act goes first to the local provincial agricultural representative. His experience and his general make-up and prospects are noted there and, unless it is a case of doubt, he is there passed upon, is admitted, and then goes down to the central qualification board at Toronto and they determine the question.

Mr. PETER McGIBBON: Is there any age limit for applicants?

Mr. MEIGHEN: There is no fixed age limit, but the man's age is, of course, considered, along with other questions, in determining his qualifications.

Mr. BUREAU: Am I right in understanding the minister to say there is an officer to whom application is first made and that he decides whether or not the man shall be referred to some other tribunal?

Mr. MEIGHEN: That is in Ontario. We utilize the provincial agricultural representatives in the various counties, and in that way we are able to get along in Ontario with only one qualification board. In the province of Quebec there are three qualification boards—one each at Montreal, Sherbrooke, and the city of Quebec.

Mr. MORPHY: Is there any provision made for a county in the province of Ontario which has no agricultural representative?

Mr. MEIGHEN: Not that I know of. The applicant in that case would have to go to the nearest agricultural representative. In this connection let me say that we have arranged transportation with all the railroads whereby any soldier who desires to be tested for his qualifications to be admitted under the Act will be given a rate of one cent per mile going and coming, and as well a rate in these ways for every soldier who goes to settle upon the land; he gets a one-cent rate going to select his land and a one-cent rate returning; he gets another cent rate returning for his family, and another one-cent rate in actually going to reside permanently upon the land.

Mr. MAHARG: Does that reduced rate apply to the members of his family?

Mr. MEIGHEN: I think it does, but if the hon. member will repeat the question later in the day, I will give him a more definite answer.

Our advisory councils are sitting at each point where the qualification boards are sitting. The advisory councils are composed of what we believe to be expert and fair-minded men, whose experience and qualifications enable them to determine the value of land and the amount of loan that should be made thereon. I might say in this connection that we do not follow particularly the loan company's rules in determining the maximum that can be loaned upon land. We follow a much more liberal scale, because in our operations we select our men, we believe, more carefully than they are selected if there is no organization for the purpose. Because of that the soldier who goes upon the land under the terms of the Act has a much better chance to succeed (for reasons that I will dilate upon fully at a later period) than has the ordinary settler, and for the reason as well that we have now installed, and purpose continuing, a system of supervision and assistance whereby his chances of success will be very much improved. That, however, is the function performed by our advisory council. Then we have in each district a superintendent, and in the larger districts where a greater amount of work is done an assistant superintendent, and then such clerks as may be necessary for the proper conduct of the work. We have had to expand our organization with marked rapidity, with much greater rapidity than we ever imagined, because

the rush of settlers to the offices of the board has passed all anticipation and continues still with unabated vigour. In every office in Western Canada the officials are working day and night, and in one office alone the number of callers in a single day was 800.

Mr. MORPHY: To what does the minister attribute the fact that ninety of the returned soldiers have abandoned the land.

Mr. MEIGHEN: The percentage is a very small one and it shows that in the main when these men visited the land they found it was not such as they had expected. Possibly their first inspection of the land when they entered for it was too hurried; and more likely the men who abandoned entered by proxy—some one entered for them, as can be done under the Dominion Lands Act. Then when the actual settler went there he found that the land did not suit him. A third explanation would be that in the meantime he found some other land suited him better and he decided to take it instead. In that connection we have arranged that where a soldier, who has previously made a homestead entry, makes a soldier entry, he is at liberty to abandon his homestead and get credit for the duties he has already performed upon it, and take up a homestead near his soldier entry and be, as regards the new homestead, in the same position in which he was when he left the old one. Under the various district superintendents, there are expert inspectors and valuators of land. These men have been selected with the greatest care we could exercise, and their duty is one of the most responsible that falls to the lot of any of our officials.

It is their business to inspect and value the land, and wherever they find that the soldier has elected to purchase land at a certain price, they, after examination, determine whether the land is fit for the purpose, that is, is good agricultural land, and the price is not unreasonable. If they deem the price unreasonable, it is their business to advise the soldier that he will not be recommended for the assistance that the Act provides, unless that land is sold to him at a less figure. As a consequence—and the statistics that can be placed upon Hansard if it is desired—very large sums indeed have been saved to soldiers from the prices at which they were ready to buy their land—amounts running all the way from $100 to $2,000, and even above that sum.

Mr. MORPHY: Must every purchase come before the advisory board before the soldier can complete the transaction?

[Mr. Meighen.]

Mr. MEIGHEN: Yes. Of course, we do not say to a soldier: You cannot buy the land yourself if you wish. He is a citizen with the same rights as other citizens. But we warn him that in buying without the approval of the advisory council he is not certain to obtain the assistance that the Act provides, because the money will not be advanced against his purchase except on their approval. This is the routine followed. The soldier selects his land. That land is then inspected by one of our appraisers, and after the price is brought to a level that is deemed to be fair and just,—at a level that, having regard to the value, the soldier can earn a living upon the land by reasonable application, the board buys the land and takes title to it, and then enters into an agreement for sale to the soldier, who pays down at least 10 per cent of the price,—sufficient in any event to reduce the balance owing to a maximum of $4,500.

It is somewhat difficult to decide what is the best order in which to take this up, but I think I had now better state the number of entries that have been made, the commitments, the Government supervision throughout, and the conditions in which the work now is. Up to the 14th of this month the number of applications before our qualification committees by returned soldiers for the benefits of the Act was 17,450. The number that had actually been passed upon was 14,726. The number that had actually been passed as qualified was 12,594. The classification is in three divisions. Class A are the men who have done nothing but farm most of their lives,—perhaps hired on farms, but at all events have done nothing but farm, and who from all that can be learned from the record of their habits and character are men who in all reasonable certainty are going to succeed as farmers. Of those 12,594, 6,176 are in class A; 3,494 are in class B, who also have had experience in farming, although that has not been their sole occupation; 2,924 are in class C, which comprises those who are on a lower scale and are recommended for the special care and supervision of the supervisors under the board after they get on the land.

Coming to the financial aspect of the work—

Mr. McKENZIE: Before the minister leaves that, could he give us information as to where those men are located in the different provinces?

Mr. MEIGHEN: Yes, I can give it province by province. British Columbia, 1,894; Alberta, 3,438; Saskatchewan, 2,025; Mani-

toba, 2,349; Ontario, 723; Quebec, 261; New Brunswick, 366; Nova Scotia, 269; Prince Edward Island, 193. Alberta shows the largest figure. That is owing to the Peace River district, and to the fact that Alberta has much the largest area of any of the western provinces of available Dominion lands suitable for agriculture.

Mr. PETER McGIBBON: How many applications have been refused?

Mr. MEIGHEN: The number of applications is 17,450; the number disposed of is 14,726. The difference between those totals represents the applications not disposed of at all by the qualification boards. The number passed upon favourably in all three classes is 12,594. So that the total number refused is 2,132.

Mr. PECK: When is a man passed as qualified?

Mr. MEIGHEN: No man is passed as qualified who is recommended for training. This will be a suitable time to treat of that phase of the work. We established in each of the provinces in the agricultural institutions already there courses of study, or rather of hard work, of about three months' duration, of the most practical character, designed to fit the men—not to be experts in agriculture, that is the work of the agricultural college proper—but to fit them to be useful men on the land, to be able to take care of horses and stock, to understand implements, and to be familiar with the general rudiments of farming. That three months' course is given, and as well we have a system whereby selected farmers are listed who will undertake to give special attention to men who come to work for them as a special preparation for actual farming. The qualification boards dispose of many cases by advising the men to take courses in these institutions or to hire out with a farmer and learn the practical work in that way. By far the greater number are recommended to take the latter course. Those who take either course are not passed as qualified until they again appear before the board and a report is obtained of their progress at the institution or on the farm. The number attending institutions is 273, and the number on the land is 1,174.

We have also established a system of sustenance both for those at the agricultural colleges and for those on the land. The rates allowed, I am afraid, I do not carry in my head. They are on a scale considerably lower than the scale of rates allowed to disabled men for sustenance under the Department of Soldiers' Civil Re-establishment, but they are such that the man will not, while he is attending the institution or while he is on the farm, be dissipating his own money, with which he hopes to buy land later. For example, the married man who is recommended by the board to go on the farm is entitled to $20 a month from the board in addition to the wages that he gets on the farm, and he is entitled also to a certain amount for each child—$6 a month, I think—up to a maximum of $25. Corresponding rates, perhaps somewhat more liberal than those which I have mentioned, are allowed in respect of men who are attending the agricultural colleges and taking these courses. The purpose of all this is to enable the man to conserve what money he has been able to save and have it at his disposal when he becomes qualified and wants to buy land for himself. Of course, all this agricultural training is free, and those who take advantage of it have their board paid.

Mr. PETER McGIBBON: What is the policy of the department with regard to boys of sixteen or seventeen who were turned down because they were too young?

Mr. MEIGHEN: I have not made special inquiry into those cases, but I imagine that there must be very few of them. I was asked by the board to give this general instruction: That boys who were turned down because they were too young should be advised to hire out and learn farming, because a boy of sixteen or seventeen can hardly be a competent farmer. I would judge that the board might deem him too young.

Mr. PETER McGIBBON: But many such young men have been passed by representatives of the department as having sufficient knowledge.

Mr. MEIGHEN: They might be passed as having sufficient knowledge, but they would scarcely be qualified; they would be too immature in years to be held to the provisions of the Act. But as I say, there will be very few of that class.

Mr. J. E. ARMSTRONG: What is the age at which returned men may qualify?

Mr. MEIGHEN: I do not think any age has been fixed. The board simply size the boy up. Many boys are more immature at eighteen than others are at twenty-one; the age is taken into account, along with the man's experience and general get-up.

In Manitoba, the board consists of the following men: Professor C. H. Lee, of the

Agricultural College; Mr. Peter Wright, a farmer of Myrtle, Manitoba, who has had long experience and who, with Professor Lee, has rendered inestimable service to the soldiers of that province, and Mr. Sam Larkin, a returned soldier. In Saskatchewan the chairman of the board is Dean Rutherford, of the University of Saskatchewan. I cannot recall the names of the other members. In all the provinces we have boards of a similar character.

Permit me to refer just here to another precaution that we have taken. Early in April we established a Committee of Inquiry to survey the agricultural sections of British Columbia and to report upon the character of farming that had been profitably carried on in those various sections —because they differ almost as widely as agricultural sections differ in all other parts of the Dominion—upon the character of farming, if any, that should be encouraged in each district; upon the acreage that it would be most advisable for each man to secure, and upon the nature of the supervision that would be most appropriate for these localities. Mr. B. E. Patterson, a native of Nova Scotia but a man well acquainted with British Columbia, was made chairman of that committee. They inspected, I think, every portion of that province and made a report of the utmost value. Of the work of that committee I have no doubt the member for Fraser Valley (Mr. Stacey) will later address the Committee.

Another special committee was appointed to look over the lands embraced in grazing leases in Alberta, Saskatchewan and Manitoba, and to report upon what areas in those leases, if any, were agricultural in character, and should be taken away from the leases and made available for returned men. That committee is headed by Dean Rutherford. Mr. Walter Govan is also on the committee; the name of the third member is Mr. T. Smith. This committee has finished its work and submitted its report.

We have also a Small Holdings Committee in these three provinces—there are similar committees in Ontario and in the Maritime Provinces—whose business it is to examine into small holdings which may be taken up by disabled men who desire not to go into farming in a general sense, but to take up garden farming, poultry farming, bee keeping, and the like. This committee is to report as to the number of men who should be encouraged to engage in this kind of work in each of the provinces; as to the areas each man should secure and the character of operation or combination of operations that he should conduct thereon. The Ontario committee submitted an excellent report about two months ago, and upon it we are proceeding. I do not think that the committees for the Prairie Provinces and for the Maritime Provinces have yet reported.

I now wish to say a word about our general organization. This is a returned soldier enterprise; it is developing into a great settlement enterprise. It was desirable that as far as possible, a returned soldier personnel should take care of the work. I want to give the figures to show how far we have been able to succeed in getting a returned soldier organization that would meet the requirements and that would measure up to the responsibilities, financial and otherwise, involved in this great undertaking. It must be remembered in this connection that we had to establish the nucleus of our organization at a time when the type of men that we were after were, for the most part, overseas. Indeed, it was only in recent months that we had a pretty general field of selection, having regard to the kind of men we desired to get.

There are in the whole organization at the present time 475 persons, of whom 305 are males and the remainder are stenographers, and other female help. Of the 305, 246 are returned soldiers, or 81 per cent of the whole organization. Of the 246, no less than 51 have received decorations in France. I fancy that there is not a more distinctive soldier organization in any other belligerent country.

Mr. McKENZIE: How is that organization distributed?

Mr. MEIGHEN: The distribution of the organization is as follows: The total for Prince Edward Island is 7, of whom 4 are males, 3 of whom are returned soldiers. The man who is not a returned soldier is the agricultural expert whose business it is to watch, assist and supervise the men actually working on the land. We could not get a returned soldier to qualify for that position. Nova Scotia has a total of 9, 8 males, 3 of whom are returned soldiers, or 38 per cent. That is the smallest percentage of any province. For the other provinces the figures respectively are: New Brunswick, 12, 9, 8 or 89 per cent; Montreal, 14, 10, 8 or 80 per cent; Quebec, 3, 2, 2; Ottawa, 128, 66, 52. These 52 returned soldiers are in the head office here.

Mr. McKENZIE: Are these men under the department or do they come under a separate organization?

Mr. MEIGHEN: THE Soldier Settlement Board is a separate organization under the Minister of the Interior. It does not report through the Deputy Minister of the Interior, but through the chairman of the board direct to myself. The figures for Winnipeg are respectively, 55, 37, 28, or 76 per cent; Calgary, 41, 34, 30 or 88 per cent. I may say, with Calgary in mind, that among the best class of returned soldier we have been able to get is the private. We find that if we can get the private returned soldier with the necessary ability—and we have certainly succeeded in some cases in getting men with the necessary ability in a conspicious degree—his influence and his acceptability with the men generally is even greater than that of the returned soldier officer. Such a man we have in Calgary—a Mr. Thomas Smith, a returned soldier with one arm. The figures for Edmonton are: Total, 37, 28 males, 23 of whom are returned soldiers, or 82 per cent. Regina 40, 24, 20 or 83 per cent. Prince Albert 23, 16, 13 or 81 per cent; Saskatoon 19, 13, 11 or 85 per cent; Vancouver 35, 24, 19 or 79 per cent; Victoria 20, 10, 8 or 80 per cent. That is the distribution of the organization throughout the Dominion.

Mr. McKENZIE: Is it the duty of these groups to operate exclusively in a certain province, or are their duties of an interprovincial character?

Mr. MEIGHEN: There are provincial divisions. In Nova Scotia, New Brunswick and Prince Edward Island each organization operates for its own province. The same is true of Ontario, where we have a somewhat different system by reason of the provincial organization fitting in and being used as an auxiliary. In Saskatoon we have three head offices—at Regina, Saskatoon, and Prince Albert. In Alberta two—at Calgary and Edmonton. In Manitoba one. In British Columbia two—at Victoria and Vancouver. In Alberta and British Columbia we have also a suboffice in the most active outlying points.

Mr. M. CLARK: Will the Committee be right in assuming that most of these male employees have had previous experience of farming?

Mr. MEIGHEN: I think I am safe in saying they have all had experience of farming without a single exception. In fact, in all positions of any responsibility the man is an expert, in a greater or less degree; he is the best expert we can get. For example, Colonel Innes is the head of the agricultural training work. He has done academic work as well as practical farming all his life, and is a very distinguished graduate of an agricultural college. It is men of that type we have sought and have succeeded, I think, in securing.

I was about to enter upon a discussion of the stock and equipment sphere of our operations. The board lends money at 5 per cent on the land. That, of course, is one-half of one per cent less than the Dominion Government can secure the money for, and taking into account the length of time given for payment the saving to the soldier over what another man starting farming has to surmount is a very substantial sum indeed, to say nothing at all of the total remission of interest on his stock and equipment loan for two years. Not second in any way to that important consideration is the advantage he gets in the purchase of his stock and equipment out of the proceeds of his loan.

Having decided that we ought to address ourselves to the task of getting the soldier a better price in the purchase of all these articles than the ordinary retail price, we entered into arrangements with the manufacturers of every article that the soldier desires—that is, everything he is entitled to buy out of the Government loan. The Government, as is manifestly necessary, supervises every purchase. Not a single dollar of the money we loan to the soldier is spent except under the specific supervision, as to every article, of the board itself, and in the determination of what he is allowed to purchase and the payment, care is exercised and definite and irresistible rules are followed. For example, the board has determined that a man shall not be permitted to purchase a tractor. We did not think he should enter upon that phase of farming, as it is based upon a scale of operations that is beyond the capacity of a man starting out as a pioneer to be made a settler of. That is something which he could reach later on. If we permitted any infraction of that rule we would be engaging upon payment and launching men upon work that perhaps they could not cope with, and so we do not permit it. Limits are also placed upon the price that can be paid for horses, and so on.

We have managed to succeed in effecting arrangements with the producers of all the goods that the soldier will require and pay for, out of his own money which redound to the very great advantage of the soldier settlers. In the first place, we have effected

arrangements with all, or at least all the principal manufacturers of agricultural implements, whereby the manufacturers of implements use their organization for the delivery of the implements the soldier may choose, and they get those implements to the soldier at the wholesale factory price, and the wholesale cash price at that, without any further charge whatever. In addition to that, the manufacturers pay the cost of distribution. They pay the agent's commission for handling the implements. The soldier pays nothing at all except the ordinary bulk freight rate on his implements, and the wholesale cash price.

As regards harness, a still better arrangement has been made. The general saving which he makes on harness is 30 per cent of the retail price. It is even less than the wholesale price, and he gets his choice. Our arrangement is such that the payment is made through the board. The manufacturer of harness has no difficulty whatever. Shortly after the harness is delivered he gets his pay. Owing to the fact that there were considerable stocks on hand, we made an especially advantageous arrangement as regards that commodity. An arrangement is made as well whereby the wholesale price is secured for the soldier for his hardware. He can get it where he likes and pays the wholesale cash price and no more. He pays the wholesale cash price also for his lumber. They do not generally buy in less than carloads, in which case they get the mill price, but if they do not all they pay is the actual disbursement in handling. The same arrangements have been effected as to the other commodities he buys, and I have here tables to show what the soldier settler saves at each point and what he would have to pay if he were buying as an ordinary purchaser. The total he saves is a most substantial sum. I do not think I should delay the committee or burden Hansard with a recital of the various advantages he enjoys.

Mr. CAHILL: If it is not too long I think it should go on Hansard.

Mr. MEIGHEN: It is rather long, but I can give some instances. I suppose it should be put on Hansard. The first point I have is Calgary. The average saving that he has from the United Grain Growers' ordinary price—and they have an especial arrangement for distribution at the lowest prices—is 13 per cent; 15 per cent, John Deere Company; 9 per cent, Massey-Harris; 18 per cent, Cockshutt Company; 19 per cent, International Harvester Company. He saves 30 per cent from all manufacturers of harness at Calgary; 20 per cent off the cash price for all lumber used. At Edmonton the rates on implements run as follows: 18 per cent, 14 per cent, 20 per cent, 10 per cent, 16 per cent, an average of 16 per cent better than the ordinary purchaser of implements; and on harness the saving is 30 per cent. It runs that way throughout, except that at one point he saves actually 40 per cent on the purchase of harness. The board undertook some months ago to purchase stock, including horses.

Mr. ARMSTRONG (East Lambton): Will these rates and arrangements apply in the older provinces?

Mr. MEIGHEN: Yes, the arrangements as to stock and implements apply to every province.

Mr. J. E. ARMSTRONG: Will these figures be placed on record?

Mr. MEIGHEN: Yes. At Vancouver the average rate saved on implements is 14 per cent, harness 30 per cent, lumber 20 per cent. At Victoria, implements 13 per cent, harness 30 per cent, lumber 30 per cent. At Saskatoon, 15 and 11 per cent on implements from different manufacturers and 30 per cent on harness. There is no figure for lumber there, but it would be 20 per cent. At Regina the rates are 14 and 11 per cent on implements from the United Grain Growers' and John Deere Company respectively; 30 per cent on harness and 20 per cent on lumber. At Winnipeg, the United Grain Growers, 14 per cent; Massey-Harris, 9 per cent; International Harvester Company, 17 per cent; Cockshutt Plough Company, 13 per cent; John Deere, 15 per cent; Canadian Fairbanks-Morse, 15 per cent; on harness from 27 per cent to 40 per cent. In lumber the reduction in price at Winnipeg is 19 per cent. At Toronto on implements, the Massey-Harris, 15 per cent, the International Harvester 20 per cent. Harness, 26 per cent and lumber 20 per cent.

Mr. COPP: Are those reductions on the retail prices?

Mr. MEIGHEN: The retail cash prices. I have not the figures for Montreal. In Halifax the rate is 14 per cent on implements. I have not the figures for harness there but I presume the same arrangements obtain. At Charlottetown the rates are 20 per cent on lumber and 20 per cent on implements.

We ventured upon the rather perilous enterprise of purchasing horses and cattle.

Mr. ARTHURS: Do these prices apply to purchases by soldiers who are not taking advantage of the Soldier Settlement Act?

Mr. MEIGHEN: All that a soldier has to do who is buying his own land is to go before a qualification board and he is passed and entered upon our list and is then entitled to all these advantages.

Mr. MORPHY: Would that apply to a soldier at home with his father?

Mr. MEIGHEN: No, the soldier has to be a settler. I shall conclude what I was dealing with and come back to that. We purchase, through the best experts we can obtain at each point, horses and stock, each animal being examined and passed as sound and fitted for the purpose for which it is required. It is then sold to the settler at the price of purchase. The Board believe they have extraordinarily efficient means for purchasing this class of stock. Indeed, that has been proved. The purpose is to guard the returned man against any possibility of imposition at the hands of shrewder men than himself. We do not prevent a man from buying his own but the soldiers are coming more and more to buy through the Board and that fact indicates their belief that they get better results.

Mr. W. H. WHITE: Have you a maximum price for horses?

Mr. MEIGHEN: Yes, the maximum I think is $200. The average prices that have been paid for horses in each province are very interesting. In Calgary in the month of April the number of horses purchased and sold to settlers is 118; milch cows, 39; cattle, 60; swine, 9; poultry, 79. The average cost per head of horses is $145.79. In Saskatchewan, where a great deal more has been done in the way of stock and equipment, particularly in stock purchases, the average price for horses is $133.82; milch cows, $108.62; and for other cattle, $49.58. The average for horses in Vancouver has been $180; the average at Victoria office, $174; the average at the Saskatoon office, $177.51; at the Regina office, $160.73; at the Winnipeg office, $179.86; at Halifax, $161.43.

We did the same to all classes of stock as we did in regard to horses. There is a point that I omitted to note as I went hurriedly past. While our maximum of $7,500 is the total liability as respects the individual soldier—a high maximum indeed—we have a special provision whereby men who have had adequate and successful farm experience in Canada and are qualified by the possession of equipment, or other special qualifications—we have always so far required them to be married—may acquire land without paying the ten per cent, and may secure a loan up to a maximum, in those special cases, of $8,000. While the maximum in general is $7,500 and in special cases $8,000 the actual fact is that the average loan is $3,394.

Mr. CAHILL: And the average acreage?

Mr. MEIGHEN: I have not the average acreage. The average loan to 4,262 men is $3,394. As a man's security gets better and he demonstrates the fact that he is succeeding, he can come back and his application for a further loan will be considered.

Mr. MICHAUD: What is the limit of the loan?

Mr. MEIGHEN: On improvements, stock and equipment the limit in general is $7,500, but in the special cases that I have described, of which there are very few, the limit is $8,000. Such has been the operation of the board up to this time. I think I have covered the major part of the work.

I should have said, however, that we have been assisting the soldier in the building of his house. We have provided him with suitable plans free and information which will enable him to build his house at the price fixed in the plan. We have had plans of two or three types of houses prepared and we give such information along with the plan as will enable the soldier to erect the building within the limits fixed thereby. However, we are expanding that branch of the service and,, under the direction of Colonel Foster of British Columbia, a returned man, we are arranging to assist the returned soldier in the erection of his house by co-operation with firms engaged in the actual work. We believe that in doing that we can still further reduce the cost to the soldier of building his home.

That covers, in the main, the activities of the board. From this on we will engage more largely than we have in the past in encouraging the small holding farm because we feel that we have now got to the stage where we have sufficient information to enable us, without too great risk, to launch upon this phase of our work.

Mr. FRIPP: Before the minister takes his seat, would he be kind enough to tell us what the Government propose to do for

the men who are not farmers, what assistance is to be rendered to the mechanic, and wage earner, who has served at the front, to rehabilitate and re-establish him in his profession or calling? Is any provision to be made or is there to be class legislation entirely for those who wish to take up land?

Mr. MEIGHEN: The question naturally has received some thought. This is settlement legislation. I explained at the beginning that the Government, in addressing itself to this work, in venturing to attack it, had overstepped the usual line of the division of responsibility that had been observed up to this time when we got beyond the stage of settlement on Dominion lands. So long as we were within that end of it, we of course were doing nothing beyond what had always been recognized as the duty of the Dominion. When we get on private lands we are going beyond that; not that we are going beyond our constitutional powers, because we cannot do that, but we are assuming a responsibility that ordinarily devolves upon the provincial authority and not upon us. However we felt, under all the circumstances, that it was our duty to do it and inasmuch as the settlement of Dominion lands have been under the Department of the Interior, because those lands were administered by the Department of the Interior, soldier settlement on these lands necessarily came under that department as well. Ordinarily speaking this much more extended sphere of work that we have now launched upon is agricultural and pertains to the Department of Agriculture more properly than it does to the Department of the Interior. It would not be practicable—at least it would be very difficult—to administer Dominion land settlement under the Department of the Interior and have private agricultural lands administered by another department. But what I am trying to point out to the hon. member (Mr. Fripp) is that in so far as I, the Minister of the Interior, am concerned, I am certainly at the limit of my powers in venturing to administer such an extensive scheme of land settlement as this. If assistance is to be given to soldiers who wish to follow their avocation it would not come under me. It would be a general question which would be taken up by the Government as a whole and the inquiry should be addressed to the Government as a whole rather than to myself as administering that phase of the work. But in the consideration of the question the House should keep in mind that in taking care of land settlement in general on private lands, as well as on federal lands, we are already carrying the Dominion responsibility to a very great length indeed. Of course, the policy of the Government as regards housing, has special application to returned men and that is the policy of assistance to the provinces by way of loan for that purpose. It is very difficult indeed to venture upon any scheme of assistance, particularly one administered centrally and extending over the tremendous area of the Dominion, where the security is anything else than land. Whether it will be or not, it might be better administered under local authority and local control.

Mr. McQUARRIE: Does the Government contemplate any assistance towards clearing land? In my own province, as the minister knows, a great part of the lands which would be available for settlement are covered with numerous large stumps. Of course, it is impossible to ask the returned soldier to go on land of that kind without first taking the stumps out. I was wondering if it would not be possible for the Government to make some kind of an investigation with a view to assisting in the removal of these stumps. This is a very important question and I can inform the House and the minister that it requires consideration if we are to make a success of land settlement in British Columbia.

Mr. MEIGHEN: The hon. gentleman must remember that this is a settlement scheme, not a clearing or improvement enterprise. Consequently, it is a basic principle that before the Soldier Settlement Board takes hold of land it must be fit for settlement, it must be land upon which the soldier can go and make a living. It may be that much of it will require clearing, but so long as he can make a living on the land that is cleared, or make a living in the process of clearing it, then he is encouraged, if he desires to go on it; but we do not, as a board, take hold of land of that kind and endeavour to make settlement land of it. That question came up in connection with the handling of provincial crown lands, the great bulk of which are of the type described by the hon. gentleman—not necessarily stump land, but something a lot harder, and very often land that would cost more, or as much, to clear than the soldier could afford to pay for it if he intended to meet his interest, discharge his obligation, and make provision for himself and family. So we came to this general

conclusion: That before the Dominion could interest itself in private lands, or in provincial crown lands, those lands must be brought to such a state of clearing; to such a state of suitability for agriculture from the point of view of roads, of even schools, and ordinary settlement advantages as would put them on a parity with the Dominion crown lands of the West upon which we loan. If they were brought to such a stage that a man could go on that land, and do as the farmer does upon ordinary land,—use his lumber and the like, and by living on it make a livelihood—then we offer no discouragement at all, we help him all we can; but we do not set ourselves up as an institution, using for the purpose the capital of Canada, to bring stump land, or any other land, into ordinary settlement conditions.

Mr. H. A. MACKIE: What is this Government going to do for the returned soldier in the case of Alberta where the provincial government refuses to take advantage of a federal loan in connection with the housing problem?

Mr. MEIGHEN: One course would be to wait until the provincial government has changed its mind. I do not think we can have a separate policy in that regard.

Mr. H. A. MACKIE: My information is that the Alberta Government has declined to take advantage of the loan. In that event, what is the policy of the Dominion Government on the housing problem in the interest of the returned soldier in Alberta?

Mr. MEIGHEN: My answer still stands. No other course has been decided upon, or is open to us, except that of treating all the provinces alike.

At one o'clock the Committee took recess.

The Committee resumed at three o'clock.

The CHAIRMAN: When the House rose we had reached clause 2, definitions. Shall clause 2 carry?

Mr. McKENZIE: The minister had not quite finished his statement at one o'clock. I intended asking him a few questions before he goes into the further details of the Bill. Could he tell us, first, what land owned by the Government, they intend to utilize in connection with this soldier settlement, stating the area in each province; and also what land, if any, the Government has purchased, its location, and the price per acre.

Mr. MEIGHEN: The hon. member's question has to do with the purchase of land, and intimates an assumption that we buy land and then hold it for sale to the soldiers. That is not the principle followed.

Mr. McKENZIE: I understood the minister to say that that was done.

Mr. MEIGHEN: I will explain. We do buy land and resell it to soldiers, but the plan of operation is to allow the soldier to select his land first—not from the land we own, but wherever he wants it. He selects his farm, he comes to an arrangement as to what he is prepared to pay, and then the office of the board is, through its inspector, to see that he is not paying too much and, if necessary, to have the price reduced before the board will itself purchase the land. The price having been brought down to a satisfactory basis, the board buys the land for the soldier and accompanies the purchase by a resale agreement to him. We do not buy areas of land and trust to its being suitable for soldiers. It may be that we have on hand some areas that we bought, but I do not think we have. I do not think the board is to-day the owner of any land that has not been selected and already purchased by soldiers.

Of course, it would be incorrect to say that we have now no land for soldiers, for we have Crown lands of various kinds. Throughout the Prairie Provinces, of course, all the homestead land is available for them, and that still runs into many millions of acres, but it is not to any extent close to railways and at the same time suitable for agriculture. But, over a year ago, we reserved from homestead settlement all land within fifteen miles of a railway, and it is on that land that the soldier alone has been able to settle since. We reserve other parcels of land, wherever asked for, for special disposition to soldiers. Where a number of soldiers want to settle together, while we cannot hinder them, yet we do not offer them any help if they are going to settle on the community system and all assume the burden of the conditions. We do not encourage that system and have nothing to do with any such community. We do, however, permit them to gather in communities if they wish to work together and buy and sell together on the co-operative plan, but we insist in every case on individual responsibility to the board itself, and we see that every individual soldier gets the full value of his money so far as that money is supplied by the board.

In addition to the fifteen-mile strip in proximity to each railroad we have reserved many special areas for returned soldiers. For example, last year it seemed to me that the time had come to finally clear up the many complicated questions that had arisen with respect to the Doukhobor community in the province of Saskatchewan. I do not mean to recite the long history of that community and the various attempts that were made to have the Doukhobors comply with the law. Many of them complied, resulting in a rather complicated condition of affairs as to the holding of the different sets of land in the community. But after inspections and negotiations we finally succeeded in clearing up the whole district, so that now there is nothing in the way of a Doukhobor community, as a community; that is a thing of the past in the province of Saskatchewan so far as Dominion lands are concerned. Wherever the lands were reserved for Doukhobors, and they were still doing in a measure, but not wholly, the homestead duties, we cleaned up the whole thing, and we sold to the heads of families their fair proportion of that land at an unimproved valuation of, I think, $10 per acre. They paid for that and we took the individual responsibility of the head of each family. After determining what they all were entitled to, there was finally left an area of about 64 quarter-sections of land, which were taken out of the reserve once and for all, and those 64 quarter-sections we have made available for returned soldiers. That land of course is away above the ordinary homestead land in value, and as a consequence it would not have been fair to the soldiers generally to have opened it for entry, and in the meantime it was too soon to deal with it otherwise in view of the large number of soldiers still overseas. So we leased the land, chiefly to returned soldiers, for this year.

Mr. McKENZIE: Is it broken land?

Mr. MEIGHEN: Yes, and much of it is improved. Some of it is worth $40 or $50 an acre. What I contemplate as the fairest method of dealing with that land is to put a fair valuation on it, not the outside limit, and to sell it under the ordinary terms, because I think it is only just that some attempt should be made to build up an insurance fund to take care of what will necessarily follow—a certain amount of loss in connection with this phase of the enterprise. Therefore, in dealing with lands of an exceptional value, such as those, it seemed to me that the sale price should be paid.

It will also be noted that some days ago we took considerable areas for this purpose out of the forest reserves. That class of land is not by any means as valuable as the 64 quarter-sections taken from the Doukhobor reserve. I may say that that plan of dealing with the Doukhobor reserve in Saskatchewan, as it finally eventuated, met with the satisfaction not only of the community, but of the other people of the district, including the returned soldiers' organization. They felt that they had been fairly dealt with and expressed their satisfaction with the course taken.

As regards land taken from the forest reserves, the principal reservation is in the Porcupine reserve. That is being opened up for entry on July 2. But we do not propose to allow homestead entry there, but only entry by returned men. A special survey has been made of the land and the idea is that there will be 240 acres available for each man. It is mixed farming land, leaning to stock raising rather than to grain farming land, although undoubtedly it is a grain farming country too. We purpose giving the men who are successful in the allotment one quarter-section each, reserving the immediately adjoining 80 acres to be used by the soldier under some arrangement with the board in the meantime, pending his establishing that he is farming his 160 acres properly and is going to succeed in discharging his obligations, in which event it is intended to sell that 80 acres to him at not its full value, but at some fair valuation, based, of course, upon inspection in each case. Then there are lands that have been held for stock—

Mr. COPP: In this Porcupine district are the soldiers who settle there entitled to a loan for stock?

Mr. MEIGHEN: Yes, they will be entitled to the loan of $2,500 provided for by the Act of 1917, in addition to the advantage which the soldier has had since March this year, namely, the right to a further loan for stock, implements and improvements. He does not get the full $4,500 that the man gets who buys, because he gets the bounty of the Crown in getting his land; his maximum, therefore, in every case, will be $4,500. He does not get that, of course, unless there is some additional security in the land.

Mr. CAHILL: Have the Government arrived at any basis upon which they will allot this land in the reserves?

Mr. MEIGHEN: It is being done by a system of drawing lots; the whole plan has been worked out and is accepted as satisfactory. I do not like the chance system, but I do not know of any other. From all appearances, there is going to be a rush for these lands more resembling a Klondike rush than anything else. We have had to put up tents on the grounds and provide for the accommodation of the soldiers who are going to be there for entry on the 2nd of July.

Mr. CAHILL: I suppose that the plans and regulations can be obtained from the Department of the Interior?

Mr. MEIGHEN: Yes, all details can be had from the Soldier Settlement Board, Union Bank building.

There is one other matter to which I wish to call attention. Under the 1917 Act the soldier homesteader is entitled to a loan of $2,500. That is not added to, except in this way: He is not entitled to the improvement loan of $1,000, because his $2,500 is all he gets on his land; but he is entitled to the loan of $2,000 for stock, and implements, provided the total amount he get does not exceed $3,000. It is felt that if we assist the homesteader by a loan on his land and by a loan for stock and implements, the whole aggregating $3,000, inasmuch as he gets his land free he has no cause of complaint when he compares his position with that of the man who buys his land. As regards the man who owns his land, and, under the 1917 Act was entitled only to a loan of $2,500; to him we grant the privilege of application for the $2,000 for stock and implements and the $1,000 for improvements, provided his total does not exceed $5,500. It will be noted that we do not do the same for the man who owns his land as we do for the man who buys his land and becomes a settler. From some points of view that may appear hard to justify, but the reason is this: The great purpose of the soldier settlement scheme is not to become a big loan venture, not to take the place of loaning companies, but to make men settlers. It is a settlement institution, not a loaning institution; you do not make a man a settler merely by assisting him. But because we assist so much those who become settlers, we cannot altogether deny help to those who already are settlers; so we have decided that this is a fair arrangement to make with regard to the returned soldier who is a farmer, owns his land, and is therefore entitled to some of the advantages of our general scheme. Having said that, I think that I have answered, in the main, the question put through this morning by the member for North Perth (Mr. Morphy).

I omitted to mention this morning one feature of the activities of the board. Some little time ago the board established a branch known as the Home Branch, or domestic science branch, the purpose of which is to assist the soldier's wife. The head of that branch is Mrs. Muldrew, who for many years has qualified herself for this work. Indeed, she was previously engaged in work of a similar character, and is the best person we could possibly get to assume the responsibility of this branch of the work. The Home Branch endeavours, by a system of circulars and correspondence, to help the soldier's wife in her domestic work and in the management of the home, and to prevent, as far as possible, waste and extravagance there. One assistant in each province undertakes the responsibility of the work for that province, and supplements the correspondence by actual visits to the homes of the soldier settlers. That is as far as the organization as yet has gone. In the United States this branch of the agricultural work has reached a considerable degree of efficiency; indeed, it is looked upon there as, perhaps, the most useful phase of the work of the Department of Agriculture. We are trying it in the soldier settlement work—so far, we have every reason to believe, with considerable success.

I think I have finished about all that I should say before we come to the actual clauses of the Bill, except that I should forecast, in general, the main provisions of this legislation so far as they amplify the powers that the board has already exercised under the Orders passed. Under the main basic order regarding private lands, that is, the Order of the 11th of February, the board had power to acquire, by purchase, gift or otherwise, lands for sale for soldiers and to acquire stock and implements for the same purpose. But they have no power to take the land by expropriation, if satisfactory terms could not be arranged with the owners. The power of expropriation was one which we did not feel justified in taking by Order in Council; moreover, it was a power which, for the time being, we did not require, as sufficient lands were available and were being offered for sale to make it reasonably certain that, without expropriation, there would be little, if any, difficulty in providing all the soldiers who would come in with suitable lands for their purposes. At the same time, we cannot altogether rest on the basis of voluntary purchase. There will be

lands which we will have to expropriate; consequently this Bill vests power in the board to take lands by expropriation. There is no intention, nor does the Bill evidence any intention, of taking from any man land for soldier settlement which is now reasonably utilized; the only purpose is to compel the owners of lands of which an unreasonable proportion is idle to place those lands at the disposal of the board at a fair price. Consequently in this Act provision is made whereby the board can declare settlement areas in various portions of the country wherever there appears to be land being withheld from utilization and the holders of which are not disposed to sell at a reasonable price so that the lands can be settled under this Bill. When a settlement area is declared, the Bill provides that certain results ensue. It becomes the duty of the owners of the land within those areas to state a price to the board at which they will sell, and to answer questionnaires which will give to the board an adequate knowledge of the land owned by them—of its character, the terms of holding, all the parties interested therein, and so forth. So the whole country, immediately this Act passes will not become subject to expropriation without discrimination. The board must first of all, by gazetting, declare a certain sphere of land a settlement area, and the land within that area so defined then becomes subject to the operations of the board, and the duties that the Act prescribes fall upon the owners of the land within that area.

Mr. GRIESBACH: These provisions do not apply to land that is settled.

Mr. MEIGHEN: They refer only to land that is not being settled. The fact that only a negligible percentage of land was under cultivation would not protect it from expropriation. If the owner is not using very much of the land now, he must show that he has facilities in sight with which to cultivate it in the near future. If he is a farmer, for instance, with some sons growing up, he will be dealt with differently from the speculator in the city who is merely withholding the land from cultivation for speculative purposes. The principle the board will follow is embodied in the Act. It would be manifestly impossible to prescribe hard and fast rules that would be applicable everywhere, and indeed, impossible to prescribe hard and fast rules that would be applicable anywhere, but the principle is embodied in the Bill, and it will be the duty of the board to live up to it.

I should have said this morning, in connection with the operations of the board, that the total investment of this country in this plan up to the 14th of June was $14,467,974. I should also have explained when giving the figures as to the number of horses and other animals sold, and the average price per horse, and so forth, that those figures were not by any means the totals for the provinces concerned.

Another feature of the Bill that will require some discussion is the class of men who are to come within its pale. Under the terms of the old Act the soldier of the armies of Great Britain or of any of the Dominions was entitled to the same rights as the soldier in the Canadian Expeditionary Force, and the soldier in any of the armies of the Allies was entitled to equal rights, providing he was ordinarily resident in Canada. If in the army of Great Britain, or of the other Diminions, he did not need to be a resident of Canada; he was defined and included in the term "settler" just the same as the Canadian soldier. In this connection I want to explain that in the actual operation of the Act we have never yet got to the point of admitting any of the soldiers of the Imperial army or of the armies of the other Dominions, for the reason that the onrush of applications was always sufficient from our own soldiers to exhaust the capacity of the Board to take care of them, and we deemed it our duty first to take care of the soldiers of Canada, for the reason mainly that Canadian applications—almost eighty per cent of them had had experience of farming in Canada—came from men who were more likely to succeed in this country even than successful farmers out of the British army. As a consequence, the doors have never yet been opened to any other class of men except those ordinarily resident in Canada who served in the Canadian army or in the armies of the Allies. That is to say, we have dealt so far only with Canadian citizens, or citizens from the United States, let us say, who served in the Canadian army.

The definition of "settler" as it will be found in this Act if accepted by the Committee and the House will be virtually the same as under the old Act. There is some alteration, but that can better be discussed when we come to details. It is not, however, the purpose of the Board to admit at once to the privileges of the Act settlers from other countries in the armies of Great Britain or the Allies, and in admitting to

the privileges of the Act soldiers of other armies who were not ordinarily resident in Canada before the war, the Bill gives the Board power to exact a larger percentage of cash price than is exacted from soldiers of the Canadian Expeditionary Force. I think it will likely be the part of wisdom for the Board to exercise that power, because, however successful a man might have been in agriculture in another country, he will not, other things being equal, be as successful in Canada as a man who has been engaged in agriculture in this country, there is no back-to-the-land movement so good as the movement of the soldiers of the country back-to-the-land in Canada. That is the best back-to-the-land movement there can be in the world, and consequently we propose to push that to the fullest, and in admitting to the privileges of the Act other than the soldiers of this country we believe it will be the part of wisdom to lay down rather more strict provisions than are applicable to Canadian men.

Mr. PETER McGIBBON: Can we feel reasonably assured that the men who never went beyond Canada will come under this Act in the near future?

Mr. MEIGHEN: In the Bill as now submitted the only men who did not go beyond Canada who will be admitted to the privileges of the Act are those who were injured in Canada, or whose injuries, previously sustained, were aggravated in Canada.

Let me emphasize in this connection, and this has particularly to do with the question raised by the hon. member for Ottawa this morning as to extending these or similar benefits to other than farmers, that the great primary object of this Bill is not to afford a gratuity or reward to the soldier. If that were its basic principle and its first purpose, it would inevitably follow that the same gratuity or reward, or one on equal scale, would have to be extended to all. The primary and great principle of this Bill is to secure settlers on the lands of this country—to secure settlement of our idle lands, and to make settlers of those who have proven themselves the backbone and stay of the nation in its trouble. We believe that we cannot better fortify this country against the waves of unrest and discontent that now assail us, as all the rest of the world, than by making the greatest possible proportion of the soldiers of our country settlers upon our land. Of course, every class of citizen is necessary to constitute the national life, but the class of citizen that counts the most in the determination of the stability of a country against such forces as I mentioned a moment ago is undoubtedly the basic class—the agricultural class. That class is the mainstay of the nation. So the purpose of this Bill is a national one primarily. Its purpose is to strengthen the fibre of this country by building into the basic industrial structure of the best blood and bones of our nation.

I stated at the opening that we were giving assistance at a scale more liberal than had ever been undertaken by any institution looking to financial profit, and that is essential. We believe that we shall in the main be protected against loss, first of all by the advantages that we give these men, leaving them free to discharge their obligations and make a living for their families untrammelled by the many burdens which the ordinary settler has to carry. That, we think, is our first security against loss. We believe that the system of supervision that we shall exercise will be the second; and the character of the men, as selected by our qualification boards will be the third,—the last but not the least. Nevertheless, with all these precautions we are certain to have some loss. It would be entirely chimerical to imagine that we can venture without some loss upon this field of activity, into which I think no other nation has ever yet entered, at all events on the scale which we now have in view. Indeed, no other country has ever yet attempted to do the work that is being undertaken by the board in the way of provision of chattels, stock, and equipment. So far as I know, this is distinctly a new venture not launched upon in any other country that conducts, either through the state or otherwise, enterprises of a similar character. As I say, it would be futile to hope that we can save ourselves from loss altogether, but it is a matter of encouragement to find, looking over the whole class of men who have come in and are now settlers by virtue of our law, that there are very few, indeed, who are not adapting themselves to their environment and who are not actually cultivating the land in the most promising manner. Of those who might be said to be not altogether promising—they are not many—most if not all came in and settled under the 1917 Act before any system of selection whatever was in force. The men had the right under that Act to go in and take homesteads, and once they took their homesteads they could come and get loans. Some of those are not succeeding, but so far even that proportion is not large. We find, however, much better results where the men have been first of

all selected, their experience inquired into, and all their qualifications ascertained. When that is done we find a much less percentage of loss—indeed, very little, if any, prospect of loss—among those so settled, Consequently this Bill, which aims at still further protecting the soldier against imposition than the various methods I have outlined would do; which aims at the extension of our work beyond even the successes that have been so far achieved; which aims, in a word, at making this one of the greatest settlement schemes in the world, I commend to the committee. This Bill, having those great objects in view, I commend to the best consideration of the committee and of Parliament.

Mr. PEDLOW: Will this Bill be applicable to returned nursing sisters who have served overseas with the military forces?

Mr. MEIGHEN: No. The purpose of the Bill is settlement and the only women who come within its provisions are widows of fallen soldiers. They are included because it was felt, first, that they had a special claim, and secondly, because very frequently widows of soldiers have boys growing up who can render material assistance and make the proposition one of actual settlement. The ordinary nurse, I am afraid, could not come within that promising class, and I do not think that returned nurses should, in their own interests, be encouraged to make settlement on land their occupation in life.

Mr. PEDLOW: But suppose a nursing sister gets married and wishes to settle on land. Would she not be qualified?

Mr. MEIGHEN: No. We are not helping men who marry nurses. We are helping returned soldiers.

Mr. PEDLOW: "Settler" is defined as a person who at any time during the war "has been therein engaged on active service in a military force." Does not that definition include nursing sisters?

Mr. MEIGHEN: Perhaps under a strict legal interpretation it might. But as a matter of right, the soldier is not entitled to anything. It is all in the discretion of the board, and the policy of the board is definitely not to include women.

Mr. PEDLOW: I ask the question because I have already had an application from a nursing sister who is desirous to have a homestead, and that matter, I understand, is under the consideration of the department at present.

Mr. MEIGHEN: No. I do not propose to include women.

Mr. LEMIEUX: In view of returns made by commanding officers, has the minister any idea of the average number of soldiers who intend settling on land?

Mr. MEIGHEN: As I said this morning, the number of applications is 17,450, up to the 14th of June. In this connection, it must be remembered that the Act has really been in operation only since about March. The chairman of the board is very loath to give anything in the way of an estimate, but if he were compelled to give one he would say that the prospects are that under the Bill we shall settle between 30,000 and 50,000 Canadian soldiers.

Mr. CAHILL: Is there a maximum price for land, and is the soldier permitted to buy improved land where he may find it at a proper price?

Mr. MEIGHEN: He is permitted to buy improved land but no maximum price has been fixed, because, for example, in British Columbia, the proper method of farming in certain districts might be to own five or ten acres of improved property which might be all he could afford to venture upon with the assistance the board provides, and it might be at a considerable figure per acre. So that no object could be served in fixing a maximum per acre.

Mr. CAHILL: Suppose a soldier gets a quarter-section in Saskatchewan. He borrows money at five per cent and secures equipment. In the event of his desiring to dispose of his rights what will be his position?

Mr. MEIGHEN: Under the Order in Council he cannot sell without the consent of the board and this condition will continue if this Bill passes. I may say that a similar provision obtains in Australia, and it is manifestly necessary. We cannot permit a man to come in under the Bill and immediately sell to some one else who may at once desert the land. We have the supervision of each settlement, and the purpose of the board is to make the settler and not somebody else a success as a farmer.

Mr. CAHILL: What will the board do if one returned soldier is willing to assume another soldier's obligations?

Mr. MEIGHEN: It would all depend on the maximum advantage. We are not going to let any man sell unless we are assured that he is likely to fail and that it is in his interests to sell. In a word, the talisman in every case is the interest of the soldier.

Mr. MANION: What line of co-operation is being pursued at present between, say, the provinces of Ontario, Quebec and British Columbia, or any provinces which are not distinctly prairie provinces, and the Soldier Settlement Board, in the way of getting settlers on their lands?

Mr. MEIGHEN: The Bill provides, as the Order in Council provided, that we may make arrangements with the provinces for utilization of provincial Crown lands. We have adopted the policy not to interest ourselves in provincial Crown lands unless they have been brought to such a stage as to clearance, etc., as to be reasonably fit for a man to make a living on it immediately. In other words, these lands must be on a level with ordinary homestead land as regards sustaining a family; and from the point of view of roads, schools, accessibility to railways, etc., they must be of such a character that it would be desirable to encourage settlement on them.

We do not intend to take provincial Crown lands and do the work of the provinces on these lands. We have enough to do with regard to our own lands. It is for the province to place the land in that position, and then, if they will permit that land to be handled by the board, we are ready to make any fair rate with them.

Mr. MANION: The reason I asked that question is that I noticed in regard to the details given by the minister in his very able exposition of this exceedingly large scheme, that out of all the soldiers who have so far settled on the land, numbering 11,518, 7,812, or roughly two-thirds, have been granted lands in the Prairie Provinces. I have no objection to settlers going to the three Prairie Provinces. It would naturally be to the advantage of Canada that these three Prairie Provinces should be settled and developed, but it is a source of regret to men from Northern Ontario, particularly, and probably from some of the other provinces, such as British Columbia and Quebec, which have large areas of bush land, to see that this scheme gives them so little benefit. In saying this I do not mean to imply that there is any discrimination, but we cannot lose sight of the fact that the bush lands will derive very little of the benefits that are to accrue from the carrying out of this project. For instance, in Northern Ontario there are thousands of acres of good land—bush land, I admit—throughout the clay belt. There is an area extending a thousand miles from Winnipeg to north of Ottawa in Northern Ontario through which three lines of railway run. These three lines of railway pass through a territory which is practically unproductive in traffic except mineral. Those pioneers who have settled in the district of Cochrane, Cobalt and in my own district at the head of the Lakes, have made a very fine success of the land which they have taken up. I happened, by a coincidence, to get a letter to-day from a farmer in my riding about another matter, and I think it is worth while to put part of it on Hansard, because it illustrates the capabilities of that country. The writer of this letter says:

> I am in my sixty-fifth year and while I have done nothing astounding yet I have been a useful citizen and the pioneer of this settlement. I started in 1893 with thirteen acres under cultivation, a team and wagon paid for, $1,000 of debt, and a large family of small children. With frugality, sobriety and steady application, I have a few thousands to spare after making ample provision for the maintenance of my wife and myself during our lifetime; so I have no complaint.

Here is a settler who went into that country as a pioneer twenty-six years ago and made good. There are hundreds of other farmers in that district who can make an equally good showing and the reason I am taking up the time of the committee is that I would like to see some scheme worked out by the board, the minister and the provinces, such as the province of Ontario and the other provinces to which this argument applies, whereby they would get a portion of these lands settled up by these returned soldiers because a better class of citizens could not be found.

Mr. ARTHURS: I would like to call the attention of the minister to a case of a number of soldiers who went overseas from Northern Ontario. They were locatees and had started work on their farms. They are in doubt as to whether they are entitled to receive assistance from the board. I would like the minister to make it clear whether any advance can be made to these men who have come back to their old farms which they are clearing. Can they get an advance, such as is made to other returned soldiers who are taking up land, or in case they do not ask for an advance, can they take advantage of those cheap prices for machinery, harness, etc? Provided a man

does not ask for anything in the way of a loan, is there any provision whereby he can take advantage of the other privileges?

Mr. MEIGHEN: I am just a little doubtful whether a man on provincial crown lands, that he does not own, can come under the law now. I do not think he can become a settler under the Act and be entitled to an advance for machinery, etc. But under this statute we will be enabled to make arrangements with the provinces whereby we will be able to do that. We want to do it. I do not see why a man who is located on provincial crown lands, if he has something that he can make a living on, should be denied one iota of assistance given to the man who located on Dominion crown lands. There should be no discrimination in that regard provided of course the province is ready to do for us what we can do for ourselves in regard to Dominion lands; that is to say, give us the land as security. In the case of the provincial crown lands such as the hon. member for Fort William (Mr. Manion) has just described, and of which I know there are considerable areas, we hope to make an arrangement with the provinces whereby they will place this land at our disposal for soldier settlement, the board to supply the money needed to purchase stock and equipment just the same as if the soldier were settling on Dominion land with the provision that if the soldier makes good and keeps the land it is all over and the province has no interest in it; nor has the Dominion. That is the purpose that the provinces have in mind in dealing with these lands; they want the lands settled, but they do not want anything out of them. In the event of the soldier not succeeding and the lands reverting to the board, then it would seem a fair arrangement that the board should hold the land only for what was then against it and that after that the province should take the land. That might be worked out. If there is to be given to the province a supervision as to the amount advanced in the first place, accepting the approval of the province to it, and then if the soldier abandons the land, we can give the province the option of repurchase at the amount against the land. That would be, it seems to me, a fair arrangement as to provincial Crown lands. If the provinces will enter into an arrangement of that kind there should be no difficulty in our going ahead with it.

Mr. ARTHURS: How will it be where the soldier already has title?

[Mr. Arthurs,]

Mr. MEIGHEN: If the soldier has title the matter is all right now. He can come in at once and get $2,500 on his land, $2,000 on his chattels, and $1,000 for improvements just the same as the others provided he passes the qualification board and subject to the qualifications the same as other people.

Mr. M. CLARK: If I may be permitted, I should like to express to the committee my own feeling of great appreciation of the lucid explanation the minister has given to the scheme and the strong, further evidence he has afforded to us of the tremendous zeal with which he does an almost incalculable amount of public service. I should like, coupled with that expression of opinion, to voice the hope that this scheme will meet with the generous success which such zeal ought to obtain. I say that being as fully alive as I think the average farmer who has been a settler in the West for eighteen years may be to the difficulties of the scheme, I should be less than human in sympathy if I elaborated those difficulties to the minister because I know that he is well aware of them even by this time in the chronology of the launching of this effort. The amount of public money that will be laid out in the long run, supposing a forecast of the board is at all accurate, it may be readily calculated, will be between $200,000,000 and $300,000,000.

Well, that is a large sum of money. I am bound to say that, listening to the minister, I thought that every possible human safeguard that could be devised had been devised. I think that those responsible for the scheme have gone into it with the utmost care, but it would not be right, perhaps, if some member of the Committee didn't put himself on record as seeing what the difficulties of the scheme are. From 30,000 to 50,000 returned soldiers settled upon the land would, I am sure, to every member of this Committee, be a most desirable thing to bring about, but having regard to the psychology of those soldiers, one cannot help having very grave doubts about the retaining of them on the land. I have had a little personal difficulty with some returned soldiers myself, and there has been considerable difficulty in retaining some who have had the chance of going on the land under much more favourable conditions than are offered under this scheme.

I am glad the minister made it clear to the Committee that this is a scheme for the benefit of Canada; it is not primarily, I take it, a scheme for the benefit of the returned soldier. If it were represented as

such then one would feel that there was great cogency and force in the question which was put by my hon. friend from Ottawa (Mr. Fripp) this morning, as to what we are going to do with the soldiers who do not get the benefit of going on to a half-section of land with a seven or eight thousand dollar debt. My hon. friend has not homesteaded in the West—at least I do not think so. I have. Therefore I probably view the benefits conferred upon the soldier under this scheme in a very different light, or from a very different angle, than from that of my hon. friend, and any other hon. gentleman in this House who does not know what the difficulties of settling and bringing a farm to success are, even with the great advantages of western Canada today. I say these things not with a view to offering any opposition to the scheme whatsoever, I wish it the most hearty and ample success. I think that probably the Board and the Government will find, and successive governments which have this scheme to administer will find, that the greatest success will be attained in the handling of the two or three classes to whom the minister referred this morning. There are some men, I understand, going in for agricultural training; there are boys going in for training. That is a splendid guarantee in the first place that these men or boys will get enough knowledge of farming to be judges themselves of whether they are fitted to take up farming occupations and likely to succeed in them; and it is a splendid guarantee in the second place that if they do take up the occupation they will have attained the knowledge and the experience, and the training, which gives some reasonable prospect of success.

Among other difficulties attending the scheme—a scheme of unprecedented magnitude—will be found the fact that what we buy for the men going on the land at the present time in the way of cattle, and horses I very much fear will be bought at values which are not likely to be maintained in the course of a few years. I cannot myself, Mr. Chairman, I wish I could on personal grounds, look forward with any confidence to agricultural prices along these lines being maintained in the course of the coming years at the level at which they are now. That, of course, will put the soldier in the position of a man who, in so far as he has means, has invested in cattle or horses, has made a bad investment. It will be different, however, with the land. We may look forward to land still appreciating in western Canada, and especially we may look forward to that if the success which this scheme deserves is in any fair measure obtained and we have these men settling on the land.

Now I have only one or two further observations to make, and one I am rather frightened to make in the presence of my hon. friend, the leader of the Opposition (Mr. McKenzie). He chided me the other day with the fact that all roads lead to Rome with me—in other words, I cannot speak in this House without talking on the tariff. Well, I will try to put the matter as broadly as I can and not wound my hon. friend's susceptibilities; but I do want to point out very seriously to both sides of this House that a primary and fundamental condition to the success of this scheme is to make farming a profitable occupation. I think the Committee will agree with me in that broad proposition. If farming cannot be made, in the years that are ahead of Canada, a reasonably profitable occupation, then we are launching a huge scheme, at the instance of the Government, which is foredoomed to failure, and we are committing almost a crime against the men whom we send farming. I put it so strongly because I am so sure of my ground. I would like to impress that upon this Committee because I want to go a little further and say, that having settled as a farmer in Western Canada 18 years ago, and being in touch with other farmers of all classes out there, farming was a purely paying occupation before the war. It is a great question if you can raise wheat for 65 cents a bushel as a paying proposition. I very much question if my hon. friend from Victoria, Alta. (Mr. W. H. White), who knows farming conditions in the West probably as well as any member in this House, won't agree with me in that matter.

4 p.m. He resembles myself in having endeavoured for years in the most honest and hardworking way to make farming pay, and he and I have had talks over this proposition in private. We are getting splendid prices for cattle just now. My farm put out steers last fall, two-year old steers, which brought $125 a head. But since I came to Canada, from the same farm three-year old steers have gone out for $36 a head. Just imagine a man bringing a calf into the world——

Some hon. MEMBERS: Oh, oh.

Mr. MICHAEL CLARK: —living with it for three and a half years, and then selling it for the magnificent sum of $36.

Mr. BUREAU: Twelve dollars a year.

Mr. MICHAEL CLARK: Just think of it: And that has actually happened to me since I came to Canada. Now I do not want to branch out on this subject or I shall be making another Budget speech and possibly a more practical one than I delivered last week. I do not want to go any further with this. Indeed, in speaking to the minister I am pretty well convinced I am speaking to a convert. He is a minister who comes from Western Canada, I have talked to him in private over the tariff and he is one who some years ago moved a resolution favouring a reduction in the duties on certain implements. But though he is himself in a measure converted on this question, I need not tell him, he knows too well, the stony ground he is operating on in Council; and I want him to bring the same ability, the same strength of character, and the same determination to bear upon that ground (in pointing out my final consideration) that he does to his general work in the political life of this country. Along that line I wish him also success, and I point out the only line on which his scheme can be made a success.

I want to close by once more saying that I wish the minister's scheme a most generous amount of success. It will cost a lot of money, and it requires some imagination to see what are the benefits which will compensate for the expenditure of that money. If we can succeed in settling any fair proportion, say 30,000 to 50,000, of the gallant men who with the rest of our Allies defended the world,—if we can succeed in settling those men upon the lands of this fair Dominion, what a foundation we are laying for a citizenship, what traditions of world service and national service we are building up for future generations to emulate. While it is easy to calculate the money that this scheme may cost, it is impossible for the human mind to calculate or to describe what benefits will accrue to Canada if we can embody these human elements,—the grandest in the world today, and the grandest that the world has ever produced—in the manhood which is to make the Canada of the future.

Mr. CAHILL: Could the minister tell us approximately what amount of land is owned by the Dominion Government in the area set apart and considered fit for soldiers' settlement? And another question while I am on my feet: Is it the custom of the department to pay cash for the land which they purchase before selling it to the soldiers?

Mr. MEIGHEN: As to the first question, I have not at present an estimate of the amount of land within the 15-mile area that is fit for soldier settlement.

Mr. CAHILL: Is that being inspected?

Mr. MEIGHEN: Yes. I think, though, that Mr. Roland of the board is able to give an estimate after inspection by himself, but I am satisfied that the acreage is not sufficient to take care of the number of men we have settled already. In this connection, let me say that although this plan has been in operation virtually only since March last, the Dominion of Canada has, up to the present time, actually settled more men upon the land than have all the other Dominions of the Empire and Great Britain together by, I think, approximately 50 per cent.

Mr. CAHILL: Is the consideration for the land paid in cash?

Mr. MEIGHEN: Yes, it is always paid for in cash.

Mr. J. H. SINCLAIR: Does the board invite holders of land in Western Canada to offer their land to the board for sale?

Mr. MEIGHEN: Yes, we invite offers for sale from everywhere. The number of sales that have been put through in Nova Scotia and in all the other provinces can be given. But where land is settled, as in the southern portion of Ontario, you cannot do very much more in the way of soldier settlement. We do not discriminate at all between the provinces; the soldier can go just where he likes, and the advantages of the scheme are applicable everywhere.

Mr. COOPER: The hon. minister has emphasized that this is a national undertaking and not especially for returned soldiers. Would he define what soldiers are entitled to the benefits of this Bill? There are a large number of men who proceeded as far as Bermuda. Are they to be considered overseas men? A large number proceeded to Siberia, which cannot be defined as the theatre of war. There seems to me to be a great discrimination against many good men who have served in Canada—men who have been retained in Canada for no other reason than their own efficiency. The greater benefits of this Bill, as of other legislation pertaining to soldiers, will go to the class of soldiers that deserve least of

their country. I refer in particular to those men who were forced to do their duty by the Military Service Act. Some 4,000 of these men have served in Siberia; some 20,000 or 30,000 of them have not gone any farther than England. Many thousands of men volunteered in Canada and gave excellent service, but, through no fault of their own, they were prevented from going overseas. If this is to be a national undertaking, I say that these men are entitled to consideration. Furthermore, I notice that section 4, paragraph 3, provides that the widow of any person who died on active service, and who but for his death might be a settler as now defined, etc—. Now, does that not preclude the widow of a soldier who died on duty in Canada from benefiting?

Mr. MEIGHEN: He might have been on active service in Canada.

Mr. COOPER: Previous to June 22 last year the only men serving in Canada, except C.E.F. units, were the militia.

Mr. MEIGHEN: The hon. gentleman's question has taken several phases. First of all, the board has so far confined, and will by this Act confine, the benefits to members of the Expeditionary Force who have gone out of Canada. That is the definition appearing at the top of p. 3 of the Bill—"who have gone out of Canada and are members of the Canadian Expeditionary Force on active service." It is quite true that a great many deserving men did not go out of Canada. It is also still more true that the main purpose of the Bill is land settlement. But in arriving at the main purpose of the Bill, and keeping that ever in mind, it is only right and proper that the most deserving at all events should be treated first, and, generally speaking, those that have the first and primary claim to the best treatment are those who have gone overseas. That is not always so, but it is as broad and fair a line as can be drawn. While it is true that many men were retained here because they were efficient, if you admit a man to these benefits, simply because he is a good man, then you would have to admit civilians as well, because a great many Canadians who did not go overseas are not to be blamed.

It is no reflection on them that they did not, but those who have the greatest call upon the country are those who did; consequently, that is the class to which we first bring the benefits of the Act. But if a man incurs a disability while on active service, or if a disability which he previously had is aggravated, he becomes entitled to the benefits of the Act. Undoubtedly if a man dies after enlistment in the Canadian Expeditionary Force, he incurs disability; therefore, his widow comes under the provisions of the Bill.

Mr. COOPER: Prior to June 22 of last year, the forces in Canada were the active militia; they were not part of the Canadian Expeditionary Force.

Mr. MEIGHEN: If her husband would not have been entitled to the benefits of the Act, she cannot take advantage of its provisions, but if her husband dies on active service, she becomes entitled to the benefits of the Act.

Mr. MAHARG: The minister has said that the most deserving shall receive the first consideration; and I think he is perfectly right in that. It seems to me that there are none more deserving than those who have been wounded and are detained in hospitals for months, or even years—men who will eventually be able to take up land and work it successfully. I have in mind the case of a boy who went overseas, was seriously wounded, and has been in hospital for some time. He is a farmer's son and understands farming thoroughly; in close proximity to his father's farm there is land which it is expected the board will soon throw open for entry. The boy has had several operations with a view to making him capble of earning a livelihood in his former occupation. Some provision should be made under which boys in that position may have land retained for them for a reasonable length of time, provided they can pass the board. As the Bill now stands, they cannot secure land until they are discharged, but by the time they are discharged this land may have been taken up by others who may be just as deserving, or may not. These boys should not be prevented from securing land which, in a great many cases, they might be able to obtain, if it was reserved for them, in close proximity to land owned by their friends or relatives. Possibly the minister will let this clause stand until he has had time to give this suggestion consideration. Another point which I should like to mention is this: The Bill gives to the widow of the soldier who has been killed overseas the right to secure this assistance. In all fairness, that assistance should be extended also to the mother of the boy who, having been her only support, has been killed overseas.

Mr. P. R. McGIBBON: I suggest that the minister add a clause to the Bill to provide that nursing sisters shall, so far as the benefit to be derived from this legislation is concerned, be placed on an equal footing with the returned soldier. We are giving women the vote; they are satisfactorily filling many public positions. These nurses risked their lives overseas and no doubt saved the lives of many soldiers, and I think they should not be left out of this Bill.

Mr. MICHAEL CLARK: Would not the readiest way to do that be for the nursing sister to marry the soldier?

Mr. P. R. McGIBBON: I have no objection.

Mr. MEIGHEN: Replying to the hon. member (Mr. Maharg), I may say that, generally speaking, it would be impossible to deal with those who, by reason of disability, are not discharged, because it is not possible to tell whether, having regard to the condition they may be in after their discharge, they should be encouraged to take up farming as an occupation. Consequently, the door should not be opened widely to that class. But it is not impossible to provide that where the qualifications are favourably passed upon, such a man, though not discharged, might have the right to reservation of land in his name; and I will defer the clause with a view to considering some such provision. The hon. member also referred to the case of the mother whose sole surviving son was killed in the war. If the main object of this Bill were to help the afflicted relatives of soldiers, certainly the mother should be included; but if the mother's only support was killed I do not see how she could be a settler. Certainly she is deserving, she is in the first class of all, and if she has other sons growing up she might be in a position to benefit by this scheme. But if she is alone—and the hon. member presumes that there is nobody to help her—it is not kindness to her to ask her to become a settler; I scarcely think, therefore, that it would be well to admit that class. As to the remarks of my hon. friend (Mr. P. R. McGibbon), the argument that I have just used would apply. I am inclined to think that, speaking in a legal sense, nursing sisters are included in the provisions of the Bill. But it is not the policy of the board to extend to them the benefits of the Act, because not being widows of deceased soldiers with children growing up, these nurses, it is very strongly presumed, would be better doing something else than trying to become pioneer settlers.

Mr. MAHARG: Could not a mother whose only son had been killed at the front at least be given the benefit of the free grant mentioned in section 15?

Mr. MEIGHEN: No. The widow of the soldier is entitled to the benefits of the Act, including the free grant, first, because there is presumption of her having other help, and, secondly, and perhaps the more important reason, because under the Dominion Lands Act, widows, if they have others dependent upon them, have the right of taking out homestead entries, and in 1917 Parliament extended the soldier settlement rights to widows.

In view of these two considerations I include them here, but neither of these considerations are present in the case of the mother, and I am afraid if we extended the Act to that most deserving class of all, the mother of the fallen soldier, we would have to extend it to the sister who was dependent on the fallen brother, and to the aunt who was dependent on him. It would be very hard for us to stop if we went any distance beyond where we are now.

Mr. ARTHURS: Just a word regarding the widow of the man who died Overseas. I think this clause should be extended to include the widow of the man who has from any cause died since he served Overseas. She would not be included as the clause is now drawn.

Mr. MEIGHEN: It might be justified if he died as a result of service, but I do not think it could be justified otherwise. I will take a note, however, of that class.

Mr. ARTHURS: Apparently the intention was to make that class eligible.

Mr. McKENZIE: This is a lengthy and very important Bill, but I hope that the very full explanation we have received from the minister will help us through with it. I think it is a pity that the Government did not, once for all, decide what their policy was to be with regard to assistance and recognition of the services of the returned soldier. It is well understood that it is the intention of the Government to give some form of recognition to the services of every soldier who has been Overseas and acquitted himself with credit to his country, and is now back here expecting to engage in his former occupation or to take up some other legitimate form of employment. While I have no definite information on that point, it is the general belief that the Government intends to take cognizance of their services and reward them in some way or

other. If that is the policy of the Government it is a pity that it was not settled, once for all, whether it was to be assistance in the way of farming, assistance in the way of business, or in some other way, and then the returned soldier would have had the opportunity of choosing which of the different offers put forward by the Government he would take. That course would have avoided dissatisfaction and perhaps jealousies among the returned soldiers, for it may well be argued that one class of returned soldiers have been given a better opportunity and shown greater consideration than the rest.

Here we have one of the schemes which the Government has adopted—the giving of assistance to those going on the land. We can view the policy put forward by the Government in this Bill from two standpoints. It is either a colonization policy entirely, or it is a policy of assistance to the returned soldier. As a colonization policy, I say at once to the minister that it is an impossible one; it is far too expensive and precarious for the Canadian people to carry out. That is all I shall say from the colonization standpoint. We must try and get people on the land, if colonization is our object, at much less expense than this proposal involves.

Considered as a policy of assistance to the returned soldier, we have to consider very carefully whether we can satisfy the returned soldiers who will not be admitted to the privileges of this Act with the proportionate assistance they will be looking for. That I think is a proposition which the Government will have to consider very carefully indeed. In the scheme before us we propose to assist the returned soldier to the extent of an advance in some cases of $8,000, and in the majority of cases of $7,500. That is a very large amount of money, when we consider that possibly fifty thousand men in this country will take advantage of it. If they do, that will mean a vast amount of money advanced by the Canadian people. If the soldier-farmer succeeds and is able to return this money to the country, we may survive it, but my hon. friend from Red Deer who has had eighteen years of experience of farming in the West, who is a careful, industrious, intelligent and capable man in every respect, tells us that he found it as much as he could do to make ends meet when he was cultivating the land in the far West. Now that should be a warning to us that we shall have some failures on our hands in connection with this scheme. However, it has been decided upon by the Government, and personally I am not going to take any decided stand one way or the other, except that I hope it will succeed. I must say again, however, to the minister that as a colonization scheme it is a bad one; it is too expensive. If it is intended as assistance to the returned soldier, we must bear in mind that the Government must give assistance in like proportion to our other soldiers who were engaged in the war. To my mind, it is a question whether or not it would be better to agree upon a set amount of money to be given to each soldier as a recognition of his services, and then let him fall back on his own resources and use his own initiative and ability in working his way in the world. Perhaps that would be the better way. After all, it is not well to have too many strings on people and to have them tied down too closely to Government assistance. It is good for them that they should have a free hand and be thrown very largely upon their own resources. That has been the experience of our forefathers in every part of Canada. When they came here they had to hew out homes for themselves out of the great forests with no assistance of any kind; they had neither railroads nor steamboats nor anything else, and yet they made a success of life.

Mr. MEIGHEN: The hon. gentleman mentioned a grant of so much money to each soldier. If that scheme were adopted, how much money would he suggest should be paid to each soldier?

Mr. McKENZIE: I have not sufficiently considered the question, but I did see one suggestion that came before the legislature of Alberta or Saskatchewan where it was put forward that a grant of $2,000 should be made. I am not saying whether that is too much or too little, but that is the only amount I have seen mentioned. Even if we gave them $2,000, I think in the end that would prove a less onerous burden for the Canadian people than the scheme that is now before the House. However, I have not figured it out and I am only pointing out to the minister the fact that he may encounter a difficult problem in fixing a standard of $8,000 in the way of assistance to some soldiers and not the same amount to others. I make the suggestion that the minister might consider whether or not it would be better for the country to give a certain amount as an absolute gratuity to returned soldiers and say: Go your way, do the best you can and God

be with you. Make a home for yourself in this free country. That is another way of looking at the matter and I merely throw out the suggestion. I hope that the scheme will be satisfactory and that this country will to a very great extent be developed by the setling down of these good men on the land. I trust we shall be able to get through with this Bill without very much criticism, as I believe it has been very fully explained by the Minister.

Mr. MEIGHEN: I should explain that in Clause 3 on page 3, in the definition of "settler" the limitation in the 13th line contained in the words "and has been otherwise than dishonourably discharged," etc., appertains to all three classes.

Mr. ANDREWS: For over a year now, associated with some of my comrades, I have considered the Land Settlement Scheme very closely, and I have no hesitation in saying to-day that after a most careful consideration of the whole matter I think this is absolutely the best land scheme in the world. I have lived in the West, not eighteen but thirty years, and I think that if a man cannot afford to pay the present prices of land in the West the country is no good. Now I know that the country is good, and I know that the men are good, and therefore the success of the scheme is assured. A friend of mine from Winnipeg, who looks after the interests of the selection board and who has been in the land business for something like thirty years, told me that over 90 per cent of the men who had already availed themselves of the scheme were practical farmers, of good descent. Altogether I congratulate the Government most heartily on the move.

Mr. PECK: Were those who were under sentence at the end of the war and were pardoned in the general amnesty be regarded as dishonourably discharged?

Mr. MEIGHEN: I really cannot answer that question. In the old Act we had "honourably discharged" but we found in operation that some soldiers did not get anything that could be called an honourable discharge, although there was such a thing as being released from the army under dishonourable circumstances. We therefore changed it to these words "otherwise than dishonourably discharged."

Mr. GRIESBACH: What is his position when discharged at the termination of his sentence?

[Mr. McKenzie.]

Mr. MEIGHEN: That, I think, would be a dishonourable discharge.

Mr. GRIESBACH: No. Having served his sentence he is discharged in the ordintry way, if his sentence does not provide for his dismissal. He is not dishonourably discharged merely because he has served a sentence.

Mr. MEIGHEN: When a man applies, his name goes automatically to the Militia Department and they are asked if he comes in under these classes. They decide whether he has been otherwise than dishonourably discharged.

Mr. PEDLOW: Adverting to subsection (s) of section 2, it seems to me that one of the most deserving classes of those who have gone overseas is the nursing sister. I am sure every hon. member who is a soldier will bear me out when I say that they have conducted themselves in the war with honour to themselves and this country. They gave unstinted service in the cause of the Empire, sacrificed the comforts of home, and left pleasant, congenial surroundings to take a strenuous part in the war and share in its hardships, discomforts and terror. I think that the minister would be justified, in view of this fact, in allowing the nursing sisters at least to qualify for a part of the considerations that are provided in this Act and to homestead, to the extent of what is called a soldier's grant of land. Having made an application of this nature, I think the department has already ruled in effect that nursing sisters are entitled to this consideration. I would not be positive, but I think I have a letter on file to that effect. I made application on behalf of a nursing sister who is still overseas, having been there four and a half years. I asked that her father be allowed to make a homestead entry for her and the reply I received states distinctly, I am morally certain, that under the law her father could not make the application for her and that she would have to wait until her return. I think this is as reasonable as the claim made by the hon. member for Maple Creek on behalf of widows and particularly those whose only sons had been killed overseas. I think it is equally reasonable and should merit particular consideration before the Committee passes this section of the Bill.

Mr. MEIGHEN: Widows are, of course, specifically included. They are included in the 1917 Act and have the right to soldier entry, but every one—nursing sisters and all

—must be passed by the qualification boards as fit settlers before they come in for the benefits of the Act.

Mr. PEDLOW: I understood the minister to say before that they were not entitled to these benefits.

Mr. MEIGHEN: I did not say they were not entitled. I think even in this Act they are still included in the term "settler," but the practice has been not to admit them to the benefits of the Act for the reason that they cannot qualify for the rough and strenuous duties of settlers. Even in the case of widows the very greatest difficulties are encountered. Frequently they are very anxious to enter upon the land and it is hard to refuse them, but it is only one in a large number that should be encouraged to go upon the land, and that may succeed if she attempted to do so. There is another grave difficulty in the case of women. A woman may shortly marry and we find as a fact that they do More widows than one who came under the Act and got all its benefits married soldiers. In each of these cases there was one family with double benefits.

Mr. PEDLOW: That is quite right.

Mr. MEIGHEN: Yes, but I think it is much better to distribute the help which the State is able to give and which is going to be heavy enough, we all admit. I rather believe in a fair system of distribution than doubling in this manner. If such a woman's husband died and he left her an estate she might marry another soldier and double up again.

Mr. PEDLOW: There is nothing more wrong in a nursing sister marrying a soldier and having two grants of land than there would be in a family having five sons each obtaining a grant.

Mr. MEIGHEN: The hon. member must surely perceive that where you have one soldier married you have only one settler. The purpose of the Act is to encourage settlement on the land, and where you have four sons you have four potential families and four distinct settlers. There is all the difference in the world between that and the proposition of the hon. member.

Mr. PEDLOW: The hon. member for Victoria (Mr. White) suggests that this is one example of collective bargaining which the Government might very well endorse.

Mr. BLAKE: Will members of the Royal Air Force, especially those who did not get away from Canada, come under this Act?

Mr. MEIGHEN: All those who got away although they were members of the British Royal Air Force were included, but those who did not get away from Canada are just in the same position as others who did not get away: They are not included.

Mr. BLAKE: I think that is a matter that should be given consideration. A lot of men are kept in Canada not because they wanted to be but because they could not help themselves. Their hearts were just as right as those of the boys who went over.

Mr. MEIGHEN: That applies to the hon. member himself.

Mr. BLAKE: They should have the same right. They have lost their time, and their business is wrecked. If they are qualified and prepared to go on the land, they should be given the same consideration as those who did go over.

Mr. MEIGHEN: They did lose some time, but they were not really taken from their business in the same sense as the men who went overseas. In the order of dealing with these men, the most deserving class must be taken first. Those who find it most difficult to rehabilitate themselves are usually the most deserving class.

The CHAIRMAN: Shall the section be adopted?

Mr. MAHARG: I thought I heard the minister say that he was prepared to let this stand?

Mr. MEIGHEN: Yes, that stands.

On section 3—Soldier Settlement Board continued:

Mr. McKENZIE: Perhaps the minister might tell us what demarcation there is between his own department in dealing with the returned soldier and the Soldiers' Civil Re-establishment Department?

Mr. MEIGHEN: The Soldiers' Civil Re-establishment Department deals with disabled soldiers. This has to do with land settlement and the qualifications of soldiers for it.

Section agreed to.

On section 5—officers, clerks and employees:

Mr. PEDLOW: What salaries will be paid to these officials?

Mr. MEIGHEN: The chairman receives $6,000 per year at present. Each of the two other commissioners, Major Ashton, a returned soldier, and Mr. Maber, receive $5,000 each. These are the salaries of the board. The other officers are appointed at salaries approved by the Civil Service Commission. Our advisory councils and qualification boards, to whose earnest and competent efforts whatever good there is in our organization is largely due, give their services free. They were composed of the very highest class of citizens in every place where they were appointed—men who were busy with their own occupations and who made a very substantial sacrifice to do this work. In Winnipeg Mr. Cross is chairman, Mr. Robert McKay, of Allan, Killem and McKay, who has been associated with the work from the beginning, is one member of the board and the third is Colonel Grassie. In Regina, Mr. Stiles, Mr. Gibbins and Dr. Mahan are members of the board. There are similar men in Alberta, and they have performed very valuable services to the returned men in the devotion they have shown to this work. Later on, for them and for the qualification boards, we adopted the system of recompensing them for each day of actual work—not the days going and coming—at the rate of $10 per day. At my special request the hon. member for Westminster District (Mr. Stacey), who is himself a settler and pioneer in British Columbia, went to that province for the purpose of assisting returned men, explaining to them how to come in under the Act, and helping them in every way in his power and he did so with great ability and very evident and satisfactory results.

Mr. PEDLOW: I noticed that earlier in the explanation of the Bill the minister stated that the representative of the Ontario Department of Agriculture in each section of the province would assist the Government in this work. Will the Government have to pay for that assistance, and if so, how much?

Mr. MEIGHEN: There has been no arrangement made to pay these men anything. The duty that falls upon them is very light for the reason that Ontario is very largely settled. These men are the ones to whom the soldier should apply, and if it is a clear case that he is a qualified man and has a proper experience, that ends it; he is accepted as qualified. If there is any doubt about it at all he has to go to the qualification board.

[Mr. Pedlow.]

Mr. PEDLOW: On the recommendation of the Ontario officer?

Mr. MEIGHEN: Yes. But, we have made no arrangement to pay them and we have not paid them anything.

Section agreed to.

On section 6—minister may reserve and transfer lands to board:

Mr. McKENZIE: Does the title to this land remain in the Government or is the title vested in the purchaser?

Mr. MEIGHEN: The title is vested in the board immediately the Governor in Council passes an order turning the land over to the board. That applies to the Dominion lands which have been reserved for soldiers' settlement. As soon as the Order in Council turns the land over to the board, the title is in the board and the board can sell it. As regards private lands purchased, the title is taken by the board in fee simple and the board has a form of agreement which is invariably used. They simply sell by agreement of sale. That is a method that has been used much more in Western Canada than Eastern Canada but it is applicable everywhere. That is the only way we can take care of these obligations because if the method that is more customary in Eastern Canada of putting the title and the mortgage together the expense of making good the title and discharging the mortgage later would be so great that it would impose a burden on the buyer. We have endeavoured to keep our legal costs down to the minimum. We have a scale which I revised, that, I think, is the least the work can be done for, but instead of employing legal firms or legal men in each of the districts, we have a separate legal branch in each of the provinces in charge of a salaried man. We pay all expenses in connection with the loans, we do not charge the soldier anything and we are doing that by establishing in each of the provinces, attached to the board, a legal man.

Mr. McKENZIE: If a soldier goes to a certain place, say in Manitoba, and selects a farm and the board approves of the price, the board, in its own name, makes an agreement of sale with the purchaser?

Mr. MEIGHEN: Yes.

Mr. McKENZIE: Will both documents be of general record in the province?

Mr. MEIGHEN: Yes, we record our titles just the same as the title of any purchaser although under our Act we do not have to.

Mr. J. H. SINCLAIR: What kind of title does the soldier get?

Mr. MEIGHEN: He gets an agreement of sale. His interest in the land is equitable only.

Mr. J. H. SINCLAIR: He does not get an absolute deed.

Mr. MEIGHEN: He does not get an absolute deed, and the agreement of sale is cancellable merely upon notice. No expense at all is involved.

Mr. PETER McGIBBON: Is the valuation placed upon this land by the appraisers sent out by the Government, final ?

Mr. MEIGHEN: It is final in this sense that the valuation of our officers is the valuation upon which we rely; that is to say the amount we will permit to be advanced against that land depends upon that valuation.

Section agreed to.

On section 8—compulsory purchase:

Mr. STACEY: I wish to offer a slight amendment to clause 8, or rather I suggest it to the minister in the hope that it will be acceptable. But before doing so, I would like to make a few general observations regarding the way in which this proposition actually works out from the standpoint of the soldier as an applicant. It was my privilege to spend some two months on the mainland in British Columbia endeavouring to do what I could for the returned man in his effort to find a home upon the land, and having had some experience in the city of Vancouver during the last few months, I have no hesitation whatever in most heartily congratulating the Government and the minister upon the comprehensive, complete, and in the main, thoroughly satisfactory character of the scheme which has been placed before the country. I want also to congratulate the minister upon the staff which is to be found in the city of Vancouver, and I presume a similar staff in the matter of efficiency has been provided in every other office throughout the country. I mention the Vancouver staff because I know of it, and know something of its character and efficiency. Not only do I refer to the officials, but also to the men who comprise the qualification committee and the advisory board. In the city of Vancouver there are three of the best known loan men in the province of British Columbia, who volunteered their services. I do not suppose we could have bought those services; the men are too busy, their time is too valuable, and they are otherwise engaged from morning to night; but as a contribution by themselves towards this work they were willing to help and do it gratuitously. This service was very highly appreciated by the board in Vancouver, and I am sure is likewise appreciated by this House, and I presume similar conditions obtain with regard to other centres.

The question may arise in some men's minds: Who are going back to the land? We of course looked for men who had come from the farm to return, but in addition we found that there was a considerable number of men from offices, even some men from the professions, who desired to settle upon the land and for various reasons, now consider, they do not further desire the confinement of an office. They seek and long for, a settled life; they want to be doing what they believe is worth while. They appreciate the national slogan of production as the cry for the coming generation, and wish to make their contribution towards the development of this great country. We did find, however, that there are in the province, and I presume the same may obtain in other provinces, several misconceptions as to the character and the nature of the scheme outlined. We found in some parts of British Columbia men here and there with the idea that the Government was buying on a large scale, that it was purchasing great areas of land. Consequently, we had offers from individuals and corporations of land that was in their opinion, most admirably suited for the returned soldiers. Some men seemed to think they had land that was especially suitable for the returned men, although to the most of us the question would naturally occur why it had not been offered and accepted for a similar purpose prior to the introduction of this scheme.

Now I want to speak of a matter which the minister did not mention but which is one of the practical outcroppings of the entire proposition. We have received very hearty co-operation from various organized bodies, from municipalities, and from private citizens, and indeed from real estate firms, along these lines. A man returned wished to engage in a certain kind of farming. We knew the country and would say to him: "Go out to a certain place. Go to Mr. Smith and he will show you everything in that district which is available." There was nothing in it for Mr. Smith, he did that work in the interests of the men con-

5 p.m.

cerned; and thus we were able to facilitate the search of the applicant for land without any material expense.

I made reference to real estate agents. Mr. Chairman, I want to say that in this country, and I do not speak from the standpoint of any one province, there are real estate men, and real estate men, and there is a vast difference between them. In the latter class the manhood still dominates, the adjective is smaller than the man. We did receive very material assistance from a great number of real estate offices and many of the men in those offices have given their time and their services in order to secure settlers upon the land. I regret to say, however, that in a few cases it was necessary to discontinue operations with certain men who seemed to possess the spirit of the age to such an extent that they deemed it was up to them to get all they could, not simply out of the Government—but they seemed to think it was their chance to "do" the soldier and it was our business according to the best information we could secure, and to the extent of our ability to safeguard the interest of the returned man who was seeking a home upon the land.

The question has been raised as to the character of the land upon which these men went. I do not want any one to think that in every case the returned men are settling upon entirely new land. That is not the case, Sir. In some instances they are buying unimproved land, but more generally in the province of British Columbia they are purchasing improved land. It may be argued that this does not really conduce to an increased amount of production, but the reason for that, Sir, is this: In many sections of that province you will find a large number of farms and ranches held by elderly men. The explanation of that is that his boys have gone overseas and will not return.

He has a farm on his hands, he is too old to work, and he says: "I will sell it." In many cases he offers his farm for sale at a cheap price to the returned man, and he himself steps aside and gives him the advantage of his years of toil. That is one reason, Sir, why in many cases they have bought improved property. I could cite instance after instance where that has actually taken place; the elderly father who is left on the farm is not able to carry on, and consequently his land is sold. Often it is subdivided into two, three, four, or more small holdings, and that means the neuclei of so many more families. As a result we have a large percentage of returned men upon the improved lands of British Columbia. I am speaking now of the southern part of the province, where the majority of the settlers are locating. There are some who choose the pioneering life, but unless a man makes that choice we do not encourage or even go so far as to suggest it to him. Most of the men want their homes reasonably near centres, with all the advantages of social and business life that can be obtained in the older sections of the country. The result is that we are seeking more land in the southern part of the province.

Clause 8, as I understand it, looks towards compulsory purchase, and my amendment is along this line, Sir, that I would have the clause go a step further. I would therefore submit for the consideration of the minister and the committee the following amendment to clause 8, which would then read as follows:

> The Board may, for the execution of any of the purposes of this Act, acquire by way of compulsory purchase, in the manner provided by Part III of this Act, such agricultural land as it may deem necessary from:
>
> (a) All persons, firms, and corporations in any part of Canada;
>
> (b) The Indian superintendent for the province of British Columbia.

I note in the Indian Act of 1906 a provision for the appointment of an Indian superintendent for the province of British Columbia. If that appointment has not been made, a change in the wording of my amendment I presume would be necessary. But I wish to call the attention of the Committee to two or three very important facts. In the province of British Columbia we have a large area of land held as Indian reserve land. A year ago I called the attention of the House to this matter, and again last spring. My attention has been directed to the same matter very frequently during the past two months, and I would not be performing what I believe to be my duty and taking the right course unless I gave some additional facts regarding this very acute situation in that province.

I presume that these Indian reserves were granted years ago on the principle that the Indian was the ward of the Government, that he was to be taken care of by the Government, that he was not in a position to look after himself; and that therefore a wide sweep of land should be given to him on which he could hunt and fish. In the course of time the Indian population has decreased, the hunting in the sections of the country to which I refer is altogether a thing of the past, and the result is that

in many parts of southern British Columbia we have large areas of some of the finest land utterly waste. I could cite many cases to support this statement. I have in mind a block of 800 acres of the finest land in one section of the province, occupied, I understand, by three small Indian families, who make their living mainly by selling wood. At this juncture of the nation's history it is almost a national calamity so much of the best land in our province should thus lie waste. We pride ourselves on doing justice to the Indian. I am the last man in this House to suggest that anything but the fullest measure of justice should be meted out to him. But in doing justice to the Indian, let us not do an injustice to the white man or to the country. I have in mind another case where, adjacent to a city in British Columbia, there are some thousands of acres of choice land bordering right on the city limits, impeding most seriously the development of that city and the adjacent country. I might enumerate many other cases. Suffice it to say that in the southern part of the province it is a most serious problem,—in fact, in some places it is an almost intolerable situation, and the citizens virtually demand that the Indian be placed, in this regard, upon the same footing as the white man. In other words, that he have a good chance, and, if anything, a little better chance than the white man, but that he be not allowed to hold thousands of acres of the finest land without any pretense whatever of its being used for purposes of production.

Now, Sir, my object in introducing this amendment is simply that the same provision which applies to the purchase of speculators' land be made applicable to certain Indian Reserves, and that where it can be shown that there is thus a large area of land unused, and that in all human probability it will remain unused, that the department be required to sell that land. I do not think as a matter of fact that the provisions of the amendment I suggest may ever have to be used, but if the clause is there, and it is known that we can use it, it will facilitate the purchase of such property. For this and other reasons, which I might enumerate but do not wish to take up the time of the House at the present juncture, I respectfully urge upon the minister his considering the adoption of my amendment for the benefit of returned soldiers settling in the province of British Columbia. It simply means that whatever land may be deemed necessary by the board may be purchased not only from all persons, firms, and corporations in any part of Canada, but —with special reference to British Columbia —from the Indian superintendent for the province or other officer who has the power of acting as vendor.

Mr. McKENZIE: Before the minister answers that question, the Indian Land Act itself provides for the methods of procedure by which we deal with Indian lands, and I think it would be rather dangerous to adopt another method in this Act.

Mr. MEIGHEN: From the statutory standpoint I agree with the leader of the Opposition, that if such action were taken, it should be taken by an amendment of the Indian Act.

We have already prepared amendments to the Indian Act which will make applicable all the necessary provisions of this Act applying to returned soldiers who are Indians and which will make the Deputy Superintendent General of Indian Affairs take the place of the Soldier's Settlement Board in the administration of that phase of the Act.

The point raised by the hon. member for Fraser Valley (Mr. Stacey) is one of the most important that the committee has to consider; it was referred to some weeks ago by the member for Selkirk (Mr. Hay). When the Bill was under consideration providing for the expropriation of small portions of land on Indian reserves for public purposes, it was urged that we should not deal with Indian Reserve lands on the same principles as those upon which we dealt with private lands. It is a matter for very serious consideration indeed, whether, in view of our negotiations and settlements with the Indians in this country, which proceeded in the main, on the assumption that they were a separate nation, and that the agreements were entered into by Canada on the one hand and by the various tribes and separate peoples on the other, we ought to invade the sanctity of the treaties made and settlements arranged, for the purpose of taking their lands in order that they might be used not by the State, but by private persons. I cannot say that I have made up my mind that that argument is irresistible; I really am not disposed to think it is. It is very questionable, though, what might result if we did take the stand urged by the member for Fraser Valley. Undoubtedly it would result in dissension, and perhaps in the issue being carried beyond the bounds of this country for settlement. No doubt, whatever settlement Canada should arrive at would,

in the end, be accepted as final; I do not suggest that any disposition to interfere would originate from without. But we have regarded these people as our wards, and we have made treaties and settlements with them; therefore it is desirable, if possible, to avoid anything in the nature of dissension, or anything in the nature of a charge against us of infidelity. Consequently, for the present session, I have decided not to ask Parliament for power to expropriate lands in Indian Reserves for this purpose. We are now engaged in an endeavour to secure valid surrenders of these unused lands in reserves. We have officers engaged in an examination and appraisal of lands in Indian reserves in order that such are not being used and should be used for farming may be surrendered to the Crown to be used for soldier settlement. We have attained considerable success so far; with one or two exceptions, the various tribes have not been unreasonable, and if we continue this policy we are likely to succeed better than we would if we now took statutory power to expropriate. I rather think that the attitude of the various tribes will be more favourable if we proceed along the path that we have now ventured upon and try to get surrenders in every case. If the Indians should become recalcitrant, or if there should be anything in the nature of mere obstinacy as against their own interests and the interests of the State, we might consider at a later session the advisability of taking expropriatory power, to be applicable in such cases For the present, I commend to the Committee the advisablity of leaving out anything in the way of power to expropriate Indian lands, and of allowing the board to deal with the subject by employing the more conciliatory method of procuring surrender of the reserves.

Mr. STACEY: I have no thought whatever of suggesting anything which would apply to Canada as a whole. I note that provision is made in the Indian Act for action in the various provinces with regard to specific phases of legislation. I do want to impress upon the Committee and upon the minister that if there is one thing in the mind of the average citizen or returned soldier of British Columbia that is the cause of great unrest and discontent, it is the patent fact that much of the choicest land in the entire province is absolutely unavailable for use, and in all human probability never will be productive unless there is some radical change in the policy. Personally I do not feel disposed to give very much attention to the argument that because we have always done something, we must always continue to do it. We have recognized the right of these people in the past; we have given them their opportunity. If their population is decreasing and the hunting is gone, why can we not go to these people and say: Let us make other arrangements; we will buy this land from you and give you a suitable place in which to live. We need not talk to the Indian about compulsory purchase, but steps should be taken to secure this land. We have the report of a commission regarding certain reserves which says that a certain amount of this land may revert to the Crown. But that amount is a very small percentage of the whole. I repeat that in British Columbia the Indian reserve question is a vital issue and is one of our grave troubles; and I ask the minister and the Government to make, at the earliest possible day, such provision as is necessary for the securing of a portion of these areas for settlement and production in order that that part of the country may develop more rapidly than it has developed in the past.

Mr. CAHILL: Do I understand the hon. member to say that we should take this land by compulsion from the Indian?

Mr. STACEY: I ask that the provisions which apply to land held by speculators apply also to Indian reserve lands. Here is a man who has 500 acres; he is holding it until some of us will go round him and improve the value of the land so that he may grow rich out of our efforts and our labour. That man should be compelled either to work his land or sell it, hence clause (a) of the section. Then, here is an Indian reserve of 500 acres with only a few Indians on it, perhaps none at all, but some band has a legal claim upon it. My point is that similar steps should be taken with respect to this land. The band should have the benefit of any financial advantage resulting from the sale of the land; the proceeds might be invested for them and they would then be in the receipt of an annual income that would be of much greater benefit to them than the mere possession of those lands which they held uncultivated.

Mr. MEIGHEN: The steps the hon. gentleman proposes we should take before going to the length of expropriation are now being taken in British Columbia, though not as widely as we purpose taking them very shortly. We are going to make most energetic efforts to reduce to the minimum uncultivated Dominion lands there, and if

we fail after exhausting all our efforts I shall be very glad if the hon. member will bring the matter up for the consideration of Parliament next session. I may do so myself.

Mr. STACEY: With that explanation I beg leave to withdraw my amendment.

Amendment withdrawn.

Mr. CAHILL: I trust the Dominion Government will consider very seriously before breaking their treaty engagements with the Indians. Simply because we have the power to do so, by reason of being in greater numbers, is no reason why we should break a treaty. The Indians have rights that should be respected in this country. If we respect anything we should respect our word to the Indian or to anybody else. The fact that the lands of the Indians happen to have enhanced in value by reason of white settlement is no reason why the Indians should be compelled to give up their land. There is no justification for the hon. member or the Government deciding what is best for the Indians. The Indian may very likely not be interested in the money he may get out of the land, and if he wants to keep his land I do not think this or any other Government should take it away from him. There is plenty of land in Canada for the white man for many centuries to come without taking away from the Indian forcibly land he holds more dear perhaps than my hon. friend holds the dollars we would get out of it.

Mr. STACEY: The hon. member neither understands the situation in British Columbia, nor my remarks.

Section agreed to.

On section 11—school lands:

Mr. MEIGHEN: This is a very important clause which I should have referred to in my opening remarks. We cannot, of course, take school lands and sell them. We have to sell school lands in accordance with the Dominion Lands Act by auction sale. The returned soldiers are very much interested in these school lands. Of course, they have a chance to buy at these auction sales. We do not feel that we should interfere with our administration of that trust, except with the consent of the provinces, and therefore we devised this means of arriving at the valuation by joint boards, each board to be composed of one representative of the Dominion and one representative of the province concerned. If these two report in favour of a certain valuation, the Soldier Settlement Board will have the option of taking the land at that valuation for returned soldier purposes.

Section agreed to.

On section 15—free soldier grants:

Mr. COOPER: I understand it will not be possible under this clause for a soldier who already owns a homestead to take up land under this scheme. Is that so?

Mr. MEIGHEN: Oh, no. Owning a homestead does not prevent it at all, but if the soldier owns a homestead he can also get a soldier grant; that would make 320 acres of free land in all. On the other hand, if the soldier has the soldier grant he is still entitled to a homestead. We say that in the case of a man who is entitled to a soldier entry and exercises his right, we cannot also undertake to assist him by way of purchasing land. We decided that the better distribution would be to deal with him as a soldier entrant, and we advance him the money accordingly, but we do not deal with him in the capacity of a buyer of private land from the board. Of course, the board has power in a special case to allow him to buy a small amount of land.

Section agreed to.

On section 16—conditions of sale and conveyance of lands by board to settlers:

Mr. CAHILL: Would the minister explain paragraph (b)? Does that mean there has to be an exact price for the land?

Mr. MEIGHEN: This is taken word for word, I think, from the Order in Council of February 11, and the reason for it is this: If we buy a quarter-section we know what we are paying for it, and we can easily decide what to sell it at, but suppose we purchase five hundred acres in a block owned by one man; three or four soldiers want that land. Then paragraph (b) applies, its purpose being to direct the board to sell each and every parcel of the five hundred acres, or five thousand, as the case may be, at its proportionate price of the whole purchase price, not based on acreage, but based on value. That is the way it is expressed, and I think correctly expressed. I understand that it is not the intention of the board to buy any parcels of land of that kind unless it has already been selected by the soldier.

Mr. CAHILL: That is quite right.

Mr. McKENZIE: Suppose that alongside a piece of land owned by the Government there are some thousands of acres owned by a land company, and a soldier selects 100 acres or 200 acres of that company land and tells the board that he can buy it at such a price. Suppose this price is very much higher than the average price at which the Government could buy all that company land. Would it not be better for the Government to try and acquire all that land at a lower price than to permit it to be taken over in small parcels?

Mr. MEIGHEN: Yes, and that is just the purpose of this section. As a matter of practice we do not purchase blocks of this kind unless we have the soldiers in sight ready to purchase the land from us. In a word, we are not taking chances; we are limiting the chances altogether, I think.

Mr. McKENZIE: The Government should take steps to see that a higher price is not paid by taking land over in small parcels.

Mr. MEIGHEN: Oh, yes. Very frequently we save considerable money by purchasing it in block. Ten per cent is the minimum required. The maximum allowed against the land is $4,500. That is subject to very special exceptions in the case of married men of more than ordinary qualifications, who have had successful farming experience in Canada.

Mr. CAHILL: The Board is to exercise its discretion in collecting the annual payments. There are to be twenty-five annual payments, or there may be fewer in the event of default. What is the provision in this respect?

Mr. MEIGHEN: The Board has full discretion as to what it shall do in event of default. As it deems fit, it can either overlook default or cancel upon default. Everything will depend on the circumstances of the case. As a rule, of course, default will be discouraged because we do not want soldiers to get the idea that the obligation is not to be discharged.

Mr. CAHILL: Would it not be better not to demand payment on principal for the first year or two while the settler, particularly in wild land, is breaking up and improving his land?

Mr. MEIGHEN: Every effort will of course be made to overcome difficulties. But where the land is such that payment cannot be made the Board will have power to grant an extension of time. In the generality of cases, however, we expect them to commence payments at once, the only exception being in regard to the loan for stock and implements, in which case we wait two years.

Mr. COPP: They do not pay interest the first two years?

Mr. MEIGHEN: Not on stock and implements. They do on the land.

Mr. PEDLOW: I would ask the permission of the Committee to return to section 14, in connection with which I should like to ask the minister a question on two points.

Mr. MEIGHEN: Very well.

Mr. PEDLOW: I notice a clause in reference to placing settlers with farmers for instruction in farming, and another providing for the payment of subsistence allowances to settlers, for themselves and their dependents, while such settlers are in receipt of instructional training. The minister dealt with this matter in a general way this morning. Has the Board received specific instructions as to the disbursements that will be made in these cases, and the considerations that will be allowed the farmers? What allowances will be made for the subsistence of settlers and their families?

Mr. MEIGHEN: Provision was made in this respect early in April. The amount allowed when a man is taking instruction in the three months' course provided in all colleges is $10 per month if he is without dependents. If he has a wife it is $35, and for each child $6, with a maximum of $25 for children. If he is a widower with a child or children, $10 for each child.

Mr. PEDLOW: That is in addition to the free instruction and board?

Mr. MEIGHEN: Yes. If he is a married man employed with a farmer he gets $20 and $6 for each child, with a maximum of $25.

Mr. REDMAN: Has the minister considered the advisability of charging a rate of interest to settlers, other than members of the Canadian Expeditionary Force, or those who served in the Imperial and Allied Armies, who were ordinarily resident in Canada, which would be commensurate with the expenditures involved? I think it is evident that, in order to meet the demands of Canadian soldiers, between two and three hundred million dollars would be required.

and while we will not be disposed to be critical if we lose money on account of our own soldiers, I think we should take such steps as are necessary to insure that, in the case of settlers out of the Imperial Army or the armies of our Allies, that we shall have a fair chance of getting back the money advanced. We should also take some further precaution, by way of demanding a greater deposit on the purchase price, such an increased deposit as shall be equal to the lack of experience which will be found among this class of settler. The soldiers of this country will always feel that they are, to a degree, responsible for the money which is advanced to them, and I do not think it would be fair to our Canadian soldiers to include in this scheme a sort of immigration policy for European people in the carrying out of which, considerable money might be lost.

Mr. MAHARG: Did I understand the minister to say that the payment on land will commence the first year?

Mr. MEIGHEN: Yes.

Mr. MAHARG: Is not that a mistake? It will be rather hard for men, especially when they take up new land, to make payments the first year. In fact, it will be almost impossible.

Mr. MEIGHEN: The money is payable the first year and the amount is small because it is spread over twenty-five years more or less. No doubt there will be cases in which men starting on new prairie land will not be able, although making a living from the first, to make payments the first year or two. Ample power is provided in these cases to carry men on. But we do not want to encourage that and we should not make it a general rule that nothing should be repayable the first year or two, because many men are buying cultivated land and there is no reason why they should not pay the first year. We therefore make the agreement the same in each case and leave its application to the particular circumstances of the individual applicant who seeks an extension.

Mr. MAHARG: It would be wise, I think, to differentiate between men purchasing improved lands and those who are buying lands in the raw state. I know from personal experience that nothing takes the "ginger" out of a fellow—if I may put it that way—so much as being pressed for initial payments overdue, and an exception might easily be made in the case of a man on soldier grant land. It would not be a difficult matter to give him an additional year the same as in regard to his stock.

Mr. MEIGHEN: I have no doubt that in the practical working out of the scheme most of the men on soldier grant land will have to be carried for the first year, and we have ample powers to do so. These loans on soldier grant land were made before I took charge of the department. The Bill was passed previous to that, and the law laid down. That being the case I did not feel free to alter it in that regard, particularly as the board had full power to extend the time. I therefore decided to leave that as it is to the operation of the board. In answer to the hon. member for Calgary, we have considered the matter of taking extra precautions with regard to overseas men. Parliament established the principle of equality in the Act of 1917, and I felt that if we were going to admit British soldiers to the benefits of the Act we should not impose extra burdens upon them. It may be that we should exercise greater precaution in their selection and take necessary precautions against loss, and for that reason this Bill is drawn to enable us to demand a higher rate down, up to 25 per cent. I purpose to insist upon that in the case of members of the British Army.

I do not think there should be any complaint because that will have the result of sifting out the more doubtful cases. If 25 per cent is paid down and other precautions are exercised it will be a practical assurance against any loss further than what loss there may be in the higher rate on money that is prevalent over and above what it will be later on; but as time goes on there is every reason to believe that that difference will be eliminated. It cannot be possible that on Dominion debentures the interest will be much longer 5 per cent.

Mr. CAHILL: Does the minister feel that with this clause in the Act stating the exact terms of the agreement, the board will have power to make an agreement containing the condition that there shall be no cash payment for the first or second year on account of principal; so that people will not be put in default where, in the opinion of the board, they cannot possibly meet the payment?

Mr. MEIGHEN: We have not that power and personally I would not have that power. The soldier knows what he is confronting.

I think it is better to have him know that he must commence paying back at once. If it is not his fault, and he is doing his duty, his time will be extended, but he must understand that he must do his duty and take care of his obligations. I want them all to understand that and n t merely some of them. I know there will be a class to be treated differently from the rest because their land is not immediately productive in the sense that lands of others are but the agreements will all have to be the same.

Mr. STACEY: The committee will be pleased to know that in the Vancouver office we had cases of men who had mapped out their course for the next few years and who were able to show to the satisfaction of the board exactly how, where, and from what sources they expected to raise the revenue that would be required to meet their obligations. They had gone to the trouble of preparing a statement to convince the board that they could meet their obligations even from the first year. The men are not regardless of the fact that they must pay their obligations even from the very first and those who are entering upon highly improved land fully expect to begin paying at the end of the first year.

Mr. MAHARG: You are asking these men to sign something that it is physically impossible to carry out. Men on new land cannot make their payment the first year. The men are being asked to undertake to do something that the board knows it is physically impossible to do.

On section 17—(1) calculation of price by board; (2) improvements to be considered:

Mr. PEDLOW: In regard to subsection 2 of clause 17, is it the intention of the board to make improvements to land they are holding?

Mr. MEIGHEN: Yes, the board has full power to do it but we do not do so as a matter of practice. We have never launched upon that yet. I doubt if we ever will because it involves the buying of land before we have a purchaser for it and we want to avoid that. We might have to do so if we were buying a block of land; we might get it much more cheaply by taking it all. Subsection 2 of section 17 contemplates that possibility and provides accordingly.

Mr. CAHILL: What is the nature of the improvements that you contemplate making?

[Mr. Meighen.]

Mr. MEIGHEN: If we bought a block of land there might be some portion of it that we would have to clear to enable a man to commence farming at once.

Sir HERBERT AMES: While in Australia I found something of that kind in connection with the Victoria Government's scheme for providing land for settlement. They would take over a block of land and improve it by constructing roads, drainage, fences and even houses before they would even undertake to sell it. I would like to ask the minister if there is any intention on the part of the Government to take areas and make them fit for settlement before they are opened up?

Mr. MEIGHEN: No, that is not the policy we adopt. If that is done in Australia it is done under the Governments of the States and not under the Federal Government and the same principle should apply here. The Canadian Pacific Railway Company has recently done that as a private enterprise and in the case of soldiers settlement the Canadian Pacific has made arrangements with us whereby it discounts its list price to the extent of 20 per cent on land sold to any settler approved under this Act. That is an immense advantage in dealing with all Canadian Pacific lands. That is an arrangement which has been recently made.

On section 18—sales of stock and equipment:

Mr. MEIGHEN: I would like this to stand at the request of the War Veterans' Association. They have asked for a rearrangement of subsection 2 to enable the board to loan more than the maximum on the chattels, taking it from the other loan and getting double the sum on chattels so that the board may give up to $4,000 on a stock loan, their idea being to allow the cattle industry to be engaged in by many soldiers who desire to do so. I wish to give further consideration to that before the clause passes.

Section allowed to stand.

On section 2—resale upon default:

Mr. CAHILL: In the event of a soldier abandoning his land, what will the process be?

Mr. MEIGHEN: The board would then cancel the sale and the land would revest in the board free from all claim whatsoever on the part of the soldier. Then the board would have the power to settle another sol-

dier upon that land taking over the obligations that the man left, but if the board places anybody except a soldier on the land it can only do so with the approval of the minister and the Governor in Council.

Mr. CAHILL: Will the board have to get the full price of the land from another soldier?

Mr. MEIGHEN: They could only sell to some one other than a soldier with the approval of the minister, and they can only sell for anything less than what they have against the land after a full recital of the circumstances by the board and the approval of the Governor in Council. They cannot lose anything on the land except by the approval of the Governor in Council.

Mr. CAHILL: What action do you contemplate against the soldier who has abandoned that land?

Mr. MEIGHEN: He is liable for it, but a judgment against one who abandons land under these circumstances, will, I am afraid, not be of much value.

Mr. CAHILL: You may keep the liability?

Mr. MEIGHEN: We may keep the liability on the books.

Mr. McKENZIE: I am not very familiar with some of the decisions in the courts in the West that have been going further in recognizing equities than we have been in the Eastern provinces. That is where a man enters upon land and pays a certain amount of money for it, and fails, I have read some western decisions in which it is still held that the man was entitled to anything that he has forfeited. That is to say where the land was worth $2,000 and he had paid $1,500, and was unable to pay the balance and had to abandon the land, I notice that the courts, not dealing with the Crown, but in cases involving private individuals, have given some recognition to the rights of the settler, although he was not able to carry out the agreement to the full extent. I do not know whether the Minister is familiar with these cases or not; possibly the circumstances are different when the man is dealing with the Crown. In this Bill, I observe, the absolute right is taken away.

Mr. MEIGHEN: The decisions to which my hon. friend refers are of comparatively recent years and do go a long way in the nature of recognizing the equity of redemption and even the payment the man has made, upon cancellation. They have no relevance now because sub-section 3 wipes them off and declares finally in statutory form that there is no equity in redemption, and there is no right of claim upon the moneys paid. That being done, of course, the courts are quite powerless to enter and pronounce against the authority of Parliament.

Mr. McKENZIE: I quite understand that, but my position is as to whether the minister recognizes the fairness of the principles laid down by these decisions.

Mr. MEIGHEN: The King can do no wrong.

Mr. PEDLOW: Suppose a returned soldier took up a section of land under this Bill and carried it for, say, five, or eight, or ten years, and then died. Would his widow have an equity in the property?

Mr. MEIGHEN: Certainly.

Mr. PEDLOW: Is it provided for in the Bill?

Mr. MEIGHEN: That is all provided for. His estate has the same right in respect to that land as the man himself possessed. All it has to do is to comply with the requirements, and it will be given the same right and protection.

Section agreed to.

On section 25—advances for the discharge of encumbrances.

Mr. COOPER: Under this Bill, a man that owns his farm, but has an encumbrance against it of more than $2,500, cannot take advantage of this legislation. Would it not be possible for the minister to reconsider that provision?

Mr. MEIGHEN: The War Veterans Association have pressed upon me a reconsideration of this clause in the direction suggested by my hon. friend. It will be recalled that I stated that as regards the man who owned his land and merely wanted an advance for the purpose of wiping off encumbrances, we did not feel we ought to do the same as in the case of a man who was purchasing the land to become a settler, because in the latter instance we are adding a new settler, whereas in the former, we are merely exercising the functions of a loan company—we are not doing anything for settlement at all. We do not want to get into that field any more than we can avoid, so we adopted the maximum of $2,500 which was fixed by the 1917 Act s

related to the man who owns his land. We say: "We will lend you up to that amount and we will lend you for improvements and for stock, but we will not lend you on your land alone beyond the $2,500 fixed by the 1917 Act merely for the purpose of clearing off encumbrances—that is loan company work." So the man who owns his land can get advances up to $5,500, but only to the extent of $2,500 on the land as then valued. I think that is a fair division to make; in my opinion we ought not to go any further.

At six o'clock the Committee took recess.

After Recess.

The Committee resumed at eight o'clock.

Mr. MAHARG: Mr. Chairman, we were discussing the point as to whether a larger amount than $2,500 should be advanced to pay off a previous loan. I think it is very desirable that this amount should be increased. While the minister states that the primary intention of the Act is to create new settlers, yet I think it is just as essential to retain the old settlers—in fact, possibly it is just a little more essential. Had we been able to retain all the settlers that went on the land in the past, we would be in a much different position to-day. A number of these men went overseas with loans against their land, and, during their absence at the front their farms have been more or less neglected in a great many cases. The loan companies are pressing for repayment, and the men are unable to meet the companies' demands. The conditions of these repayments are rather burdensome, the interest almost invariably being 8 per cent, and in some cases even 9 per cent, I am given to understand. I do not think the minister could do better for those men than to increase this advance sufficiently to wipe off encumbrances. It might be increased up to $3,500, or just as high as the loan to be advanced to the soldier who is purchasing his land.

Mr. MEIGHEN: The argument, or course, is very strong on behalf of those men who have been compelled to let their interest get into arrear because of their being overseas; but the dangers are very great, because it would mean that we are using for loan company work money that might be used to get settlers. I would be prepared to let the clause stand so that I might give a little more consideration to the possibility of extending it somewhat. I do not think it would be at all the part of wisdom, though, to put those men on the same level with the men who are actually being placed on the land by the board.

Mr. MAHARG: In all sincerity I think that these men are entitled to even greater consideration. Those are the men who made the sacrifice in the first place. They left their farms at the mercy of other people in hundreds of cases, and, to my mind, they should get first consideration.

Section stands.

On section 27—Forfeiture by settler of title to land when he is in default.

Mr. MEIGHEN: I wish to have that clause amended, to better express its purpose. Amended it will read as follows:

Notwithstanding anything in the Dominion Lands Act or in any other Act, in the event of a settler who is holding any Dominion land on which a charge has been imposed, constituted or created by or under this or the former Act (hereinafter referred to as "charged land") being in default with respect to the terms or conditions of any agreement of sale, mortgage or other document executed or made with or to the board, the minister, upon request made by the board, may declare the right, title and interest of the settler to or in such charged land to be forfeited, whereupon (and also in the event of the right, title or interest of the settler to or in such charged land becoming forfeited for default in performance of settlement conditions or for any other reason apart from the provisions of this section) the minister may declare the said right, title or interest of such settler, and also the right, title or interest of His Majesy to or in such charged land, to be vested in the Board, and it may thereafter, subject to the provisions of section twenty-one of this Act, in order to recoup itself for the amount owing by such settler and charged upon such land, sell, lease, exchange or otherwise dispose of such land to a settler, or, with the approval of the minister, to any other person; but if any surplus is realized beyond the amount required to recoup the board as aforesaid such surplus shall be paid by the board to the Department of the Interior for the Consolidated Revenue Fund.

Amendment agreed to.

Section as amended agreed to.

On section 28—No sale to any settler who obtained soldier grant, advance on his own land, or owns an average farm.

Mr. MEIGHEN: I desire to have this clause amended by inserting after the word "not" in the second line the following words: "Unless the minister upon the recommendation of the Board, shall approve."

Amendment agreed to.

Section as amended agreed to.

On section 30—All agreements between Board and settler under twenty-one years are valid.

Mr. McKENZIE: Is not that a serious departure from common law principles?

Mr. MEIGHEN: Yes, and throughout the Bill there are very many important departures from common law principles; there have to be. This is a task we have assumed for the benefit of the whole Dominion, consequently we must assert for ourselves rights that, ordinarily, are provincial rights, but which we are in a position to assert because the lands become our own. In this regard it is, of course, necessary to obtain a real obligation on the part of the men with whom we are going to deal, and we cannot refuse to deal with a returned soldier because he happens to be under twenty-one years of age; consequently we have to make him liable.

Section agreed to.

On section 33—Unless Board consents, land, stock, etc., held and unpaid in full by settler to be exempt from operation of ordinary laws.

Mr. McKENZIE: What is the meaning of that? Unless the Government has a bill of sale of the stock in the possession of the man who takes advantage of this Act, and that bill of sale is registered, it is hardly fair that his property should not be subject to his debts, the same as any one else's property. I gather that the Government holds a lien on such property which has priority over any other?

Mr. MEIGHEN: That is a fact. But it is not proposed to put the general public in a position to impose upon that man obligations which may result in his being sold out and in the whole purpose of the Act, which is to make that man a settler, defeated. By this Act we give notice to the public that these special precautions are thrown round that settler; the public must deal with him accordingly. The section says:

> Notwithstanding any law, whether statute or otherwise, in force in any province,—
>
> (a) which authorizes or requires the registration, recording or filing of deeds, mortgages, certificates of judgments, attachments, bills of sale or other documents which effect title to, or evidence the existence of liens or charges upon, property, real, personal or other; or,
>
> (b) which authorizes the levy upon, or sale under attachment, execution or other process, or the expropriation or seizure of, property, real, personal or other;
>
> unless the board shall otherwise consent in writing the lands of, or sold by the board to, a settler, and the live stock and equipment of, or sold by the board to, a settler and the increase of any such live stock, and the board's and the settler's respective interests in such lands, live stock and equipment, shall, for so long as any part of the sale price, or the amount of any advance made with respect to any such property, or any interest, or any amount charged upon such property or any thereof in favour of the board, remains unpaid to the board, be exempt from and not within the operation of such laws.

That is to say, no man can sell the property of that settler, which we provided him with, under execution.

Mr. McKENZIE: When a private individual lends money and takes as security therefor a bill of sale on the goods and chattels of the person to whom he makes the loan, that bill of sale is registered; the same should be true in the case of loans made by the Government. The merchants of Saskatchewan and Manitoba will not read this Act, and when they see one of these settlers with a fine farm and good stock and equipment they may be willing to extend to him a credit of two or three hundred dollars; but when they come to look for their money they find that they cannot touch his property. When the Government undertake to lend money on security they should comply with the provincial law in that respect.

Mr. MEIGHEN: We cannot adopt that policy, because in some of the provinces there is no provision for registration. These animals that we are providing the settler with are our own, and they still remain our own after they are sold to the settler. There is no provision for registration in Manitoba. If A sells to B in Manitoba certain goods and takes what is known there as a lien note for them, he does not have to register that lien note. Any one dealing with B as to these goods must look up the chain of title; that obligation is on him. In our case we are adopting the policy of identifying our animals so that any one can see that they are the property of the board; and that will be a warning to all concerned. It is manifest that we should not start this man out and then permit others who may be shrewder than he is to defeat the whole purpose of the Bill by selling him enough goods, or in some way getting his obligation, taking execution. The Government must see this man through from beginning to end.

Mr. McKENZIE: If in Manitoba there is no registration of bills of sale, that is another matter.

Mr. MEIGHEN: There is registration of bills of sale, but we do not take any bill of sale; the animals are ours.

Mr. McKENZIE: But the title is vested in the farmer?

Mr. MEIGHEN: No, in the board.

Mr. McKENZIE: Well, the possession is in the farmer?

Mr. MEIGHEN: Yes.

Mr. McKENZIE: In our province the presumption of ownership goes with possession; but before you go too far with the presumption you look up the registry of deeds, and if there is nothing on file there in regard to the property concerned, you have a right to suppose that it is the property of the person who holds it in possession. In Nova Scotia you cannot be safe in following any other course unless there is some agreement to the contrary. There is a pernicious system with respect to the sale of pianos, organs and that sort of thing which is creating havoc in our province because of the fact that the paper which is taken by way of security is not put on file; but apart from that, everything has to be dealt with under the Bill of Sale Act.

Mr. PETER McGIBBON: It may be a good thing for the Government to put a man on 100 or 150 acres of land, well stocked and equipped, and to protect him so that he can defy the public, but it seems to me that it does not tend to improve the moral standing of the man who goes on the land.

Mr. MEIGHEN: We are simply protecting the goods we sell; any other goods are liable. If we did not protect our own goods the case would be hopeless, for we are carrying this scheme out in every part of Canada.

Mr. PETER McGIBBON: The protection is confined exclusively to the goods furnished by the Government?

Mr. MEIGHEN: It is confined to our goods.

Mr. MORPHY: What security does the minister take in respect to the ownership exercised by the Government?

Mr. MEIGHEN: As I said a moment ago, we do not take any security.

We purchase the goods and sell them to these men, and we have a system of stamping them in such a way that any one on investigation can see they are ours. What we hold out to the whole country is this warning that every man in the district will know who is a soldier settler. It will not be very long until they get to know that as regards that soldier settler a special law exists, and they must take care in dealing with him not to rely for security on goods to that soldier by the Government. I do not think there will be any difficulty; there has not been so far, and this has been in effect since the 11th of February, and has worked very well.

Mr. MORPHY: Is there any section in the Bill dealing with stamping?

Mr. MEIGHEN: No, but that is the practice.

Mr. PEDLOW: I believe this will create a dangerous situation for the mercantile and professional interests. Any person wishing to do business with a soldier settler would take it for granted that his security was gilt-edged, because there would be nothing on record in the registry office to show to the contrary, and I do not know by what means they would trace up the settler's standing. I fail to see any reason why the Government should not register the documents which affect the title to the property. Why should it not be placed on record in the registry office in the various provinces? I think that would be in the interest of the settler as well, because if there is any doubt in the mind of the general public as to his general stability or title to the property it would affect the settler prejudicially. I certainly think it would be in the interest both of the settler and of the mercantile and professional interests to have some system of registration whereby the exact title could be ascertained by those desiring to know.

Mr. MEIGHEN: I think that the hon. member ought to take special pains to see that no merchant is under any apprehension in that regard, because the board is absolutely determined that it is not going to undertake these obligations as trustee for the public, and expose the settler to exhibiting the Government's goods as the basis of the credit to him. The board has received ample warning in this regard. There is evidence abundant that myriads of people were simply hanging by the wayside waiting for this scheme to come into operation, expecting that they would be the real beneficiaries thereby. Why, we have cases, and more than one, of agents who have sold a cream separator to a sol-

dier with one cow, and these things will continue unless we take some special precautions. What is the difficulty about a merchant knowing? It is not hard for him to find out, if he is dealing with a soldier settler, that he cannot rely for his security on the goods the Government provides. If the man is reliable he can give him credit if he wishes, but he had better not rely for his security on the goods that we supply to that man. There is no difficulty about them knowing the law in that regard, and if they do not know it, they had better inquire and find out. In my judgment, the whole plan would be doomed to inevitable failure on any other basis whatsoever.

Mr PEDLOW: I fail to realize that by showing the man's standing you would be creating a basis for credit. I think it would have just the reverse effect; it would protect the general public. It would also be protecting the Government's interest. I do not see why the Government should make laws to govern private individuals, and not live up to those laws themselves, as in this case. I think the Government should live up to the law just the same as any individual in the country.

Mr. MEIGHEN: We intend to live up to it.

Mr. PEDLOW: But you are making one law for yourselves and another for individuals.

Mr. McKENZIE: Will the farm and all that is on it be subject to municipal assessment?

Mr MEIGHEN: Yes, the settler's interest in all these things will be subject to assessment.

Mr. McKENZIE: I mean the land as well as the personal property. The title remains in the Government, and under the common law the property, being the King's property, would not be subject to assessment. Is there any arrangement by which that property shall be subject to assessment although it is the property of the Crown?

Mr. MEIGHEN: We are not creating any new law in that regard. Crown property of course, is not subject to taxation. It has been held, however, that in the case of a homestead, for example, although that is Crown property, the homesteader's right is assessable and taxable, and we think that ordinary law applicable here will be quite sufficient.

Section agreed to.

On section 34—while any sum on advances unpaid all properties of settlers to remain as security and his interests therein cannot be alienated.

Mr. BUREAU: Is the patent issued, in case of Government lands, before the whole indebtedness of the settler is paid off?

Mr. MEIGHEN: The patent does not issue until the obligation is paid; that is in the case of Government lands, what we call Dominion lands. But in the case of lands acquired by the board for sale, the patent, of course, is already issued, and the title following that patent rests with the board until the board is paid.

Mr. BUREAU: Including the amount due on chattels?

Mr. MEIGHEN: Yes, because as will appear by a subsequent section, all the obligations of the settler, no matter from what source arising, are made a charge upon the land, so that the Government holds the land for all.

Mr. FULTON: It is possible for a soldier settler, I suppose, who may have some money of his own to purchase horses or cattle which would belong to him and on which the Government would have no charge. How is the public to know in dealing with that settler which animals belong to the Government?

Mr. MEIGHEN: They can find out, of course, upon inquiry from the board if they do not rely upon the settler. In addition, we adopt the practice of stamping the goods sold.

Mr. FULTON: The animals, too?

Mr. MEIGHEN: Yes, by branding.

Mr. MORPHY: I think the word "charged" in line 37, of page 16, should be "charge."

Mr. MEIGHEN: What the draftsman intended was "against his interest in any property subject to lien," or "against his interest in any property charged." I think it should be the way it is.

Mr. MORPHY: Then the comma should be after the word "lien" instead of where it is?

Mr. MEIGHEN: I think not.

Section agreed to.

On section 39—Owner to file return with district superintendent within 30 days as per from C:

Mr. MEIGHEN: I move to amend section 39 so that it shall read:

Within thirty days after the last gazetting of the establishment of a settlement area each owner of a block the whole or any part whereof is situate within the settlement area, shall file with the District Superintendent of the Board having jurisdiction over the district within which such settlement area is situate, a return in Form C in the Schedule to this Act naming the prices at which he is willing to sell the block and each parcel thereof to the board. He shall give such other information with respect to such block as the board may from time to time prescribe or require.

Amendment agreed to.

Section as amended agreed to.

On section 40—Statement of all liens, etc., on land to be furnished to board by person interested:

Mr. MORPHY: This section says that every person who has any estate or interest in any land to be compulsorily purchased, "or who represents or is the husband of any such person," and so on. Why should it be limited to the husband?

Mr. MEIGHEN: This clause is taken verbatim from the Expropriation Act, and I thought it better to keep the exact words of that Act. The only reason why this anl many other clauses from that Act are incorporated in this is that the Soldiers' Settlement Act may be complete in itself in order that it may be used as a single document. Otherwise we would simply say "the provisions of the Expropriation Act shall apply."

Mr. MORPHY: Is it necessary that it shall be restricted to the husband?

Mr. MEIGHEN: It puts an obligation upon the husband of the owner. It does not say "the wife of the owner" because the owner in that case being a male can do it himself. This requirement arises from the practice of the husband looking after the wife's business. The section was taken entirely from the Expropriation Act.

Section agreed to.

On section 41—The board may purchase land compulsorily:

Mr. McKENZIE: What is the process for ascertaining the amount that should be paid in the case of the compulsory taking of land?

Mr. MEIGHEN: By the provisions of this Act the first step is the expropriation. The board decides that certain land must be taken and a mere notification gazetted takes the land. Then they proceed under the ordinary provisions of the Expropriation Act to determine what shall be paid for the land.

Mr. McKENZIE: Section 41 does not mention the Expropriation Act.

Mr. MEIGHEN: No, we do not mention the Expropriation Act anywhere, we simply transfer the sections in that Act on this subject into this Bill. The Exchequer Court decides values under the Expropriation Act. That court can constitute judges in the several courts of the provinces as Exchequer Court Judges for the purposes of the Act, and the valuations are fixed by the judges so constituted.

Sir HERBERT AMES: Will the board under this Act acquire Canadian Pacific Railway lands?

Mr. MEIGHEN: Yes. They are just the same as any other. I stated this afternoon that the Canadian Pacific had made an arrangement whereby they will sell land to the board for the purposes of this Act at 20 per cent off their list prices. Their established prices are well known to the country and 20 per cent makes a very large difference.

Mr. LANG: When the board has acquired the Canadian Pacific lands will those lands then become liable to taxation?

Mr. MEIGHEN: They would not if the board held them because the board represents His Majesty, and at common law His Majesty cannot be taxed. But the board does not acquire them until it sells them. The board acquires the land on the application of a settler, and immediately the land is sold and becomes liable to taxation.

Sir HERERT AMES: Does the board find the land or the settler first?

Mr. MEIGHEN: The board finds the settler first. As soon as the prospective settler selects the land, the board sends out one of its inspectors and if the price is found to be right the board buys the land and the sale to the settler is carried on simultaneously.

Mr. HAY: In case land now liable for taxation is taken over by the board and is

not sold, that land will be no longer liable for taxation and hardship will be inflicted on the municipality.

Mr. MEIGHEN: It would be if the board kept the land, but the board does not do that. The board will turn it over to the settler.

Mr. HAY: This land cannot be sold at a tax sale as can other land in the western provinces?

Mr. MEIGHEN: No, the interest of the board could not be taken under tax sale. But we realize the necessity of not undermining the municipality. That is going to be the policy of the board and it will be to their interest to see that the settler's taxes are paid.

Mr. HAY: Does this mean that only the interest that the settler has in the land is taxable, or the whole property?

Mr. MEIGHEN: The individual himself is liable for the entire taxes that he is assessed for by the municipality. The land is merely the security. The security which the municipality will have in respect to the settler will just be the settler's interest in the land, the same as its security now is limited to the homesteader's interest in his land. All homestead land that a man enters for is taxed but the municipality cannot sell it. The municipality, however, can say: You do not get the title to that land until you pay your taxes. It is a similar law which we apply here. They cannot sell the land which is owned by the board but they can tax the settler's interest and retain it, and the settler cannot get his title until his taxes are paid.

Section agreed to.

On section 42—when board may establish or declare a block of land a settlement area:

On motion of Mr. Meighen the word "forty" in line ten was stricken out and the word "forty-one" substituted therefor.

Section as amended agreed to.

On section 46—payment of compensation costs:

Mr. MEIGHEN: That is just as in the Expropriation Act. Any claims against land the Board takes becomes a claim against the moneys that the board has taken.

Section agreed to.

On section 48—resistance to peaceful possession:

Mr. McKENZIE: This is a very important procedure. I have not had time to read the Bill through, so I ask: What is the procedure to dispossess a man? I think it would create a great deal of hardship to turn a man and his family out on the road if they had no place to go.

Mr. MEIGHEN: If resistance is offered, of course the hardship would apply because the order of the Exchequer court for possession would empower the sheriff to deliver possession to the board. Naturally hardship could be imposed upon a man in that way, but if he has been paid for his land it would be no great hardship to give it up. Subclauses 1 and 2 are taken verbatim from the Expropriation Act.

Mr. McKENZIE: That is not what I mean. I understand it is proposed that the moment a plan is filed and notice given that title to the land vests in the board, the proceedings described in this section may take place. Yet, the owner may not accept the money, he may want to go to the Exchequer court, and it takes two or three years before the matter is finally settled. In the meantime, there may be an application for a warrant to put the board in possession of the land. That is where the hardship comes in. If a man takes the money for the land he ought to give up the title, but he may be entitled to say that the amount offered is not enough, that the case is in the Exchequer court and that he will not give up possession until it is finally disposed of. Is there any provision for notice to the party in possession of the application being made before the Exchequer court?

Mr. MEIGHEN: The party, under this Act, always has full notice before the expropriation proceedings are taken and when the attempt is made to purchase the land. They try to come to a friendly arrangement as to the price. If that proves impossible notice of expropriation is given and the filing of the plan follows. I have no doubt it will be possible for the board to act harshly in obtaining the title, but the board is not going to do so. At the same time, the board cannot be delayed, out of mere obstinacy, in obtaining possession of the land for the settler. This is not a new law at all; it has been the law for many years and this is the way that possession has been taken in hundreds of thousands of cases of appropriation under such circumstances.

Mr. McKENZIE: I think it is the common practice to give notice. There is nothing better established in British law than that you cannot make an order against a man in the court without giving him notice. The Supreme Court of Canada have held over and over again that a man cannot be bound by any proceedings which take place in court of which he has had no notice. The court may grant an order but the man should have notice before the order is granted.

Mr. MEIGHEN: This very section provides for notice.

Mr. McKENZIE: I told my hon. friend that I had not had time to read it and I was asking him what the effect would be.

Mr. MEIGHEN: That notice is provided for.

Mr. PEDLOW: What good purpose does the minister hope to serve by taking land from one settler to give to another settler who wants, or fancies, the land that some particular settler has located on when there is so much unsettled land in the country?

Mr. MEIGHEN: I have answered that question several times. There is no intention on the part of the board to do that. In fact, the principle is clearly embodied in this Act that the board is not to take land that is being used, it is to take land which is not being reasonably used. There is some advantage to the country in handing land over to somebody who will use it as against the man who will not use it and who holds it for speculative purposes.

Mr. PEDLOW: I assumed from the discussion that has just taken place between the minister and my hon. friend the leader of the Opposition that you intended to dispossess some man, put him on the roadside and instal some one else in his place.

Section agreed to.

On section 49—inspection and survey of and entry upon lands:

Mr. MORPHY: I draw the minister's attention to the fact that whereas in subsection 2 of section 49 the qualification:

> —duly licensed or empowered to act as a surveyor for any province of Canada—

is required, there seems to be no definition of the qualifications of an engineer. The danger I see is that a non-qualified person may be deputed to make a survey as an engineer, and may make it improperly.

[Mr. Meighen.]

Mr. MEIGHEN: Section 49 is taken from the Expropriation Act, and I do not like to burden the ordinary expropriation machinery if I can help it. I think the original Act would have been better drafted if some qualification had been put after "engineer," but there is one very great advantage in following another Act, even though that Act may not be drafted in the very best way, namely, the advantage of following the procedure, and so forth. I do not suppose we would lose any of that by defining the term "engineer." The board is not going to employ a person who is not an engineer.

Section agreed to.

On section 59—power of board to estimate land apart from buildings and to vary amount as to balance due:

Mr. MEIGHEN: I desire to propose two amendments to this clause. The way it reads now the board is empowered to take any amount not exceeding $1,000 away from the stock loan and add it to improvements. The amendment I propose is to enable the board to take away from the improvements loan and add it to the stock loan. The amendment will therefore empower the board to vary the provisions of section 18 in that regard and:

> (ii) To vary the provisions of section sixteen to nineteen inclusively, of this Act, so that live stock and equipment to a value not exceeding three thousand dollars may be sold to a settler, but so that the total amount of balance of price and advances remaining unpaid by the settler as the result of the exercise by the board of any of its powers under this Act shall not exceed seven thousand five hundred dollars.

The Bill will then provide that $1,000 may be taken off stock and added to the amount available for improvements, or the stock loan may be raised $1,000 and made $3,000, so long as the total does not exceed $7,500. I think that will be clear to the committee. That is to meet the strong representations made by the war veterans that we were not adequately providing for stock farming, especially in the provinces of Alberta and Saskatchewan.

I also desire to amend subsection (1) by adding the following subclause (c):

> In all cases of sales of orchard or fruit lands, to apply the provisions of section 18 of this Act, with such other provisions thereof as may depend upon or have relation to those of said section, as if for the words "live stock or equipment" or "live stock and equipment acquired under authority of this Act" or words to the same effect in said section or in any of said sections appearing, there were substituted

the words "fruit trees, already planted or growing on any land sold by the board to the settler,"—

That is to say, providing for the substitution of fruit trees already planted or growing on any land sold by the board to the settler.

—and, for any purpose of this Act, to estimate the value of the trees and shrubs already planted or growing on any land being sold by the board to the settler apart from the value of such land.

I submit that the better course would be to have this amendment as proposed printed in Hansard, and to let the clause stand, so that the members of the committee may see the clause in the morning as it will appear in its amended form, and we can deal with it when we are in committee again on the Bill. It makes a very substantial amendment to section 59.

Amendments stand.

Section stands.

On section 61—No fee or commission on any sale to board:

Mr. MEIGHEN: This is a very important clause. It provides that:

(1) No person, firm or corporation shall be entitled to charge or to collect as against or from any other person, firm or corporation any fee or commission or advance of price for services rendered in the sale of any land made to the board, whether for the finding or introducing of a buyer or otherwise.

(2) No person, firm or corporation shall pay to any other person, firm or corporation any such fee or commission or advance of price for any such services.

(3) The board may require of any person, firm or corporation from whom it purchases land, or who is in any manner interested therein, the execution of an affidavit in Form E in the Schedule to this Act.

The affidavit contains a declaration that no commission whatever is paid in connection with the transaction. It must not be inferred because this clause is inserted that the business of a commission land agent is wrongful, or criminal, or any less legitimate than any other business. But the fact is that owing to its being the Government that is purchasing and dealing with these lands, the necessity for shutting out even access to fraud is so great that we deem it best to prohibit commissions altogether. In fact, we do not know any other way of doing it. The Government when purchasing land in a locality does not know every individual resident there, and it is very difficult for the Government, as for a private individual, to guard itself against being imposed on in this way. Consequently we provide that no commission shall be charged on any sale of land to the board.

Section agreed to.

On section 64—Repeal of 1917, c. 21, and continuance in office of employees.

Mr. J. H. SINCLAIR: Does the minister continue these employees in office or not?

Mr. MEIGHEN: They are continued in office. When this Act takes effect they are officers operating under this Act instead of under the old Act, that is all.

Mr. J. H. SINCLAIR: How many officers are there?

Mr. MEIGHEN: There are 470 altogether. I think that is a very small number when we consider the vast operations of the Board. Besides those engaged on soldiers' settlement work, there are in the Department of the Interior, 2,956 officers. In the Department of Soldiers' Civil Re-Establishment there is a staff of almost 4,000. So, having in mind the vast extent of the administrative responsibilities, the staff of the Soldier Settlement Board is not at all large.

Mr. COPP: Is it necessary to increase the staff for the purposes of this Act?

Mr. MEIGHEN: The Act of itself will not increase the staff, but the business is increasing all along, and we shall have to increase the staff in the future.

Section agreed to.

Progress reported.

TECHNICAL EDUCATION.

The House again in Committee on Bill No. 131, for the promotion of technical education in Canada—Hon. J. A. Calder—Mr. Boivin in the Chair.

The CHAIRMAN: When this Bill was last under consideration by the Committee we had adopted clause 1, short title, and were discussing clause 2, definition.

Mr. McKENZIE: It seems to me, upon a reading of paragraph (c) of section 2, that all the words after the word "province" are superfluous; the rest seems to be explanatory.

Mr. CALDER: The point is very well taken; the additional words are really of an

explanatory character, and the section would be complete without them. However, I think no harm will be done by leaving the words there, as they give an indication of the character and purpose of the work to be carried on.

Mr. BUREAU: I suppose it is the intention of the Government to pass paragraph (c) of this section, notwithstanding the protests that were made the other day and the reasons that were adduced to show that this was an encroachment upon provincial rights?

Section 2 agreed to.

On section 3—not to apply to any province which has not approved of Act:

Mr. CALDER: The purpose of this section will be served if we strike out the words "approved its provisions and," so that the section will read:

This Act shall not apply to any province until the Government thereof has by order in council signified its desire to take advantage thereof.

Amendment agreed to.

Section as amended agreed to.

On section 4—amounts payable:

Mr. J. H. SINCLAIR: In subsection 2, what "census" is referred to?—the federal census that is taken every ten years? Or would that include also the interim census taken from time to time in the western provinces?

Mr. CALDER: It is the last federal census taken in any province. A quinquennial census is taken in the three Prairie Provinces, of which that part of the country would get the advantage under this Act.

Mr. LEMIEUX: Why is the census taken more frequently in the Western Provinces?

Mr. CALDER: The per capita grants payable to those provinces are based upon population, and as the population was growing very rapidly it was thought that it would not be fair to base the per capita grants upon a census taken every ten years. I understand that a similar provision with regard to the census is in the Highways measure and in the Agricultural Instruction Act.

Mr. BUREAU: May I suggest that the word "decennial" be inserted between the words "last" and "federal" in line 24 of page 2. I understand that the reason given for the quinquennial census is on account of the amount paid to the provinces per capita. Now the western provinces are increasing in population much faster than the eastern provinces, and it would not be right to apportion this money to the western provinces every five years and to the eastern provinces only once in ten years, for this reason: The western provinces are essentially agricultural, while the eastern provinces are essentially industrial, and it is in connection with industry that technical education is mainly required. It was admitted by practically every one who spoke on the Budget, and I think the House will agree, that it is in the eastern provinces that the greatest industrial development is taking place. Therefore, the development of technical education in the East will require more money than in the West. I think it would only be fair, therefore, that this grant should be apportioned on the basis of the last decennial census, which was taken in 1910, until a new census is taken throughout the Dominion.

Mr. CALDER: I admit at once that there is a great deal in the contention of my hon. friend. The older provinces, which are more highly industrialized than the western provinces, are, I think, entitled to an advantage in this respect, and if it is the wish of the Committee that the word "decennial" be inserted, I am quite agreeable to the change being made. On looking up the Agricultural Instruction Act I find that the expression used there is the "last decennial census" and not the "last federal census."

Mr. BUREAU: I would therefore move that the word "decennial" be inserted between the words "last" and "federal" in line 24 of page 2.

Mr. MAHARG: What is the idea of making that change?

Mr. BUREAU: In the West the census is taken every five years. Therefore, the basis of apportionment of the money will be changed every five years for the West, while only every ten years for the East. The change I have suggested will make the basis uniform. If this was a grant to agriculture I would say that we should do just the reverse, but as it is a grant to technical education, which is concerned with industrial education more than anything else. I think the East ought to stand on a par with the West.

Amendment agreed to.

Mr. COPP: I would draw the minister's attention to subsection 2 of this section providing for the apportionment of the money between the several provinces in proportion to population. When this matter was under consideration before, it was pointed out very distinctly that the minister was following along the lines of the Agricultural Instruction Act. That Act provides for a minimum allowance to each province before the grant is apportioned on the per capita basis. I am in receipt of a communication from the Board of Technical Education in New Brunswick pointing out that it is very important that a minimum allowance should be provided for the smaller provinces as a foundation on which to work. Otherwise, the basis of apportionment would be very unfair to the provinces with a small population. On the per capita basis Prince Edward Island, for instance, would receive only $8,000 out of this grant, and New Brunswick only $30,000, which is a very small amount with which to accomplish much in the line of technical education, either by establishing a technical school, or combining technical education with the ordinary school work. In technical schools, such as we hope to see established under this grant, there is always a certain amount of overhead expenses for instructors, preparatory work, and so forth, and I submit that it would be unfair to the provinces with a small population not to provide a minimum allowance before distributing the grant according to population. On behalf, therefore, of my own province,—and I know I shall have the sympathy of every hon. member from the Maritime Provinces who takes an interest in technical education —I would urge the minister to see if he cannot provide for a minimum amount being allotted to each province as was done under the Agricultural Instruction Act. The minimum there, I think, was $20,000. The smaller provinces have been struggling along valiantly in extending their educational facilities, and it is a very heavy burden, particularly in regard to technical education. I trust, therefore, my suggestion will have the favourable consideration of the Government.

Mr. McISAAC: I think it will readily be appreciated by hon. gentlemen that if this grant were apportioned strictly on a per capita basis the provinces with a small population would be handicapped and subjected to injustice. Under the Agricultural Instruction Act there was a flat rate in the first place, and afterwards the balance of the money was apportioned on a per capita basis.

The larger provinces do not suffer to any extent by having this flat rate apportioned in the beginning, because the amount thus paid out is only a small proportion of the entire grant, and with their large populations they are at an advantage in any event. But the smaller provinces with small populations suffer a great disadvantage if the grant is apportioned on a purely per capita basis, for they would receive a very small portion of it by reason of the meagreness of their population. I sincerely trust that the minister will see his way clear to adopt the same method in distributing this grant as was followed in the case of the agricultural grant. My own province, is the smallest in the Dominion, with a small population, but according to area, I am pleased to say, it is the most thickly populated of all the provinces. Besides its smallness it has this further handicap: There are provinces that had small territories but were enabled to enlarge them from the lands that lay around. but in our case, unfortunately, we cannot hope for any addition of that kind, because we are an island. Therefore, I hope the minister will so arrange it that a portion of the grant will in the first place be given equally to all provinces, after which the balance will be distributed according to population. That will be an advantage to the smaller provinces while it cannot prejudice the case of the larger provinces, because those with a population of a million or two or more, will be in an advantageous position in any case.

Mr. McKENZIE: When this clause was up before, I urged upon the minister as strongly as I could to adopt the principle followed in the Agricultural Aid Act and also in the proposed division of the road money. I have before me the resolution in connection with aid to highways and it says:

> Resolved, That it is expedient to provide that for the purpose of constructing and improving highways in Canada, the Governor in Council may authorize the payment out of the Consolidated Revenue Fund of Canada of the sum of twenty million dollars during the period of five years from the first day of April, 1919; which sum shall be allotted and paid as follows: (a) eighty thousand dollars each year to the Government of each province, and (b) the remainder of such sum to the Governments of the respective provinces, in proportion to the populations of the said provinces respectively, as determined by the latest Federal census of each province;

That has been the method adopted in connection with the Agricultural Instruc-

tion Act, and it is the method proposed to be adopted in connection with highways. I tried to impress upon the minister that the same principle should apply in connection with this vote which is very much along the same line. The first is an aid to agriculture, the second an aid to highways, and this is an aid to technical education. If the principle is sound in the first two it should be followed in the third. It is even more important that it should be adopted in this case. However small a province may be, it must have the proper equipment, the proper professor, throughly conversant with the subject, and must pay an adequate salary. In these respects a small province will require exactly the same kind of equipment as the larger provinces. I see no reason why the minister should depart from the precedent established in the other two Acts, when the circumstances are so closely allied, and I do hope he will consider this matter.

Mr. CALDER: Since the Bill was last before the committee two points were raised,—this one, and the question as to whether or not the moneys expended by municipalities should be taken into consideration in the payment of grants. I had intended to refer those two questions to Council, but I have not had an opportunity to do so. Personally I am inclined to the view that the Bill should be amended in the direction suggested. The question of a special amount to be paid to all the provinces will be a matter for consideration; and I would move that subsection 2 of section 4 be allowed to stand. When the Bill is next before the House the matter can be again considered when I hope to be able to make propositions to the House.

Section stands.

On section 6—Terms upon which payments will be made.

Mr. PEDLOW: Section 6 says that the payment of grants shall be made subject to certain terms and conditions. It mentions the first day of July, 1919, and section 5, subsection 2, in regard to the determination of grants payable to provinces annually, mentions the first day of April.

Mr. CALDER: It should be July in both cases. A point was raised in the general discussion the other day in regard to subsection (e) of this section:

> The minister shall be the sole judge of all questions and differences that may arise under this Act or under any agreement made in pursuance of this Act.

[M. McKenzie.]

So far as I am concerned that provision can be struck out. An agreement has to be entered into between the province and the Federal Government, and I have no doubt that the agreement itself will provide for the settlement of any differences of opinion. I therefore move that subsection (e) be struck out.

Motion agreed to.

Mr. BUREAU: Subsection (b) provides that no portion of any grant shall be used in whole or in part in meeting any liability or expenditure incurred prior to the first of July, 1919.

Mr. CALDER: That is, for lands, buildings, furnishings or equipments.

Mr. BUREAU: Why not omit the date? Twenty-five per cent of the annual grant payable to any province will be applied for acquiring land, erecting, extending or improving buildings, etc. Some provinces that may have begun the development of technical education may necessarily have had to go into debt before the first of July, 1919, and perhaps the date might be eliminated. I know that in certain cases heavy liabilities have been incurred by local governments and other bodies for the purpose of promoting technical education.

Mr. CALDER: The Bill is based upon the need for expansion in technical education work From one end of Canada to the other there has been a lack of provision necessary for work of this kind. The Bill assumes that whatever liabilities have been incurred up to date have been provided for, and these grants are to be used for new work. If we depart from that principle and begin to take care of liabilities heretofore created, I am afraid a good deal of the money which we are providing in the way of grants will never be used for new purposes. We are most desirous, on account of the general lack of facilities of this kind in Canada, that any moneys provided by the Federal Government shall be used for entirely new expenditures, and not to defray old liabilities.

Mr. McKENZIE: In regard to subsection (f), I think if there is to be an agreement there may be a conflict between this clause as it stands and the agreement that may be entered into. The clause reads:

> (f) Every province receiving a grant shall furnish the minister with such evidence as he may resuire, to show that the grants paid here-

under are expended for technical education as provided by this Act.

I think it would be sufficient to say that every province receiving a grant shall furnish the minister with such evidence as he may require to show that the grants paid are expended for the purposes agreed upon.

Mr. CALDER: Yes.

Mr. McKENZIE: All the words after "for" can be struck out and the words "the purpose agreed upon" inserted after the word "expended."

Mr. CALDER: The section as amended will read:

As provided for in the agreement with such province. Each province receiving a grant shall furnish such evidence as may be required to show that the grants paid hereunder are used for technical education as provided for in the agreement with such province.

Mr. BUREAU: The agreement under this Act?

Mr. CALDER: It is not one agreement. There may be a slightly different agreement with each province.

Mr. BUREAU: That covers it.

Section as amended agreed to.

On section 7—Appointment of staff:

Mr. BUREAU: Has the minister any idea of the staff that will be required to carry out the provisions of this Act?

Mr. CALDER: I have not gone into that matter myself. This Bill was prepared by the Labour Department and the information required in its framing has been gathered by them. I would think that not more than one, or possibly two men would be sufficient for the purpose because the Labour Department, in carrying out this Act, will be merely an advisory and not an administrative department. I think it will be a distinct advantage to have one or two technical experts who can advise the minister as to the agreements and who can help the various provinces in unifying and harmonising the work. I think that one first-class man would probably be sufficient.

Mr. PEDLOW: I would like to ask the minister if it would be possible for him to reconsider a certain feature of this Bill. If he would do so it would eliminate all the expense that is possible under section 7. If the words in subsection (c) of section 2, " approved by agreement between the minister and the Government of any province as being necessary or desirable " were eliminated, the provinces that have the machinery already in operation would be able to administer the fund covered by this Act without any expense to the country at all. I think that we might depend upon the educational departments of the various provinces to handle the money to the best possible advantage and to the satisfaction of the department an the country. I am in entire accord with the principle of the Bill in providing a fund for technical education. Immediately the armistice was signed the United States Government passed an appropriation of $100,000,000 for this special purpose. They realised the necessity of getting busy at once with the education of their mechanics, artisans and the members of various trades in that country up to the very highest stage possible. We are travelling along the same line. We cannot get busy too soon with this class of work and we cannot give too much aid to it. I would suggest, in order that as much money as possible may be conserved, and as we have confidence in the educational departments of the various provinces, that the administration of this fund be left entirely with the provinces.

Mr. CALDER: The honourable gentleman was apparently not in his place when this question was raised by the honourable member for Three Rivers (Mr. Bureau). If these moneys are to be granted without some measure or supervision by the federal authorities I think I am quite safe in saying that the Government is prepared to drop or withdraw it. The Government has come to the conclusion, after very full and serious consideration, that if grants such as these are to be given to the provinces there must be some supervision and control. We had a very full discussion of the point the last time the Bill was before the House, and the clause has been before the Committee this evening also, when the honourable gentleman (Mr. Pedlow), apparently was not in his place. The clause was carried. I do not think we can raise the question again at this time. I had no knowlege that $100,000,000 had been voted by the Congress of the United States for these purposes. There is a proposition before Congress whereby a sum of between $90,000,000 and $100,000,000, covering a period of years, shall be used, if the proposition is carried, for a campaign of Americanizing the foreign-born in the United States. The only similar law I know of is the Smith-Hughes law, passed

in 1917, under which Congress provides for a grant to the several states, but they have very elaborate machinery in connection with that law for the supervision and control of the expenditures. Notwithstanding the fact that the various state authorities in the different states have full jurisdiction over the technical education, under the Smith-Hughes law by which grants similar to these are made by the federal authorities in the United States, they provide for the measure of control and supervision to which I have referred. I feel quite certain that the technical education board that has been established under the law of the United States will render very valuable service to all the states of the Union that take advantage of the law. I am in hopes that the department of Labour here can secure the services of at least one, and possibly two first-class experts, and that these experts, in travelling throughout Canada and holding conferences with the men who are engaged in this work, will be able to render valuable services in this direction.

Mr. PEDLOW: The press despatch from which I have quoted merely made the statement that that sum had been granted by the United States Government for that purpose; it gave none of the details of the working out of the proposition. If the minister wishes I can produce the press despatch in question.

Mr. J. H. SINCLAIR: I think we ought to avoid as much as possible building up a technical education department at Ottawa, because it really is not necessary. When this Bill passes and the provinces undertake the work, there will be a technical education branch in each province and it would be a mistake for us to create a department here with such inspectors, clerks, and officers as are named in the Bill, at vast expense when it appears to be unnecessary. I do not think such a thing is required in the case of the grant that is given for the purposes of agriculture. The work to be done at Ottawa should be very small indeed—simply to pay over the money. The whole responsibility resting upon the local administration, it will be for them to show that they are expending that money according to agreement. I hope the minister does not intend to establish an expensive department in Ottawa to watch the provinces in the administration of this grant.

10 p.m.

Mr. CALDER: No, it is not necessary to do that; but it seems to me it is very necessary, if grants are to be paid to, and agreements entered into with the several provinces that the minister who is responsible for that work should have at hand a man upon whose judgment he can very largely rely. Neither the minister nor the officials in his department, as at present constituted, are necessarily qualified in the field of technical education which is a specialized business, and unless the minister has some person at hand who can advise him in all these matters he will be more or less at sea. If I remember correctly, when provision was made for grants to agricultural education, one of the first things the Government did was to secure the services of Mr. C. C. James, who was recognized as one of the best agricultural educationists in Canada; and from what personal knowledge I have of his work in our own province Mr. C. C. James in consultation with the provincial officers rendered very valuable service. I cannot see myself any necessity for the building up of a large staff. I think all the minister will require will be at least one man, and possibly two, of the class that I have referred to, because they will have no administrative duties at all.

Mr. McKENZIE: The Minister, I am sure, will appreciate the very strong conscientious objections that were made by some members on this side against any encroachment upon the scope of provincial jurisdiction, particularly in the matter of education which is left entirely to the provinces, in which views I fully concur. At the same time I do not object to what the Government is doing, because we started out along those lines when the Laurier Government was in power. That Government appointed a commission to investigate the question of technical education, and the present legislation, although very late, is the fruit of that inquiry. Therefore, I cannot say that it should not go into effect. But I must respect the opinions of hon. gentlemen who are opposed to any incursions into the jurisdiction of the provinces in this connection. I would suppose that the terms of subsection (c) of section 2 provides for the relation that will exist between the department at Ottawa which will have charge of the expenditure and the provincial authorities, because there has to be an agreement and the former will have full authority to make such an agreement as it may deem ample to safe-

guard the expenditures proposed to be made. That will be the federal government's only duty and its obligation will be to see that the provinces live up to the agreement entered into. My own view is that the agreement in question should contain all the powers which the provinces should have and therefore I do not really think that sections 7 and 8, particularly the latter, are necessary at all. Then section 8, if the Chairman will permit me to refer to it before we enter upon its consideration, gives the Dominion Government power to the extent virtually of taking full control of technical education in the provinces. As to whatever part of section 8 may be agreed to by mutual consent, for example between the Government here and the Ontario Government, and put in writing, I have nothing to say, but I do not wish to invest this Government with power in regard to education which the constitution of the country does not contemplate and which should not be granted.

Mr. MORPHY: What meaning does the minister put upon the word "survey" in section 8?

The CHAIRMAN: I would remind the hon. gentleman that clause 7 is the one the committee is at present considering.

Mr. PEDLOW: I would draw attention to the fact that it cannot be altogether necessary for the Federal Government to have supervision over this fund. The expenditure contemplated under this Bill is small compared with other grants that are appropriated year by year for the several provinces under the provisions of the British North America Act without any such supervision. For instance, I find Chapter 41 of this Act provides for advances to the Government of the Northwest Territories to the amount of $250,000 annually, and it does not involve any supervision, but merely the paying over of the money. Then I find Chapter 42 to be an Act to provide for voting an annual grant to the province of Prince Edward Island amounting to $100,000. I presume that is also paid over from year to year, under the Act which made Prince Edward Island a member of Confederation, without any particular supervision. A small amount such as the Bill contemplates might very well be paid over from year to year to the various provinces and confidence placed in them to dispose of it to the best advantage. I am sure that in the case of Ontario the provincial Minister of Education will take care that the federal grant is expended in the wisest possible manner.

I speak on this subject because I have some intimate knowledge of the efforts made by the town of Renfrew at the present time to establish a technical school there in connection with the collegiate institute. They purpose spending $150,000 on this item alone, and the schools there—both the collegiate institute and the school for technical education—will be built and maintained by the municipality of the town, notwithstanding the fact that fifty-five per cent of the pupils come from outside the municipality. Now, I am glad, as I said this evening, that the Government has taken a hand in this work and is endeavouring to assist the municipalities in their laudable efforts to meet the situation in the best possible manner. The municipality of the town of Renfrew has assurance from the provincial Government of assistance towards this object, and I have no doubt that there will be additional assistance rendered them after the passing of this Bill.

Mr. CALDER: The section on its face looks as though a very elaborate machine was to be established. I would suggest that the words "experts and clerks" be struck out. The clause will then read:

> Such officers and employees as may be required for carrying out the provisions of this Act, shall be appointed under the provisions of The Civil Service Act, 1918.

Mr. EDWARDS: The provisions under which the subsidies to the various provinces have been granted seem to me entirely different from the voting of money by this Parliament as proposed in this Bill. Under the British North America Act the provinces were limited in the means whereby they could raise revenue, and that is stated briefly as one of the reasons, perhaps the main reason, why an annual subsidy was granted to the provinces and handed over to them to do with as they saw fit. I cannot see where there is any possibility under this Act of encroaching on the rights which the provinces have in educational matters under the British North America Act.

Mr. PEDLOW: I had not that in mind. My argument was directed to the means for conserving moneys for the purposes for which they have been voted.

Mr. EDWARDS: But it has been mentioned by some other hon. gentleman, I believe. I cannot see where there is any possibility of encroaching on the rights of the provinces. In the first place, whatever

money is voted by this Act to the various provinces is safe-guarded by an agreement between this Government and the provinces. So that there could not be any encroachment on the domain of the provinces without the consent of the provinces themselves, and I do not anticipate that any province would for a moment consent to having the rights that were granted to it under the British North America Act infringed upon. But for another reason I, as a member of this House, would very strongly object to the moneys set forth in this Act being voted without this Parliament having something to say in regard to the manner in which those moneys should be expended. Some hon. gentlemen seem to think that it is all right for us simply to hand the money over to the provinces and say good-bye to it, leaving the distribution of it entirely to the provinces. I, as one of the members of this House, object to voting money in that way. I say that if we vote money for technical education, or for the improvement of roads, we as the people who are voting that money have a right to some little say as to the manner in which that money is to be expended. It seems to me that is the only logical position for us to take as members of Parliament voting away the people's money. While my hon. friend has said that it would be perfectly safe to hand the money over to the educational department, inasmuch as this is money voted for technical education, undoubtedly in any agreement entered into between this Government and the Government of the province of Ontario or the Government of the province of Quebec, those provincial Governments will call in those to advise them who are best able to do so, that is those who are administering the educational affairs of those provinces. That, I think, we may take for granted. Take into consideration also the fact that there must be an agreement entered into between the provincial Governments and this Government, and I do not see where there is any encroachment upon the rights of the provinces in educational matters.

Amendment agreed to.

Section as amended agreed to.

On section 8—Conference, surveys and investigations.

Mr. CALDER: I would suggest that that section be allowed to stand, Mr. Chairman. Personally I am inclined to the view that if work of this character is to be carried on it should be by a distinct agreement with the provinces, and I think it would be far better to leave that to be dealt with in the agreement. But I do not wish to drop the section until I have had an opportunity of discussing the matter with the Minister of Labour, who will likely be here in a day or two.

Section stands.

On section 9—Balances unexpected to be carried forward, but not more than 25 per cent of grant without consent of minister.

Mr. McKENZIE: Before I forget what the hon. member for Frontenac (Mr. Edwards) has said, I must remind him that when we are giving moneys to the provinces we are not giving it to strangers, to some body who has no right to it. Of course, if you were dealing with moneys that came to the treasury at Ottawa, and were paying them out to people who had no right to them, except as we were giving the moneys to them, that might be a different thing. But there is only one people. The people of Ontario are the people of that province just as much for educational matters as they are for paying revenue at the customs house, and it is their own money just as much as it is our money. The British North America Act, in effect, says that the control of education is entirely in the province; therefore by implication any moneys voted for education shall come under provincial machinery. So we are not, to my mind, at all destroying any right under the British North America Act by the Act which we are now passing, even if we do pay over to the Government of Ontario every cent they are getting and say to them: This is part of your own money; we might have kept it from you, but now we are giving it to you; it goes into the machinery of education for the province, and you have control of it.

There is nothing unconstitutional or improper about that. But while I do not object to our exercising some control over these matters, we must not go too far when we are advancing money for purposes which are purely provincial.

Mr. EDWARDS: We might use the same argument in respect to every dollar that we vote in this House. We might say: This is the money of the people, and they have a right to it. But, as a matter of fact, they have not the right to it until we vote it. This is not the first occasion upon which we have voted money for educational purposes.

Mr. BUREAU: We did it in 1913.

Mr. EDWARDS: We voted money for educational purposes when we passed the Bill to aid agricultural instruction. What is that but education?

Mr. McKENZIE: But there is to be dual jurisdiction here.

Mr. EDWARDS: Quite so, just as we have dual jurisdiction in respect of the moneys which we voted for agricultural purposes. It is quite true that the money belongs to the people, but the responsibility for voting that money devolves upon us, and we have a right to follow that responsibility up and say how that money shall be expended.

Section agreed to.

Progress reported.

GOOD ROADS.

AID TO PROVINCES FOR HIGHWAY CONSTRUCTION.

House again in Committee on a certain proposed resolution to provide for the construction and improvement of highways in Canada—Hon. Mr. Reid—Mr. Boivin in the Chair.

The CHAIRMAN: The resolution may be found in the Votes and Proceedings of February 20.

Mr. MAHARG: I made reference to this matter during the course of the debate on the Address. In Western Canada we are more in need of railroads at this time than of highways. Highways would be all very well if we were supplied with railroads in proportion to the mileage in the other parts of Canada, but we are not. It has been shown before the Railway Committee during this session that people out there are drawing their grain anywhere from twenty-five to fifty or sixty miles over very crude roads; the distances are so great that it is practically impossible to provide improved roads in all cases. The highways proposed to be constructed under this Bill will be automobile roads; they will not be so constructed that settlers can use them for transporting their grain and other products. They will link up the larger centres; they will not contribute to the convenience of those who have to team their heavy products long distances. For that reason I am strongly opposed to the adoption of this resolution.

Some method should be found of treating the long stretches of clay belts in the western country with a view to improving transportation facilities. For a distance of forty, fifty or sixty miles you will find a stretch of country which is pure clay and where no sand or gravel is obtainable. Before any elaborate scheme is launched some experiment should be made with a view to seeing whether some kind of treatment cannot be applied to these clay belts with a view to increasing highway facilities, because the building of roads with gravel in those sections would cost very much more than would similar roads in other parts of the country. We have been endeavouring during this session to persuade the Minister of Railways (Mr. J. D. Reid) to extend our railroads in the Western country. He has been very good in many ways, but if he has several million dollars to contribute to our province for the improvement of our transportation facilities, that money would be much better spent in the extension of railroads into the districts which are not now adequately served. Scores of settlements are in that position, and it would be wise, at least for the time being, to vote this money for purposes which would be more beneficial to us in the West than the building of these highways would be.

Mr. J. D. REID: The hon. member is right in saying that the West is entitled to more railroads than it has, but I say to him here what I have said to him privately: That the Canadian National Railway Company are constructing all the railways in the West that they can possibly go ahead with during the present year, having regard to labour conditions and to the number of ties that can be obtained for the purpose. So that if we proceed with the construction of highways, that will not interfere in any way with the construction of railways in the West. The Canadian Pacific are also constructing lines in the West; perhaps they should be doing more than they are doing —as to that, I do not know.

In Eastern Canada, I believe, there is nothing that the people require more than good highways, but I do not agree with the hon. member that the same are not required in the West. Certainly there is nothing more important to the farmer of Eastern Canada than good highways, and I do not think it is fair for hon. members from the West to oppose this great improvement. As a member of this House and as a member of the Government I am prepared to do everything I can to bring population to the West and to provide the West with railways and good roads, and when we are doing that, I think it is unfair for my hon. friend to put forward every effort against

good highways for Eastern Canada. The hon. member has said that these roads in Eastern Canada are really for automobiles. Let me tell him that the great majority of the automobiles in operation in the eastern provinces of Canada are owned by farmers, and I am glad to see them using them to bring their products to market where they can get a good price. The great cry of the farmer of Eastern Canada is for good roads. I am sure that any man who has seen the good roads in the neighbouring Republic would hold up his hands for good roads in Canada.

As I said when introducing this Bill, these highways will also provide employment for the returned soldiers. Perhaps at the present time there may not be so great a demand for employment by the returned soldiers; they perhaps do not wish to go into employment immediately upon their return home; but the time is coming when employment will have to be provided, and I think it is the duty of the Government to provide employment in the way of good roads and other works of benefit to the country. Where we have had good roads constructed in Canada you will see the farmers using them to take their products to the market. They are also used for distributing the freight amongst the small towns. Good roads have been found to be of such great benefit in the neighbouring Republic that the federal government of the United States has voted this year $800,000,000 for good roads, and the local governments are all spending large amounts on the construction of good roads in the rural districts. In my opinion it is to the advantage of Canada that we should proceed with this Bill. My hon. friend is anxious that we should do everything we can to advance the Northwest. Surely, he has some little consideration for the needs of the eastern provinces.

Mr. MAHARG: I am delighted to know that the great difficulty the minister has been up against in the past has been removed. Now, apparently, his difficulty is to get ties and labour. Well, if he will promise me that he will build railroads in western Canada as fast as we can produce the necessary ties and labour I will withdraw all my objections to this Highways Bill right here and now. But things must have changed within the last month or so, for it was less than a month ago that we interviewed the minister in connection with the delay in laying the steel on the Hudson Bay railway, and he informed us then that he did not know where the money was to come from. I am delighted to know that that difficulty has been overcome, and that his only difficulty now is to get ties and labour to do the grading.

Mr. J. D. REID: The hon. member will remember that at that time he stated that there would be no trouble in getting ties for the Hudson Bay railway. I understood from the president of the Canadian National Railways a few days ago, that though he was willing to give contracts for ties, they had not got a tie up to the present time, and from what he told me I do not believe he will be able to get ties to proceed with the work this season. I stated then what I state now. The president of the Canadian National Railways told me that they could not get enough of the kind of labour they required to build more than some 350 miles of new railway and some 350 miles which has to be re-built, and I have yet to find any man from the West either in this House or out of it who has shown me where labour can be got to carry out more than the programme mapped out. At all events until this amount of work has been done, I think I will take the word of the president of the Canadian National Railways, which is to the effect I have mentioned.

Mr. TOBIN: Did I understand the minister to say that he could not go on with the building of railways on account of a shortage of ties—that the president of the Canadian National Railways told him he could not get ties?

Mr. J. D. REID: I was talking of building railways in Manitoba, Alberta and Saskatchewan. I said that he could not get ties for the Hudson Bay railway up in that district.

Mr. TOBIN: I am glad the minister has mentioned that, because different large lumbermen of that part of the country from which I come understand there is a sort of combine or trust in connection with the Canadian National Railways, and that only a favoured few can get a contract for ties; that it is a case of wheels within wheels, in fact. I do not know if the minister knows about it, but I think he should inform himself on that point. I know concerns with half a million ties to sell who approached the Government, but could do no business with them. At the same time I understand that only a few days ago agents were going around other parts of the country buying ties for the Canadian National Railways.

Mr. J. D. REID: There has been no trouble in getting ties in Eastern Canada. The hon. member knows it would not be possible to buy ties in Quebec or Ontario and take them to Alberta or Saskatchewan because the freight would be too high. The ties are therefore secured in those districts. I have no doubt you could get ties in Western Canada in winter, but at present it would not be possible.

Mr. GREEN: There is a West other than Middle West. If the Middle West wants railways, the Far West wants wagon roads and highways. British Columbia is just as much in need of highways as the Middle West is in need of railways. I am not particularly enamoured of the method in which the money provided under this resolution is to be expended. For myself, I would prefer to see the Government build a national highway from the Atlantic to the Pacific.

Mr. BUREAU: That is quite an undertaking.

Mr. GREEN: It would be a large undertaking, it is true, but a great part of that highway is already built, and all that would be needed would be connecting links. In that way, the Government would not only furnish the money but would have control of the expenditure. The people as a whole are furnishing the money, and this Government is responsible for its expenditure. I will not say that if I cannot get the Government to see eye to eye with me as to the method in which to deal with this matter, I am going to oppose the resolution, because I believe that the Government are perfectly right in undertaking to furnish a large sum of money for the building of highways in Canada, East and West. I trust that the Bill itself will contain a provision for the Government to undertake the building of that highway themselves under their own officials and with the money of the people.

Mr. M. CLARKE: How much money does the minister propose to spend?

Mr. REID: The Bill will ask for an amount not exceeding $20,000,000 in five years.

Mr. M. CLARK: Where is the money to come from? Has the minister any idea? You heard the Budget statement of the Finance Minister, Mr. Chairman. It is all well enough for my friend from British Columbia (Mr. Green) to talk in favour of a road from the Atlantic to the Pacific. If one had a sufficient lack of sense of responsibility he might propose a road from here to Mars. But where is the money to come from? There is nothing that both sides of the House will have to attend to more carefully in the next few years than the practice of economy in regard to public funds. That is possibly more urgent than the tariff, although the tariff is probably in a sense more important, because if the people have to contribute money directly they will look more closely to the spending of it. It is because the Government gets money by indirect means that it does not care what schemes it proposes for the spending of it. We have been told that there is a Middle West and a Far West, and that there is an East. Well, there is also a British North America Act which has to do with the manner in which laws are carried out in Canada. I speak subject to correction by legal gentlemen and others who have a longer acquaintance with public life in Canada, but I understand that highways are a matter that is relegated to the provinces under the British North America Act, which is the constitution of the country. Is that so?

Mr. BUREAU: It is so.

Mr. M. CLARK: My opinion is confirmed by lawyers of repute. If that is the case, in the face of the statement of the Minister of Finance given to this country last week, and the fact that we are going around hawking for the pence of the proletariat to carry on the ordinary expenses of the country, is this a time when the Dominion Government should do work which by the British North America Act is defined as being within the purview of the provinces? I would like the minister to tell me where he expects to get this money from.

Mr. SEXSMITH: I do not care to speak on this subject from a provincial standpoint and will not inquire from the minister where he is going to get the money from. I am sorry to disagree with my friend from Red Deer (Mr. Clark). I do not believe that in the interests of Canada as a nation, money can be better spent by the federal government than for the building of good roads. There is a howl from one end of the country to the other about the high cost of living, and in the name of High Heaven, how will you bring it down unless you increase production? We are voting tremendous sums of money to get the returned men back on the land, and nothing could be more admirable. Every responsible man in the country

is exercising his brains to find out how best to get people back on the land, and the only way in which you can accomplish this end—and I speak from an experience of a life time on the land—is to make conditions on the land and in the country better and more congenial. Now, how can you better do this than by building good roads? I am satisfied to hand the money to the provinces, and I have confidence in the provincial governments, whether Liberal or Conservative, to believe that they will expend it legitimately and honestly. If we had a good system of public highways in the country surrounding the great cities of Montreal and Toronto, it would reduce the cost of living more than anything else. With good roads, the farmer could travel forty miles to a city and take his vegetables, fruit, or any other produce to market and, indeed, right to the doors of people. Would that not represent a great economy? We would not hear so much then about middlemen and profiteers. When this matter was under discussion on a previous occasion it seemed that the East was pulling against the West, or both ends pulling against the middle, so to speak. We want railroads in the west and hope to see them built, but I say that we require good highways in order to induce young men to go on to the farms to remain there and help increase production.

Mr. ROBB: This resolution involves something more than the expenditure of money by this Government. It compels an expenditure by the provinces.

The resolution provides that the minister will contribute forty per cent of the expenditure. He allows $80,000 to each of the provinces. So that before the province of Prince Edward Island can get a cent of this money, they must spend $120,000. I am not rising to oppose good roads. I come from a province where we have made good progress in good roads. In one particular locality in my province for perhaps a distance of 100 miles east, south and west, there are good roads leading up to the Montreal highway. But to get into Montreal they must cross the Indian reserve of Caughnawaga, which reserve is under the supervision of this Government. The Government will not allow the province to construct that road, nor will they do it themselves, and we are in this position that there are eight miles required to be constructed to link up with the city of Montreal over which the produce of the farm can be carried, but as the Government have not built these eight miles of road, we are deprived of going into the city with heavy loads. Before this Government start in to dictate to the provinces how much they should spend upon roads they should put their own house in order and make their own roads. I would like a statement from the minister as to that. This has been put up to the department. Do they propose to build that road through the Caughnawaga reserve and connect it with the provincial road? We are not merely planning about good roads in my province; we are building our good roads, and we have already a good system of building roads, probably a little bit better than will be dictated by the Government.

Mr. M. CLARK: Is it not a fact that the province of Quebec has not only good roads but is in a very sound financial position?

Mr. ROBB: I did not want to count that in too far or to introduce comparisons of that kind.

Mr. M. CLARK: I want to show that it is possible to get good roads and still follow the constitution of the country.

Mr. ROBB: My hon. friend may be, and I think is, quite right. However, I rose particularly to inquire about the position of smaller provinces like Prince Edward Island, in regard to the $120,000 that they will have to contribute before they get anything; and also what the policy of the Government is in regard to the roads for which they are responsible across Indian reserves.

Mr. J. D. REID: I am sorry I cannot answer the hon. member in reference to the road across the Indian reserves that he mentioned. I never heard of it before, and I know nothing about it. The hon. member will have to wait until the minister is up with his Estimates and ask him the question. If I knew what the trouble was I would be very glad to answer the question. In reference to Prince Edward Island and the smaller provinces, it was felt that they should get more in proportion than the larger provinces and for that reason it was decided that we should divide the amount equally, granting $80,000 to the several provinces and then the balance according to the last federal census. If they accept the money for good roads, they must pay 60 per cent and this Government will pay 40 per cent towards construction.

Mr. ROBB: In order to get the first $80,000 they will have to put up $120,000?

Mr. J. D. REID: Yes.

Mr. EDWARDS: My hon. friend (Mr. M. Clark) put a very pertinent question when he asked: "Where is the money to come from?" I am sure that question impressed very strongly indeed the hon. gentleman from Maple Creek (Mr. Maharg), because he stated that if the Minister of Railways and Canals would only give him a promise that he would meet his aspirations in regard to railway building in the west he would withdraw all his objections in regard to the proposed vote for highways. He apparently was not concerned with the question as to where the money was to come from. That did not occur to him. "Give us more money than you are already giving us for railways" said the hon. member for Maple Creek "and I will not say anything whatever in opposition to the money that you vote for highways. Neither will I lie awake at nights wondering where the money is to come from." In the distribution of this money, as has been pointed out, the provinces, in order to get the 40 per cent, will have to contribute 60 per cent. If this does not appear to be a good bargain to the province of Prince Edward Island, that province can say: "No, we will not accept this money, we will go ahead and build our own highways as we have been building them, we will not be a party to this scheme and we will not consent to putting up 60 per cent in order to get 40 per cent." If the provinces of Saskatchewan and Alberta consider that the bargain is a poor one then Saskatchewan and Alberta can say: "No, we will not agree with the terms proposed, we will not agree to put up 60 per cent in order to get the 40 per cent that this Government offers to our province." Oh, but you say, while that is true and each province may refuse to enter into the agreement, this money is the money of the whole country and if Prince Edward Island, Saskatchewan or Alberta does not feel like accepting this proposition for themselves, they do not want to see Ontario, British Columbia or Quebec get any money along these lines. Why not? We have spent millions and hundreds of millions of dollars in building railways, canals and public works here and there from the Atlantic to the Pacific. And what was the justification? The general benefit of Canada. That is what it was done for. The railway built in Prince Edward Island does not benefit directly the people of Ontario, but the money that was voted for that railway was expended for the general benefit of Canada. While it benefited Prince Edward Island, it was indirectly a benefit to Ontario as well. I would like the members of this committee to consider this question from that standpoint. Is it not worth while for this Government to spend a certain amount in Ontario, in British Columbia and in those provinces which are willing to meet the conditions laid down here and to carry out their various desires of having good roads? If these provinces are willing to meet those conditions and to put up 60 per cent, is it not in the interest of Canada that the money should be spent in that way? It seems to me that that is a point well worth considering. I speak for the province of Ontario. Hon. members should not lose sight of the fact that while the West is a very important part of our country, considerably more than half of the population of this country is in the provinces of Ontario and Quebec. They should not lose sight of the fact that while the West is a very great agricultural or farming country, as yet it has not reached the status of either Ontario or Quebec in agricultural production. The farmers and the residents generally of the older provinces have a very strong claim on this Government to assist them in providing those roads which will act as feeders for the big lines of railways. It is not only the farming community that are interested in good roads. I venture to say that the people of the cities and towns are just as much interested,—at this time when the cost of food products is high, a little more so,—than are the people living in the country districts. Because if you have a system of roads extending for a distance of twenty or twenty-five miles from a city or town it means that in these days of automobiles the products of the farm are brought into that city or town which would never reach it over bad roads, employing wagons as they used to be employed years ago. In expending this money I think the system that should be followed is for the Dominion Government, acting with the governments of the different provinces, to decide upon a standard road; at present one kind of road is required for one province, or part of a province, and a different standard for another part. Let the engineers or the men appointed by, we will say the province of Ontario or the province of Quebec, meet with engineers appointed by the Federal Government, decide upon the kind of road to be built and take the

building of that road out of politics entirely by advertising the building of certain sections of that road—five or ten miles, as the case may be—and call for tenders for the work. That is the way these roads should be built, and that will remove these works entirely from the hands of the politicians. I would like to get the opinions of hon. gentlemen on the point I raised a little while ago, because I am perfectly sincere in bringing it forward. Even suppose a province decides it will not accept the terms imposed in this Bill, would it not be worth while, looking at the matter from the standpoint of the general interest of the country to vote money to those provinces which would conform to the requirements of the Act and be willing to put up their sixty per cent.

Mr. FULTON: I would like to endorse what the member for West Kootenay (Mr. Green) has said as to the feelings of the people of British Columbia on this matter; I am satisfied they will all be in favour of the Bill. Some years ago a very strong case was made out by the Provincial Government for better terms for British Columbia, and I believe the argument prepared at that time was advanced on the floor of this House. One of the reasons for claiming better terms for British Columbia was the great cost of building roads in that province. It is quite true, as the member for Red Deer says, that highways come primarily under the jurisdiction of the province, but it does not seem to me that that is any reason why, if the Dominion Government offers to expend money on highways, its offer should not be carried out. I believe it would be of great benefit to the country in general if an expenditure of moneys for this purpose were made at the present time. I must say for

11 p.m.

the information of the committee that when negotiations were going on between the Crown colony of British Columbia and the Dominion Government in 1868 for the union of that province with the rest of Canada, the three delegates who were sent to act for British Columbia—one of whom, Dr. Helmcken, is still living—were instructed to ask not only for a railway as one of the terms of union, but also for a highway through and connecting the province with, I think, Fort Garry. The latter project was dropped, but the railway was built. Another reason why I think British Columbia is entitled to some expenditure by the Federal Government on its roads and highways is this: When the Canadian Pacific railway was constructed, it was built under an agreement between the federal authorities and the Provincial Government. The section of railway between Savona and Port Moody was built by the Dominion Government, not by the Canadian Pacific Company. In that strip some forty or fifty miles of the Yale-Cariboo wagon road, a provincial work, were taken up by the railway and destroyed, so we lost that much of the road. When the Canadian Northern railway was built we lost another stretch of forty miles of the Yale-Cariboo road, so that in all some eighty or ninety miles of wagon road have been destroyed by the construction of the Canadian Pacific and the Canadian Northern railway, which latter system has now been taken over by the Dominion. I think the fact of our having lost such a large mileage of wagon road entitles us to some assistance from the Dominion Government in reconstructing this road, or in building other highways, in the province.

Mr. McQUARRIE: I also desire to speak in favour of this resolution. I am glad the hon. member for East Kootenay (Mr. Green) has called the attention of the member from Maple Creek (Mr. Maharg) to the fact that there is such a thing as the Great West and also that all the members from the West are not opposed to this resolution. As a matter of fact all the representatives from British Columbia will state without hesitation that they are in favour of some assistance being given towards good roads. It seems to me that this is a national question. Good roads are national assets; they are works of national utility, and they are certainly national attractions. I think every asistance should be given towards the construction of railways in the Prairie Provinces where they are required, but at the same time if the present resolution is killed and the legislation founded upon it is not passed, I do not believe any railways will be constructed in those provinces that otherwise would not have been built.

Mr. SUTHERLAND: The construction of highways and the question of granting aid from the federal exchequer for that purpose has been a live issue in Parliament for a considerable number of years. Of late, the war has monopolized the attention of the people of Canada to such an extent that little with respect to good roads has been heard. I do not regard the system of highways, for the construction of which an agitation has existed for some years past, as provincial in its character.

I believe we have reached a condition in this country when the stage of development upon which we have entered necessitates a national system of highways. There is no question but that the automobile has revolutionized our system of transportation, and the fact that the Federal Government proposes to assist the provincial governments to a very substantial degree in carrying out this work indicates that the highways of this country can no longer be considered as solely, or chiefly, a means of transportation for the people in the rural districts, but that it is of equal importance to those who live in cities and towns. I believe that such a policy as this is of very great importance in order to link up the different provinces, because by improved means of transportation we will be enabled to see more of our country than we would under other conditions. I believe it is a great handicap to Canada that so few of the people living in certain sections have not had the privilege of visiting other sections from which they are separated by a great distance. I think if we knew each other better there would be less provincialism, we would develop a more truly national spirit. Then we would not hear so much about the conflicting interests of the East and the West, but we would consider that we were developing this country for the people of Canada. I am satisfied that nothing will conduce more to bringing about that desirable condition of affairs than the building of a system of highways such as is contemplated by these resolutions. I do not intend to go into the details of the scheme at all. It is not intended to force the matter upon any province, but to assist those provinces which care to avail themselves of the scheme. While in some of the newer provinces it may be thought that owing to the great extent of sparsely settled territory at the present time they might not reap the same advantages that they would if thickly settled, I would advise them not to lose sight of the fact that the means of communication at the present time in those unsettled districts is largely the railways. We all know that there is no hesitancy on the part of the older provinces to assist in every possible manner to open up and develop the newer provinces by the building of railways, and after those railways will come the building of highways.

As I stated, the automobile has so revolutionized the means of communication that we are not in a position at present to know what are the possibilities for the future. What we considered a few years ago to be permanent highways can no longer be so considered, and a different system of road building must be adopted to meet climatic and traffic conditions. Even in Great Britain and in the United States some of what were considered to be the best permanent highways have not proved equal to the strain put upon them by heavy tractors, and regulations will have to be adopted in that respect. During the war the railways were taxed to the utmost in transporting munitions of war and other materials, and many of the automobile firms,—for instance, in the United States in the vicinity of Detroit,—found that their only means of delivering their goods was under their own power. And they sent their motor lorries to the seaboard through Ontario and the Eastern states, with the result that the roads were practically destroyed—macadam roads which were formerly considered to be suitable roads for these countries. I believe that only cement roads will be found satisfactory under modern traffic conditions. I do not believe that macadam roads are suitable for automobile traffic; it seems to me to be throwing money away to build such roads; and I am glad to see that the Government are reserving to themselves the right to approve the system of roads to be built.

I do not think it would be advisable to rush into this undertaking on a very extensive scale under present conditions. I do not agree with those who say that it is necessary to enter upon road building with a view to providing labour for the returned soldier. I believe there is abundance of labour not only for the returned soldier but for every man who is willing to work. This country was never so much in need of labour as it is at the present time; but I regret to say that there is a disposition on the part of many people to shirk work as much as they possibly can. The passing of these resolutions is not going to plunge this country into an enormous expenditure during this year or next year, but some latitude will be afforded the Government to enter upon the initial stages of what I believe to be a matter of great national importance.

Mr. E. LAPOINTE: If the arguments used in favour of this resolution were carried to their logical conclusion, there are no local or provincial works which ought not to be undertaken by this Government. My friend who has just taken his seat (Mr.

Sutherland) says that at this period of our history good roads have become a national undertaking. The same argument is used in favour of technical education. As a matter of fact, everything which tends to the progress of any province is to the national advantage. But there is the British North America Act, which determines the works which should be undertaken by this Government, and the works which are under provincial jurisdiction, and if there is a work which has been left entirely to the control of the provinces it is the highways. My hon. friend from Frontenac (Mr. Edwards) says that the system of taxation which has been granted to the provinces does not permit of a sufficient amount of money for the provinces to carry on their works, and that that is the reason why a special subsidy is given by the Federal Government. Well, Mr. Chairman, I submit that if the subsidy is not sufficient it ought to be increased in order that the provinces should be left with that control which has been given to them by our constitution. Let us increase the subsidy if we can afford to do so—because the question of my hon. friend from Red Deer (Mr. Clark) has not been answered: Where will you get the money from? But it would be preferable to give an additional grant of money to the provinces and leave them in full control of those provincial works which have been given to them by the British North America Act.

There is another question. Some of the provinces have adopted the policy of building good roads, and they have made sacrifices for that purpose. In the province from which I come we are proud of the roads which have been built during the last few years. The municipalities have borrowed large amounts of money from the provincial Government, and they are paying annually large sums for interest and to provide sinking fund to pay back the principal within forty years. The farmers in most instances have earned the money themselves, the arrangement has worked very well, and at the present time the main platform of the Gouin Government,— which has been returned to power to-night with what seems to be a big majority—is the continuation of that policy of good roads, absolutely independent of any money which this Government might give to the province.

Well, is it fair that people who have already paid money for the improvement of their own roads should be called upon to contribute to the taxation which will be necessary in order to raise money for the building of roads in other provinces? I ask this question in all sincerity. This Government, according to the resolution, is to have control over the quality and the standard of the roads which are to be built. Suppose that quality or standard does not coincide with the quality or standard which has been adopted by the province of Quebec and that that province refuses to change its plans, would it be fair that the people of the province of Quebec should be required to contribute money for the construction of works in other provinces which ought to be carried out by the people of those provinces? Why not leave to the provinces those rights, powers and responsibilities which have been given to them or imposed upon them by the British North America Act? Again I say that if the Government has money available for the purpose of assisting the provinces to carry on their own local works, let them give the money to the provinces by way of increased subsidies. I protest against the interference of the Government in local works; if they interfere with matters of education or of highways, they may do so in connection with other matters which are purely local and provincial.

Mr. McISAAC: It is quite plain that this is not an undertaking on the part of the Federal Government to build roads in the provinces; it is a contribution from the Federal Treasury to assist the Provincial Governments in the building and improvement of highways. Whatever amount may be spent, the treasury of each province will be obliged to furnish sixty per cent and the Federal Government will aid them to the extent of providing the remaining forty per cent of the cost. It has been hinted that the intention is to build a great trunk highway across the continent for automobile traffic, and so on. Well, if that were true—but it is not—certainly my province could not participate, because there would be a missing link in the highway owing to the fact that there is quite a stretch of water between Prince Edward Island and the mainland of Canada. So that, so far as my province is concerned, such a proposal would have no advantageous effect.

An hon. MEMBER: How about a tunnel?

Mr. McISAAC: Well, a tunnel is not a highway.

Mr. BUREAU: You have a ferry.

Mr. McISAAC: We have a ferry, but even with the ferry we could not have a continuous highway from ocean to ocean.

An hon. MEMBER: You could use aeroplanes.

Mr. McISAAC: Well, that would not be a highway either; that would be flying in the air. The Government of the province from which I come are satisfied to enter into an arrangement with the Federal Government under which, as is provided in this proposition, they shall receive forty per cent of this money to spend upon their highways and upon the improvement of their roads. They wish to improve the trunk roads leading to important centres; they desire to build or improve roads reaching the villages and towns, so that the farmers may have the advantage of good roads over which to haul their products. Certainly this is a proper and laudable arrangement in the matter of road-making. I am quite prepared to support this resolution in order that the province from which I come may have the benefit of obtaining, from the Federal Government, that percentage of the expenditure upon roads which the Federal Government are prepared to grant.

Mr. CAHILL: What kind of agreement does the minister expect to make with the provinces? I want to know, for instance, whether a township in my constituency, provided they can get a grant from the Provincial Government for the construction or improvements of roads, say, in the back sections of the country, can participate in this grant.

Mr. J. D. REID: I cannot tell the hon. member whether any particular township would benefit from this legislation; it will be up to the provinces to suggest what kind of roads they want and where they wish to lay them out. The suggestion referred to by the hon. member for King's, P.E.I. (Mr. McIsaac) that it is the intention to build a highway from ocean to ocean is, of course, out of the question; there never was any such intention on the part of the Dominion Government. If this Bill passes, representatives from the provinces will be called together and asked to produce plans showing what roads they intend to construct, and an agreement will be entered into under which the Dominion Government will pay forty per cent of the amount expended. It might not be advisable that a straight road be built through a province at a cost of $10,000 a mile; the province might want to build cheaper roads with a view to getting greater benefit from the expenditure. But if Ontario decided to build roads costing $10,000 a mile, it would be for the province and the Dominion Government to agree on the location, and we would pay forty per cent of the cost. As to the province of Quebec, I do not think there will be any difficulty in agreeing with the Provincial Government as to where this money should be expended. The Provincial Governments are to expend the money, but we want inspectors to see that the roads are built in accordance with the specifications set out in the agreement between the Minister of Railways and the Government of the province.

The object of this Bill is to provide good roads and to give better transportation facilities. In my opinion good roads will benefit the rural population more than any other class of the community. It will benefit the city dwellers, of course, by bringing the rural population into closer contact with them. Any one who has travelled throughout the United States and seen their good roads must have realized what a great benefit they were to the people of that country. The Government at Washington stands in the same position to the state legislature as we do to the provincial governments in regard to highways, but nevertheless, the federal government at Washington is aiding very largely in the construction and improvement of highways throughout the country, for the reason, first, that the construction of roads throughout the country involves such a tremendous cost, and second as they are considered to be for the general advantage of the country, it is felt that the central government should assist. That is the way I look at this matter; I believe it will be of great advantage to the Dominion as a whole to have these roads constructed at the earliest possible date.

Mr. CAHILL: What is the objection to this Government simply handing this money over to the provinces on the understanding that they get their per capita share in proportion to what they spend?

Mr. J. D. REID: That is exactly what we are doing. All we ask is that the work shall be carried out in accordance with the agreement that we make. Money is being granted to the provinces for other purposes, and an agreement is made in every case. Surely there should be no objection to our seeing that the money is properly expended. We are not asking to have anything to do with the construction of the road, or the

making of contracts or anything of that kind; that is all left to the local government.

Mr. PROULX: When speaking on the Budget I urged the Government to go on with this project which I strongly approve. I believe that nothing is more likely to induce people to go back to the land and to stay on the land than good roads. Some hon. members object to this legislation on constitutional grounds. I might say to my hon. friend from Kamouraska (Mr. Lapointe) that some of these roads are becoming interprovincial in character, and I do not see why this Government cannot assist in its construction of highways on the ground that it is for the general advantage of Canada just as much as it has assisted in the past, by way of subsidy, in the building of railroads in the provinces on the same grounds. In sections of the country traffic which was formerly carried by the railways is now carried over the highways by motor trucks, especially in districts close to market centres. So the construction of highways, as my hon. friend from Peterborough has said, will be of benefit not only to the farmers but to city dwellers as well, because they will be brought into closer contact with the producers. In this way good roads may be a factor in reducing the cost of living, and of getting the products of the farm to the consumer in a more satisfactory way. A few years ago this Government voted money and provided for its distribution to the provinces to aid in promoting agriculture. Now good roads are connected with agriculture, and I see no more objection to giving money to the provinces to help in the building of roads than to help in the promoting of agriculture. Only to-night we passed a Bill respecting technical education. We may say that technical education is a provincial matter, but nevertheless this Government intends to spend large sums of money to encourage technical education throughout the country. So I can see no objection on constitutional grounds to the voting of this money providing this Government is reasonable with the provinces, and does not impose conditions which they would not care to accept. The Government can very well trust the provinces. I would impose as one condition that the provinces must spend some money. That, I see, has been provided for; the provinces have to spend at least 60 per cent to get the other 40 per cent. I do not think that this money should be spent only on main trunk roads. The province of Ontario, for instance, is building a road from the eastern limit of the province to the western, to be called a provincial road. It will have two branches, one from Ottawa to Prescott, and the other from Niagara to Toronto or Hamilton. Another road which I think should be subsidized is the road from Ottawa to Montreal, which is an interprovincial road. I think that all roads connecting important towns should come under this grant, and then the money would be more conveniently distributed and a larger proportion of the population would benefit. However, we shall have an opportunity to discuss the details when the Bill is in Committee, so I will now only say that I approve of the principle of spending this $20,000,000 on highways within five years. I should like to ask the minister if he intends to distribute this $20,000,000 at the rate of $4,000,000 a year or more?

Mr. J. D. REID: The money will be distributed as fast as the provinces construct the roads.

Mr. ARGUE: Will the provinces have the privilege of locating these roads where they choose?

Mr. J. D. REID: That is a matter for agreement. The provinces will prepare their plans for the roads, and I do not anticipate any difficulty between the provinces and the Dominion over the location. What the Dominion Government is concerned about is seeing that the money is expended in accordance with the agreement made. All that we ask is that the contract be carried out and the road built, whether it is to cost $2,000 or $5,000 or $10,000, in accordance with the specifications. There might be a disagreement in the matter of the location of roads but as the provinces will have a better idea as to the best course to adopt in this respect, no doubt in nine cases out of ten their suggestions will be acted upon.

Mr. ARGUE: Will the provinces have the privilege of using this money in districts other than those along the main highway? Or is the money provided for the main highway only?

Mr. J. D. REID: An agreement must be entered into between the provincial government and the Dominion Government. I take it that the hon. member's question is: Will the Dominion Government dictate as to where the roads shall be? No; neither will the provincial government dictate.

There must be a mutual agreement or no money will be spent.

Mr. PETER McGIBBON: I sincerely trust that the minister will be able to carry his Bill through. To me it seems absolutely absurd that in this age it should be at all necessary for men to advocate the cause of good roads in Canada. We know that practically speaking we have no good roads. In Ontario we have very few first-class roads, and it seems to me that arguments in support of the building of good roads are altogether superfluous. The Ontario Government during the last seven or eight years has spent between $7,000,000 and $8,000,000 on highways, and during the last session of the legislature a grant of some $5,000,000 went through. I was almost going to say that to-day they have no roads into the fringe of the northern country, and unless they get some assistance from the Dominion Government it will be a long time before that northern country will be opened up. The people in the southern parts of Ontario adjacent to the United States realize yearly the drawback from which we suffer in comparison with the States of the Union, in the matter of roads. Good roads bring tourists to the country, and money is left in the train of all tourists. By cultivating a tourists traffic you cultivate one of the greatest sources of a revenue a country can possibly have. I appreciate the objections that are made from the East and the West, but I think that those objections ought to be surmounted. We should be able to reconcile ourselves to the novelty of getting money for nothing, and especially for a purpose of this kind. I see no reason why objections cannot be overcome. In Ontario we need the money badly, expecially in the northern part of the province. If we cannot get more assistance than the provincial government can afford, it will be many years before the northern part of the province will be in such a state as to offer inducements to people to settle and remain there. Good roads, efficient mail service, and rural telephones are three of the great essentials to keep people on the farms.

Mr. DAVIDSON: Will the hon. member favour the Dominion Government spending money for rural telephones?

The CHAIRMAN: That question is out of order.

Mr. McGIBBON: I am not discussing that principle. I am dealing with the expenditure of money on roads, which I say are a great asset to the country, and I hope the Bill will go through. I think it was a mistake, when a similar Bill was introduced into the House years ago, that it did not go through. If it had passed we would have been in a better financial position to-day.

Mr. BUREAU: What is meant by "main highways?" The question was asked by an hon. gentleman on the other side whether the money will be used on the main highway, and the minister said, no. The minister was then asked about some apprehended danger that the location of the road would be dictated by the Federal Government and he said it would not, nor would the local government dictate where the road should be constructed; he said it would be a matter of agreement. This is at once a matter for consolation and fear. If no one is going to determine where the road is to be there will be nothing to quarrel about, but we may be left without a road at all. What does the minister mean by "main highway?"

Mr. J. D. REID: The local governments, most of which have highways departments, have divided roads into three classes. One class comprises roads that run to market towns. These are kept up by the municipalities and carry a little more than the traffic created by the farmers along the road. The second class of roads radiate from local markets or shipping points and carry a considerable accumulation of traffic, such roads as those leading into Ottawa or Montreal, for instance. Then there are the main highways between important cities and towns and other terminal points. A road between Montreal and Toronto would be a main highway. In some of the new provinces, Alberta and Saskatchewan, for instance, a city or town might not want to see all the money spent in building one main road through the centre of the province. In Saskatchewan there are large market centres where there must be market roads, and they would likely want to divide up their money on these several roads, while Ontario might want to run a main road from Montreal to Toronto. But the Dominion and Provincial Governments will have to agree as to where it would be best to lay out roads. After it is decided where the roads will be built the Dominion Government will authorize the provinces to expend the money, we reserving the right to have our inspectors see the work carried out in accordance with the specifications and the contract awarded, for which of course public tenders will be called.

Mr. MORPHY: Assuming that there has been correspondence with the Provincial Governments, what stand do they take in regard to receiving the money, and what governments can the minister speak of with certainty?

Mr. J. D. REID: The representatives of several governments have been here consulting with me and some of them took this position: We want to divide this money up among the principal roads leading into these different centres, but we do not want to expend our money in running these roads right through.

Mr. MORPHY: What governments?

Mr. J. D. REID: We have had representatives from Nova Scotia, New Brunswick, Quebec, and Ontario, and some of the western provinces—I think, Manitoba, British Columbia and Alberta.

Mr. MORPHY: Are they favourable to the scheme?

Mr. J. D. REID: Yes, every one of them is urging it forward and looking for these highways.

Sir SAM HUGHES: Is the Dominion Government insisting on one, if not two, roads being built across the province of British Columbia and in the Lake Superior district?

Mr. J. D. REID: The provincial government are building roads in new Ontario from Port Arthur east. A lot of this money would go into that if they wished to expend it in that way. The roads that they are constructing in new Ontario are doing a great deal of good, and the Ontario government want to spend all the money they can in opening up new Ontario and extending roads on up through that territory towards Port Arthur. It is a new country and it is very costly to build roads up there.

Mr. NICKLE: I do not know that I can add anything to this discussion but I would not want the vote to be taken without expressing the view of the district from which I come which is that there is virtue in this legislation. Practically the roads that exist in the county of Frontenac, the city of Kingston and the adjacent counties, were built for vehicular traffic and are not sufficiently well built to stand the stress and strain of the highpowered car, and certainly are not useful for early spring or late autumn traffic. A year or two ago it was my privilege to go around lake Ontario by motor and I could not help noticing the very advantageous condition that existed in New York state. From the time you leave Ontario at Prescott or Brockville until you again get into Ontario at Niagara Falls the roads in the main are as smooth as a table, and in whichever direction traffic is moving you are impressed by the tremendous loads that are taken to market by motor as compared with the small loads that are hauled in our part of the country. Not only that, but the whole of the New York state is alive with tourist traffic, to a certain extent, going from the province of Ontario and the country that lies north of the American border. But the moment you get into Ontario the bad roads are a deterrent, and as you go along there is one cause of complaint to the American tourists and that is that the roads are not suitable for tourist traffic. Every one tells you the same story: "This is the last time I am coming to Ontario until you give us better roads." They admit our scenery is good, they admit there is much that we have to offer to bring them into Canada, but they are indisposed to risk their cars in going over our roads which are unsuitable for them. There is another change that has taken place. Practically every farmer, if he does not now own a motor car is aspiring to, and to get the best use from it he wants to be able to use it in early spring and late fall. That is practically impossible if something further cannot be done to improve our roads. I know that Ontario has spent the province's money and that municipalities have contributed largely, but there is not sufficient money, unless outside aid is given, to link up the improved roads that have been built. I hope this House will see its way to give support to this appropriation so that we may have continued progress in this direction.

Mr MAHARG: The hon. member says "unless outside aid is given." Where do you expect the money to come from unless you borrow it, for which the people of Ontario will have to pay?

Mr. J. D. REID: I expect we will get the money where we got the money for building the railways in Alberta and Saskatchewan.

Mr. M. CLARK: Building railways is a Dominion work, whereas, according to what we hear from lawyers, this is a provincial work.

Mr. J. D. REID: I do not understand that railways are wholly a Dominion concern. There are railways being built by the provinces themselves and by corporations that are incorporated by the provincial legislatures. Therefore, the building of railways is not entirely under Dominion jurisdiction. We are giving aid to the provinces in connection with other matters which are entirely under their jurisdiction. In the matter of education we are giving them aid, and we are also keeping partial control. We are asking that we be allowed to supervise the expenditures in order to see that the money is spent in accordance with the money voted by Parliament. That is all that we are doing in this case.

Mr. MAHARG: The minister says that we are building railways. If I am informed rightly the provinces which are building these railways own their own natural resources.

Mr. DAVIDSON: How much money does the minister propose spending this year?

Mr. J. D. REID: That would depend entirely on what the provinces would be willing to spend. If the provinces say they are willing to proceed with highways and to press them forward, of course, we would have to pay 40 per cent of what they would expend. If they do not wish to proceed with the construction, we would not have to pay any of the money.

Mr. DAVIDSON: Has the minister an actual understanding with any one of the provinces that they are willing to embark upon an expenditure on the basis of the Dominion contributing 40 per cent and the province 60 per cent, particularly with the province of Nova Scotia?

Mr. J. D. REID: The Provincial Government of Nova Scotia are anxious that we proceed with this Bill, and the information they give me is that they are willing to put up the 60 per cent and to accept the 40 per cent given by the Dominion of Canada and proceed with the construction of highways.

Mr. BUREAU: The minister is going to bring in a Bill on this resolution, I understand?

Mr. J. D. REID: Yes.

Mr. BUREAU: The resolution states that $80,000 is to be apportioned to each of the provinces. That will be $720,000 per annum. That will be $3,600,000 in the course of five years, and in addition $400,000 is to be distributed among the provinces according to population. This amount of $80,000, if I understand rightly, will have to be expended within five years to give the provinces the right to the benefit of it. If one province fails to disburse the required amount, or to construct roads to the extent of 60 per cent of the amount of the $80,000, what will be done with the remainder of the money? Supposing the province of Quebec does not construct $400,000 worth of roads in order to make up the 60 per cent, what will happen? It would have to construct $600,000 worth of roads in order to get $400,000.

What will be done with the excess if say only $200,000 out of $300,000 of the Federal Government's money is expended, and how will that balance be apportioned? If I understand the facts rightly, the accounts will be closed at the end of five years and in the case of any province which has not complied with the requirements its share of the federal grant will remain unexpended. Now, will this balance be apportioned among the other provinces or will it go back to the Consolidated Revenue Fund.

Mr. J. D. REID: The honourable member is supposing something which, I think, will never occur. The representatives of the different provincial governments have been in Ottawa conferring with the Minister of Railways, and from the discussion I have had with them they are all anxious for the construction of good roads. Their desire is to improve the existing roads and construct new highways—

Mr. BUREAU: Does the minister admit that what I have said is possible?

Mr. J. D. REID: —and, therefore, in my opinion, the money will be all used: I think I can say that because I have discussed the matter with the representatives of practically all the provinces. Of course, if any province does not accept the grant it would still remain in the Consolidated Revenue Fund, but that is a point in the Bill which has not been provided for. When the Bill comes up for second reading I will consider the suggestion which my honourable friend has made. I would much prefer that the provinces go ahead with the construction of good roads because in my opinion nothing will be more advantageous to them. The amount proposed to be voted is not very large, but I have not the slightest doubt but that every province will avail itself of the proportion to which it will be entitled under this Bill.

Some hon. MEMBERS: Hear, hear.

Mr. BUREAU: Honourable gentlemen opposite say "hear, hear," to the sentiment that it is advantageous for every province to have good roads, and I do not want to be represented as being opposed to that policy. I am in favour of good roads, the people of the province from which I come already enjoy them, and have made sacrifices to secure them. Let me give the minister to understand that the twenty-mile stretch of road from Three Rivers to Shawinigan Falls, and the eight-mile stretch to Grand Mère were roads built jointly by the provincial government, the municipalities, and the manufacturers interested. We are enjoying to-day good roads that cost between $400,000 and $450,000, towards the cost of which contributions were made in the following ratio: $200,000 by the provincial government, $100,000 by the city of Three Rivers, Shawinigan Falls and Grand Mere, and $100,000 by different large industries. Hon. gentlemen opposite who think we need good roads ought to make themselves acquainted with what we are doing in the province of Quebec. The minister says he has not thought of the point which I raised and that it is not likely to occur. Nevertheless, it is possible, and if we are going to embark on the expenditure of $20,000,000 for good roads, would it not be better to allow those provinces who are enterprising and willing enough to expend their money for this purpose to enjoy the benefit of any balance which may remain unexpended by reason of the lack of progressiveness on the part of some other province? I think there should be a provision in the Bill to that effect.

12 m.

Mr. CALDER: I would like to remind the hon. gentleman that the provincial governments have made arrangements for the present year and it is possible the estimates they have put through will be in such shape that they will not be able to take advantage of legislation which will not be passed and made effective until some time in July. If the money is not used this year it will doubtless be taken advantage of in the year following.

Mr. BUREAU: That is all very well, but at the end of five years some of this money may be unexpended and it should be taken advantage of by those provinces which show themselves enterprising and progressive. That is what I want to provide for.

Mr. STEVENS: We will give it to Quebec.

[M. J. D. Reid.]

Mr. BUREAU: The hon. gentleman has no cause to laugh at Quebec which is far ahead of British Columbia, or any other province, in the matter of good roads. I can drive my hon. friend all through the province of Quebec on as good a road as he can show me anywhere either in the neighbouring Republic or in British Columbia. If this legislation were to be based on aggressiveness and enterprise in the matter of good roads, the hon. gentleman can depend upon it we would wear the feather in our cap.

The resolution sets forth that the expenditure must be forty per cent of the amount which, "in the opinion of the minister, is actually necessary and reasonable in the cost of construction or improvement of such highway." In such a matter it is not the opinion of the minister that I, as a member of Parliament would like to have, but the figures and vouchers of the Provincial Governments. What I would suggest is that the actual cost of the road be determined by engineers and by provincial vouchers showing that the money has actually been paid out, and I will move an amendment to that effect when the Bill is introduced.

Mr. CAHILL: I hate to detain the House at this late hour but my constituents are very much interested in good roads, and have asked me to ascertain from the Government whether they can or cannot get any part of this money for the improvement of the existing roads, or the construction of new highways, and that I have been endeavouring to do. I asked the Minister of Railways (Mr. Reid) with respect to it, and I must say that I am somewhat at a loss to know whether my constituency was going to benefit by the expenditure of this money or not. When the resolution was before the committee on a previous occasion the Minister of Public Works (Mr. Carvell) made a definite statement that no portion of it would be spent except on main highways to leading centres. Now the Minister of Railways says it will be a matter of agreement between the Provincial Governments and the Dominion authority. The people in my constituency apparently seem to realize more than some hon. gentlemen do that they must be responsible for their share of this money, and that any constituencies that fail to receive any portion of it will be helping to build roads in other localities. The people in my constituency are building roads and want to continue to do so, but they do not feel that they are in a position to put their hands in their pockets and contribute

money for the building of roads in British Columbia while they still need roads in Pontiac county. If this money were to be expended on any road to which the provincial government would give a grant so that the back townships would also profit by it, as well as the main highways, I would not be so strongly opposed to it. My hon. friend from Kingston (Mr. Nickle) talks of automobiles and tourists, but I want to tell him that there are hundreds and thousands of farmers in this country that have not got any kind of tourist road to travel on and are struggling to build roads to their market towns. They are anxious to get money for this purpose, but they are not keen on the question of devoting money voted by this Parliament for the construction of highways in the interests of automobile tourists at the sacrifice of their own roads. I must say I am strongly opposed to so much paternalism on the part of this Government towards the provinces. First, they started with aid for agriculture—with a string attached to it; then aid for technical education—with a string attached to it; next the housebuilding programme—with a string attached to it; and now we have this road-building scheme—also with a string attached. If the provinces want this money, why not give it as a subsidy? The very same people that elect representatives to the provincial legislature also elect the representatives in this House.

I have no doubt that they elect just as honest men to the local legislatures as they do to the Federal House, and these men can be trusted to spend the money in the provinces. If the Dominion Government has a surplus of funds and feel that the provinces are entitled to some of the surplus, let it make grants to the provinces outright, the money to be used on roads or on technical education and other things. They are just as capable of looking after the expenditure as is the Dominion Government. So, Mr. Chairman, if the minister will not withdraw his Bill, I say to him: Give this money to the provinces without any strings on it, to be spent on a certain pro rata basis. Then I do not think there would be so much objection to the Bill. But I am afraid there will be great objection to it by members representing constituencies where they need roads, but will not be able to benefit by these grants, particularly in the rural districts. The city districts,—where you are going to run a road between Montreal and Toronto—might naturally favour the proposal, I do not doubt they will; in fact, I think some hon. members on both sides of the House expect the road to run through their constituencies. But when you talk of the provinces getting "found" money from the Dominion Government, it is no such thing. The people of Canada must supply this money, and the unfortunate part of it is, as my hon. friend from Red Deer would say, in the method of collecting it the Government collects two or three dollars from the tax payer for the one dollar that gets into the Treasury. Leave the roads to the provinces. We are quite satisfied in Quebec to build our own roads, and we are doing the work to-day. My hon. friend says that he cannot get on any good roads outside the province of Ontario. If he will build good roads to the borders of my province, he will get on good roads when he passes the provincial boundary. The Prairie Provinces have a fair system of dirt roads that apparently suits them very well. British Columbia may need higher priced roads, and if they do they have the material to build them. But we know that the only people interested in these grants are those who think they are getting free money in some constituency through which roads could be arranged to be built.

Some hon. MEMBERS: Carried.

Mr. DAVIDSON: I do not often inflict my utterances upon this House, and a good many of the hon. gentlemen who are so vociferously shouting "carried", evidently with the intention to prevent me from speaking, are the same gentlemen to whom I have listened with a great deal of tedium on various occasions, and I expect to do so again. I think this debate has been exceedingly illuminating, but there is a good deal of mental darkness still prevailing upon the subject. I hear one member stating that he is supporting this resolution because he is in favour of a transcontinental highway. Thereupon the minister says that it is not the purpose of the Government to build a transcontinental highway, that the kind of roads to be built are interurban and country roads. Then another gentleman says that he favours the proposition because he wants the same kind of roads that exist in the United States. Everybody knows that the roads of the United States are built by the state legislatures and are permanent roads. I would like to ask the minister if that is the kind of road he proposes to have built with the money which is provided for by this Bill?

Mr. J. D. REID: In each case we would have to take the matter up with the Provincial Government and find out exactly what their proposition is. Some of the provinces might prefer spending the money on macadamized roads and distributing it over a longer distance, while other provinces, for instance, the province of Ontario, as I stated, might want to build permanent roads similar to those in New York state, which would cost probably from $8,000 to $10,000 a mile. Or they might say they would expend part of the money that way and part in macadamized roads, and we might agree to that. Probably in the Prairie Provinces they would not want to spend the money, I would take it for granted, on a road right through each province at probably from $8,000 to $10,000 a mile, they would want a different kind of road entirely from that desired by the Ontario Government. So it would all depend on the proposition put up by the Provincial Governments as to whether it would be a macadamized or a concrete road or some other kind of road. In the West, there must be many roads required, and they could not possibly be expected to spend the money on very expensive roads; whereas in Ontario we would probably build roads of a more permanent character than those in the West.

Mr. DAVIDSON: I am very much indebted to the hon. minister for his courtesy in answering my question, but with all deference to him I am inclined to the opinion that he is quite as much in the dark about this matter as the other members of the House; and with all deference again, it seems to me before we embark on so vast a scheme we ought not to have such misty ideas, but we ought to have a clear-cut, definite policy. However, I am going to ask for some information in another direction. I would like to know if the minister has any information as to the systems of roadbuilding employed by the different provincial governments who would have the expending of the money provided for by this Bill?

Mr. J. D. REID: Several of the provinces have commissions for the construction of roads, and they engage the very best men they can get—men who are experts on the subject of road building. The work is carried on in that way in the province of Ontario and in the province of Quebec. I do not know whether they have such a commission in the province of Nova Scotia in which the constituency of the hon. member (Mr. Davidson) is situated. I believe this is going to be a very important matter for the rural population, and they are insisting on good roads. In the province of Ontario about 109,000 automobile licenses were issued last year, and over half of those were issued to the rural districts. In the province of Saskatchewan there were practically 40,000 licenses taken out, the next largest number, and they would be almost entirely rural I should say. I merely mention that to show the growth of motor traffic with the farmers. There is not a large city to-day but its market is crowded with motors from the country, and they come from very long distances.

A few years ago the farmers of my own constituency had to ship everything by rail; since motor cars have come into common use, they marketed their goods in Ottawa, and even in Montreal. Moreover the farmers can go to the large centres during nine months of the year instead of during only five or six. Good roads are a benefit to the rural population in that the services of physicians are made more available to the people; where the roads are bad, perhaps impassable, even where telephones are available a doctor may find it impossible to answer a call, or at least to answer it promptly.

Mr. M. CLARK: Should any intelligent elector take the trouble, which I very much doubt, to pursue the windings of this debate I am perfectly certain that he will find himself in a state of mind akin to that which the member for Annapolis (Mr. Davidson) has described as his. If we are to vote on this thing I think we should vote intelligently. Now, what are the propositions of a concrete nature that have been put before us in support of this resolution? The minister mentioned the providing of work for returned soldiers, and in the next breath he expressed very great doubt whether any soldiers would want the work. Well, that does not seem to be a very sound basis upon which to build a case for the expenditure of $20,000,000. I want to point out to the minister and to the Government that the further they go along the line of spending money upon what is non-productive work, the further they will produce people who want that non-productive work, and the more people they take out of the work of production the more they will put the cost of living up in this country. That is one of the objects which has been mentioned by the minister himself. The member for West Kootenay (Mr. Green) talked of building a transcontinental highway. I

cannot think that he was serious. What would $20,000,000 do towards the building of such a highway if it were all expended upon that one proposition? It would scarcely touch the scheme. So we may dismiss that; I assume that not a cent of this would go towards the building of a transcontinental highway, even if the money were voted now.

Then, the member for Kingston (Mr. Nickle) with truly democratic instinct, puts up the case of the American tourist as a reason why the highly-taxed people of this country should be enthusiastic over this road scheme. Well, I should like to see the road leading into his constituency from the United States come as rapidly as possible to the excellence of the State roads—though eight millions of people with a larger territory to build roads upon can hardly be expected to equal the work of 110,000,000 upon a smaller territory, especially in view of the fact that we are strained by the expenditures of a war in which we entered three years before the United States did. But the point I want to put to this Committee is, if we are going to spend this money upon the building of roads connecting the United States with Canada, then we cannot spend it on a national highway.

Then, my hon. friend (Mr. Sexsmith) says that the scheme is really to help the farmers to get their stuff to market around the little local towns and so reduce the cost of living. What a very confiding Committee we shall be if we vote for this scheme put forward along these various lines or supported by these various arguments. If the minister is really serious in his intentions to press this scheme, I hope that when he speaks again, if he intends to speak again, he will tell us what he really wants this money for. Is he in favour of a national highway, and is any of this money to go to that? We have a right to know, because one of the gentlemen sitting behind him evidently has that in his mind. Or is he in favour of the highly-taxed citizens of this country looking particularly after the needs of American tourists? If that is what is in the minister's mind; if that is what is behind this proposal, then I should like to know, and my farmers would like to know it. If it is to give work to the returned soldiers—to which, incidentally, returned soldiers will not go, according to the minister—then I should also like that reason to give to my electors. If it is to help the farmers and to reduce the cost of living, then I should be in the position of my friend from Pontiac (Mr. Cahill); I should, with all modesty, want to know how much of it is actually going to the constituency of Red Deer. I must say that I do not like to complain of the minister's statements, but it is no wonder they were hazy if he had in mind the various explanations which have been given by other supporters of the scheme; because it would pass the combined eloquence and clarity of Demosthenes and Cicero to combine and reconcile these schemes—and nobody will charge the minister with being in the same class as Demosthenes and Cicero.

Mr. J. D. REID: I stated that for several reasons I wanted this Bill to be passed this session. One was to provide work for returned soldiers; I believe that if this scheme is put through it will provide work during the next two or three or four years for very many of our men who have returned from the front, and for whom we might not be able to find other employment. I believe that nothing will reduce the cost of living more than the passing of this Bill and the building up of good roads throughout Canada. If you have good roads, men are encouraged to go on the farm and immigration is encouraged; and if you can get more people on the farm and thereby increase production, you certainly reduce the cost of living. I believe that the building of good roads increases the value of the rural properties through which they run; nothing will add more to the comfort of the rural population than good roads. One of the greatest benefits resulting to the rural population from the building of good roads is that of their being able to get a physician at any time; this would not be possible now in the spring and fall in cases where the roads were very bad. As to the question of tourists, I do not suggest that this money be spent entirely upon the building of roads for the accommodation of tourist traffic, but I do say that if, in addition to the advantages that I have mentioned, we can, by encouraging good roads, increase the tourist traffic throughout our country, we are doing something which is of very great value. I have here a statement which will indicate the value of tourist traffic in other countries which have good roads.

The amount annually expended by tourists is estimated as follows: France, $500,000,000; Switzerland, $150,000,000; Italy, $100,000,000; Maine, $40,000,000; Americans in England, $25,000,000; Americans abroad, $350,000,000. Hon. members need only go to any of our summer resorts in Ontario, or any other

province, and see the Americans there, to form some idea of the amount of money that is expended by American tourists in our country. They will then come to the conclusion that the tourist traffic is certainly of some advantage, and I believe of very great advantage to Canada, and nothing but good roads will bring tourists in large numbers.

Sir SAM HUGHES: The Governor of Maine stated last year that the revenue from the tourist trade for that state was five times greater than its lumber revenue had ever been.

Mr. DAVIDSON: What steps have the Government already taken in the direction of good roads? I believe that some expenditure is now being made by the Dominion Government, looking towards the improvement of highways.

Mr. J. D. REID: The only thing we have done is this: We have appointed Mr. Campbell, who has had a great deal of experience in the construction of highways, as commissioner. He has a small staff, and is trying to get an organization together to look after the matter of specifications. He is also studying the localities in which he thinks the roads should be constructed. A small vote of $25,000 was passed by the House this session, and it is out of this vote that this work is being done. I cannot expend anything under this Bill until it becomes law.

Mr. DAVIDSON: In what department does Mr. Campbell work?

Mr. J. D. REID: He is in the Department of Railways and Canals. We have expended only a portion of the $25,000 vote.

Mr. DAVIDSON: Is it not true that the Mines Department is working along this line?

Mr. J. D. REID: No, the only expenditure they are making is in connection with the inspection of mining areas in the different provinces.

Mr. J. F. REID: I have listened very patiently to this discussion on the national highway project, but as yet I am unable to understand whether it is to be a national highway from the Atlantic to the Pacific or a system of local roads throughout the provinces. If the minister would take us into his confidence, and tell us that it was to be a national highway I would be opposed to it, I cannot see how such a road is going to reduce the cost of living. I am of the opinion that if you want to reduce the cost of living it would be much better to spend this amount of money in railway branch lines, especially in the West, where we have thousands of farmers living forty and fifty and sixty miles beyond the national railway system, raising wheat and paying forty-five and fifty cents per bushel for hauling it to the railway. The minister must know that this condition cannot exist when prices come down to normal, and if those farmers living up there stop producing wheat when the price drops, naturally the amount of wheat produced will be diminished. I think it would be much better to drop this project of a national highway for the meantime, and construct branch lines of railway to the settlers who are now living fifty and sixty and seventy miles beyond the railway. Our returned soldiers are going in there to-day by the thousands, as far as eighty miles back from the railway. Are we not going to help them to get their products to market? It matters not to us, I think, whether our friends, the Yanks to the South, have good roads or not. They have 110,000,000 people to build their roads. Can Canada with only 8,000,000 people be expected to have roads equally as good as those on the other side? I think not. Not only does the production of wheat make more wheat products, but there are also the by-products to consider, which are used in the feeding of hogs and cattle, and all this helps to reduce the cost of living. I would ask the minister to consider this matter seriously and withdraw the Bill for the present, until he can lay down a definite policy and tell us just exactly what this scheme is to be. I am sorry, but if this comes to a vote I shall be compelled to vote against it.

Mr. DAVIDSON: I am desirous of speaking at some length on this resolution, and inasmuch as it is now rather late and we have done a full day's work, I would ask the minister if he would consent to have the committee rise and report progress. Other hon. members whose opinions I am sure would be valued by this committee are also desirous of participating in this debate, and they would be able to be in their places to-morrow and contribute to the discussion.

Mr. J. D. REID: I asked the committee to pass this resolution to-night so that I could get the Bill printed. My hon. friend will have an opportunity of speaking on the second reading of the Bill and again at the committee stage, when he will have the Bill before him. I should like the resolu-

tion to go through to-night if the committee are agreeable.

Mr. DAVIDSON: I think that this discussion, while, perhaps, not as definite as it might have been, and while many different opinions have been expressed as to just what the resolution means, has on the whole been enlightening, and might with profit be continued. The very fact that there seems to be such a difference of opinion would lead me to believe that. I should like very much to discuss this resolution at this stage, but at this hour of the night I do not wish to inflict a long speech on the House.

Mr. COPP: It is cooler now than it will be to-morrow.

Mr. EDWARDS: The suggestion made by the hon. member (Mr. Copp) that it is cooler now is apt. We are just in the proper mood now for legislating on this matter. We are in a receptive frame of mind and are ready for the speech which the hon. gentleman (Mr. Davidson) wishes to give us. We are accustomed to late hours and this is an opportune time for the hon. member for Annapolis to follow up the questions he has been hurling at us by the speech which he is anxious to deliver and which I am sure will be quite illuminating. The questions which the hon. member has asked are extremely interesting and give evidence of his possession of quite a fund of information which the Committee is now prepared to receive. I would strongly oppose the suggestion that the Committee should rise and report progress because this is an eminently favourable opportunity for us to get the information which we need in order to help us make progress. Will the hon. member for Annapolis now get up and favour us with some information from that vast fund of knowledge which he possesses, coming as he does from the Maritime Provinces? They do not need good roads there, but nevertheless he has a remarkable interest in the whole subject and is evidently desirous of doing the right thing. I for one am prepared to sit here at least another hour and listen to the information which I know he has bottled up in his brain and is extremely anxious to give to the Committee.

Mr. CALDER: Notwithstanding the pressing invitation of the hon. gentleman (Mr. Edwards) I am inclined to agree to the suggestion that the Committee report progress, in view of the lateness of the hour. If the hon. member for Annapolis desires further discussion of the subject he will have ample opportunity on the second reading of the Bill. On the second reading hon. members may thoroughly discuss the principles of the Bill, the details of which can be minutely considered in Committee. I think the proposal of the Minister of Railways (Mr. J. D. Reid) therefore, at this stage, after a long day, is a very reasonable one. It must be borne in mind that some of us must get back to work at 11 o'clock, and that we shall have to stay at it until twelve o'clock at night, repeating the same thing the day following, and the day after that. If we are to get the work of the session done we must all look upon a situation of this kind in a reasonable way, and in order to expedite the work I suggest that unless there is some grave reason to the contrary the proposal of the Minister of Railways be carried out and we be allowed to go home.

Mr. DAVIDSON: May I be allowed to say a few words? If I were in the habit of speaking as frequently as the hon. member for Frontenac I could take a chance with my audience. The hon. gentleman who has so kindly referred to the enjoyment which he anticipates from my speech frequently addresses the House. Sometimes I have been driven to the painful necessity of using strenuous efforts to keep a quorum while certain speeches are being made, and I can understand the position of one who does not frequently speak if he were to attempt to occupy very much of the time of the Committee at this hour of the night on a question of this kind. It is rather unusual for me to speak in this House and I am anxious to select a time when the hon. gentleman is not obsessed with any great desire for his downy couch and when he can give undivided attention to the affairs of State and matters of first importance. This is a very important subject. It has not to do with some little appointment to the Kingston penitentiary or any trivial matter of that kind. It has not to do with the vexed provincial question of national schools. It is of supreme importance whether we shall embark on a brand new policy in this country and I think the whole question should be seriously considered. If the minister insists, I shall of course, as I have done before, bow with all deference to his wishes and proceed to-night, in my exhausted condition, with the remarks which I intend to make. Looking upon the jaded faces opposite me, I am sure that hon. members will be in a better condition to hear me at a more seasonable time. If it is thought necessary I

will speak to-night, but I would very much prefer to speak to-morrow.

Mr. EDWARDS: I thought, when the hon. member rose, that he was about to give us of the store of information which I know he has in abundance. Possibly I have spoken more frequently than the member for Annapolis and in that respect the House has less to forgive him than me. The hon. member has referred to one or two matters which have nothing to do with this Bill, and since he has wandered afield I presume I may follow him. I have heard the hon. member give some reasons why he is opposed to this Bill. It is not because he does not believe in good roads.

Mr. DAVIDSON: How does the hon. member know I am opposed to the Bill? I have not expressed an opinion on the matter.

Mr. EDWARDS: If the member has not expressed an opinion he has had an opportunity of doing so, and his whole attitude has been one of opposition. He has expressed himself outside the Chamber, and if he will be as candid in the Chamber as out of it he will say that his reason for opposing the Bill is that he objects to placing money in the hands of the people of Nova Scotia, who, he has said, will use it absolutely for political purposes. If $40 out of $100 is handed to the Government of Nova Scotia, that government, in his opinion, is composed of such a lot of black legs that it will use the money absolutely for political purposes.

Mr. DAVIDSON: The hon. gentleman is misquoting me entirely I never made any such statement and I ask him to withdraw it.

Mr. EDWARDS: The hon. member did not say "blacklegs", and I withdraw the statement to that extent, but he has come as close to it as he could by inference without using that particular word. If that is his reason for opposing this Biill in the House, as it has been his expressed and only reason out of the House, why is he not candid enough to admit it? He does not, because he knows that an argument of that kind will not appeal to the committee. I repeat that he has frequently outside of the Chamber, used as an argument against the Government voting the money towards the improvement of highways, the alleged fact that if it is placed in the hands of the Government in Nova Scotia, those who are in control of provincial affairs there will use it for party purposes. The hon. member (Mr. J. F. Reid) raises the question about building railroads to farmers 50 or 60 miles away. It is all right, from his point of view, to take the money of the country to build a steel road for farmers to get produce to market, but it is absolutely illogical from his standpoint to take the money to build a highway for the same purpose.

Why is it that every member for Saskatchewan approves of spending millions of dollars to build the Hudson Bay railway? Is it for the benefit of Canada? It is for the benefit of the farmers of Saskatchewan and Northern Saskatchewan at that. It is all right from their standpoint to build thousands of miles of railway across the continent for the benefit of 500,000 farmers in Saskatchewan, but where you have a population of 2,500,000 in Ontario you must not spend a cent down here to improve roads. There is nothing consistent in these hon. gentlemen at all. They never ask the question:"Where are you going to get the money?"—when it comes to a question of building the Hudson Bay or some other railway in Manitoba, Saskatchewan, or Alberta. The people who have raised most of the money to build these railways in the West can go on raising most of the money to build railways out there and these gentlemen do not lose any sleep over where the money is to come from, but when it is a case of developing the agricultural districts of Old Canada, which has been the source of supply for building up Western Canada, they object. That is not a far-sighted way of looking at the situation. Throughout Ontario the building of highways is the greatest issue that you can bring before the people, and they have a right to come to this Government and ask them to contribute towards the building of these highways.

Mr. MAHARG: The money to build the Hudson Bay railway has been in the treasury for years and years, and it was obtained from the proceeds of the land sold in Saskatchewan.

Mr J. F. REID: The hon. member for Frontenac talks about the members from Saskatchewan taking the money out of the country to build a railway. Does the hon. member not know that Saskatchewan is inside the Dominion of Canada and that we are not taking money out of the country? He tells this Committee what Ontario has done for the West. More lands were given away in Western Canada by the Dominion Government than would have built all the

railways in the West. I would like to ask the hon. member for Frontenac about the canals which have been built in Ontario by the Dominion Government—and which do not bring any revenue to the federal treasury—not for the benefit of the people of Canada, but for the benefit of the people of Ontario. There is one close to this city built absolutely for pleasure for the use of the people of Ontario, and, I presume, built by all the people of Canada. He complains about the roads of Ontario needing such an amount of money, and yet he tells us that they have the largest population of any province. They have been building roads in Ontario for sixty or seventy-five years. Why does the hon. member for Frontenac not follow the example of the province of Quebec? Let him go down there and learn how to build roads, or better still, get a man from Quebec to tell them how to build roads in Ontario, especially in the constituency of Frontenac? If the hon. gentleman will visit the West we will give him a spin in an automobile on our own mud roads, and when he gets out he will say he has been over one of the smoothest roads that he ever rode over.

Mr. DAVIDSON: If the hon. member for Frontenac had waited for the remarks that I had intended to make it would have not have been necessary for him to violate the conduct of a gentleman in attempting to disclose in a public discussion confidential matters. The fact that the hon. gentleman interfered with my argument, by rehearsing a portion of it, seems an added reason why I should be allowed to continue my remarks and perhaps speak in a more logical manner at another sitting of the committee. If the hon. gentleman had let me alone I would have been able to present very many more reasons for my opposition. But I submit that the one reason that in my judgment the Government of Nova Scotia would not expend the money that this Government propose to give them wisely, but that they would waste the money, is a cogent and tangible reason and a reason which I might have no hesitancy in expressing to this committee. Since the hon. gentleman has referred to remarks which were made to him in a confidential way, I might perhaps be allowed to refer to remarks which were made by him in a public way in reference to this very resolution. When the resolution was last before the House the hon. member for Frontenac stated clearly that he only proposed to support a resolution of this kind upon the understanding that permanent roads and nothing but permanent roads were to be built. Am I correct in stating that?

Mr. EDWARDS: No, you are not.

Mr. DAVIDSON: The error in this respect must be due to the occult way in which my honourable friend speaks or to my limited powers of interpretation.

Mr. EDWARDS: It is the latter.

Mr. DAVIDSON: No doubt it is. I hope my honourable friend will regard this as a public question and permit me to enjoy the same liberty of opinion I have always conceded him, although I happen to disagree with him upon this question, and not cherish any little feeling against an old friend simply because he differs with him on a public question. Do I understand the minister refuses to allow the committee to rise?

Mr. J. D. REID: This is only a resolution that we are discussing, and I would like the committee to agree to-night to let the resolution go through so that the Bill could be introduced. Then we can discuss it when it comes up again. Of course, if this were the last opportunity, I would certainly not think of the resolution going through to-night. There is a great difference of opinion in the House and I realize that very many of the members are sincere in their opposition to the resolution. It is a very important one. If the honourable member for Annapolis will agree to the resolution going through so that the Bill can be printed, we can consider the matter again in committee and I will bring it up at an earlier time in the day so that we can have time to discuss it. The session is now nearing a close, and for that reason I am afraid that if we let the matter go over this evening and not have the Bill printed it will create much further delay. I would, therefore, appeal to hon. gentlemen to allow the resolution to pass.

Mr. MICHAEL CLARK: I have no desire at all to occupy unduly the attention of the House. As to private members sitting up till one o'clock in the morning, it is not a very serious matter to happen occasionally, but I do feel for the ministers who have grave problems to consider, and that in a serious spirit. It has been rumoured that there are fresh disturbances in Winnipeg to-day and I am sure the Minister of Immigration and Colonization, (Mr. Calder) who comes from the West, appreciates the gravity of the situation. For my part I should be anxious to permit the ministers

to retire and get some rest so that they could turn their attention early to-morrow to these matters. I do think, however, that before we can accede to the request of the Minister of Railways we should have an expression from him as to a serious purpose to print this Bill and to carry this legislation at the present session. Members are all anxious for the session to terminate within a reasonable period from the present. The printing of Bills costs money; but money does not seem to matter to a government like this. The matter of a $300,000,000 deficit does not seem to give a great deal of care to its supporters; I am afraid it will give a great deal of care to the country before we are very much older. We are continually getting fresh demands and you cannot pay a $300,000,000 deficit without money. Let me repeat, the printing of Bills costs money and I think before we undertake the printing of this Bill we should have a serious declaration either from the minister in charge or his chief henchman for this evening, the Minister of Colonization and Immigration, that there is a purpose to go on with this legislation this session and to carry the Bill through. If that be the serious purpose of the Government we from the West are not the men to use obstruction; we do not need to, we always think we advance arguments. The majority in this House must rule and if the majority want this money spent whether they know where it is going to come from or not, their view must prevail. But we should have an assertion from the minister that the Government intends to go on with this legislation and carry it through this session.

The CHAIRMAN: Shall the resolution carry?

Mr. DAVIDSON: There is another reason, which I have not yet advanced, why I think the committee should rise at this stage, if the minister will pardon me. There are some members on this side who usually support the Government, who would be very unwilling to withhold their support from the Government on any occasion, and I flatter myself I am one of them. If the resolution is put through to-night with the present light that we have, even after listening to the luminous address of the hon. member from Frontenac (Mr. Edwards), we are inclined to think we have not sufficient information to vote intelligently upon so vast and so involved a scheme. I think there are other members of this House in the same position as myself in that regard. If we had time to consider this matter to think it out more definitely and study it more closely, and perhaps confer with the minister as to the details, we might be i na position where it would not be necessary to withhold our support. As it stands now, I think I am speaking for others as well as myself when I say that is the position. For that reason it would seem to me very desirable that the committee should be allowed to rise. This is the first time I have ever asked the indulgence of the Government in a matter of this kind, and it may very likely be the last. It will certainly give me a great deal of gratification if the minister could meet my wishes in this regard.

1 a.m.

Some hon. MEMBERS: Question.

The CHAIRMAN: Is the committee ready for the question.

Mr. TRAHAN: I move that the committee rise.

Some hon. MEMBERS: Lost.

Some hon. MEMBERS: Carried.

The CHAIRMAN: I declare the motion lost.

Some hon. MEMBERS: Question.

The CHAIRMAN: Is the committee ready for the question?

Mr. DAVIDSON: I wish to say in reference to this matter that, like other gentlemen who have spoken on this side, I am heartily in accord with the principle of good roads. I do not think there can be any doubt on that point. Hon. gentlemen participating in this debate have indicated that they thought they had clinched the matter when, as if with a flourish of trumpets, they have said: "I stand for good roads." Everybody is in favour of good roads, just as everybody is in favour of liberty; but merely making the assertion that we are in favour of good roads does not necessarily prove that on this occasion we are doing right in supporting the proposal of the Government. There are a great many provincial matters which are good, a great many provincial matters which are important. Everybody will admit that the public school is a fine institution in this country, everybody will admit that the hospital is a good thing, everybody will admit that the rural telephone is a good thing, but because they are good things it does not necessarily follow that this Government should engage in the furtherance of them

by the expenditure of federal moneys. Now as hon. gentlemen opposite have said, the functions of the Federal Parliament and the functions of the provincial parliaments are very clearly defined by the British North America Act under which we work. Under that Act certain duties are assigned to the Federal Parliament, and certain other, and quite distinct, duties are assigned to the provinces. I say at this juncture we might well ask ourselves if we have so abundantly and efficiently discharged the obligations and the duties impressed upon us under the constitution as to say that we have an entirely free hand to perform the duties of some other body? No federal government entrusted with office in Canada was ever confronted with such serious obligations, such vast expenditures for purely federal purposes as is the Government that is at the present time in power. As a matter of fact the various provincial governments in Canada to-day are not particularly burdened with responsibilities and expenditures. The war has put no very great additional burdens upon those governments. They have gone along pretty much in the same old fashion, pursuing the even tenor of their way, but by reason of this war we have had tremendous burdens imposed upon us as federal representatives, and tremendous obligations have in consequence been assumed by the Federal Government. Therefore I say it seems to me that it is a most extraordinary thing for us at this particular juncture, when purely federal duties are pressing so hard upon us, to fly to other duties which do not properly belong to us. The provinces, as has been well said by other speakers, are abundantly able to discharge their own duties. The great province of Quebec has embarked on an ambitious scheme of roadbuilding, and its representatives in this Chamber are not coming to the Dominion Government with supplicating hands, asking us for aid; they say that their province is able to discharge the duties which properly belong to it under the provisions of the British North America Act. It is true that various members representing constituencies in the province of Ontario have made very pressing appeals for generosity, for harmony, and for a display of public spirit on the part of this Government in order that the provincial government may be assisted.

I commend them for looking after the interests of their provincial Government, but I have to remind them that while the Federal Government is incurring an enormous indebtedness, the provincial Government of Ontario has lots of money—I believe last year it had a surplus of about $2,000,000. Yet members representing Ontario constituencies come to us and say, "We cannot discharge the burdens which are placed upon us by our constitution, and we must ask you, the overburdened Federal Government, to come along and help discharge our purely local and provincial expenditures." That is not reasonable.

I think that in the press of his very many important public duties—and I suppose no member of the present Government is harder worked than the present Minister of Railways and Canals,—the hon. minister has not had time to study the road question as exhaustively as we might expect a minister in charge of so important a measure to have done. If he had, I think he would have been able to answer me a little more fully when I questioned him as to what the Federal Government was already doing in reference to this question. I wish to tell the hon. minister that one of the Departments of this Government is to-day engaged in a very important work in connection with road building—I refer to the Mines Department. That department has a staff of officials who to-day are at work on this very important question, and they are working along systematic and scientific lines. That department is presided over by an expert in road building, and he has several assistant engineers. During the summer months he sends those engineers out to various parts of the Dominion to study road making conditions; specimens of soil and of road materials are sent to him, and experiments in all kinds of road making are undertaken, with, I believe, very useful results.

The other day I had the pleasure of discussing with one of these officials his own work and that of his department, and I was impressed with the tremendous seriousness of this question. As a matter of fact he informed me that as far as he could discover there was very little knowledge of road building in this Dominion, and that the several provinces were not yet equipped with sufficient engineering and experimental knowledge to warrant large expenditures. That officer's idea was that the work of the Federal Government in connection with roads should be a work adapted to the general good of Canada. To-day it is not the business of the Federal Government to engage in the industry of agriculture under the terms of our British North America Act; but it is a very proper work for the Federal Government to

establish experimental farms in various parts of the country. In those farms scientific experiments are carried on, the results of which are beneficial to all parts of the Dominion, and in that way agriculture is helped. I want the same thing to be followed out in reference to roads. I think that the Federal Government might very properly engage in experimental road making. I am speaking in agreement with the views given me by the officer to whom I have just referred, when I say, that that department could use a much greater amount of money than it now has at its disposal. I believe the proper way for us to approach this question is for the Federal Government to build up a scientific department in road making, to gather together a body of engineers, and through their operations to be in a position, whenever a municipality or a province wants information in reference to this very important matter, to be able to give it to them, and to furnish them with competent and skilled help to make expenditures on road building.

But to-day there is not enough information and scientific knowledge on this question to warrant the expenditure of the exceedingly large sums of money which it is proposed to spend at this time of financial stringency. I venture to say, Mr. Chairman, that there is not one single province that has yet successfully grappled with the problem of road making. For years the various provinces have tinkered with this question. They have not gone at it in the right way. They decided that a certain road was needed and would cost a certain amount of money, and then they proceeded to get the money and to expend it without any previous experimental research, with the result that the expenditure in many cases has been lost. I do not think the province of Nova Scotia has suffered any more in this particular than the other provinces, but members of the present Government in Nova Scotia would be the first to admit that in the past road construction has largely been a failure, and that to-day they are groping in the dark on this question, and if this Government forces the Government of Nova Scotia into the expenditure of large sums of money on road building, it will be spent in a hurry and practically thrown away.

I want to read to the House just a short paragraph from the Eastern Chronicle, a paper published in New Glasgow, Nova Scotia, in reference to some of the operations in connection with road building in that province. This is the paragraph:

> There is one of two things wrong with the supposedly permanent culverts that have been placed along the highways of this country—either the design is bad, or the work of installation was not properly done. That the costly work is more or less a failure is easily apparent to one travelling the roads. In places they have given way, have been thrown up by the frost and are now a danger to travel rather than the maximum of safety they were originally designed to be. This will be a matter of deep regret to the county representatives who were responsible for the installation of these intended improvements, and who placed their faith in the engineer who prepared his plans, and the contractor who had the performance of the job. It looks very much as if the design of these culverts was really at fault.

The province of Nova Scotia borrowed a very large sum of money in good faith, and they yielded to the cry of immediate action in the construction of good roads. They put these culverts down without knowing how, without the proper staff to ensure the work being properly done. That is the long and short of it. The result is that that immense expenditure is worse than a total loss, because the roads in which those culverts were placed have been made dangerous.

Mr. COPP: Is the hon. member referring to Nova Scotia generally, or just to certain counties?

Mr. DAVIDSON: The paragraph I read had reference to a particular road in Nova Scotia, from my observation I may say that the condition described in the county of Pictou is characteristic of the various other parts of the province. The people of Nova Scotia want good roads; there is no doubt of that. It is needless to point out the merits of good roads; everybody realizes that they are necessary. But the question is, will the scheme that is now under consideration lead to the production of good roads in this country? In my judgment, it is doubtful whether it will. I believe—and I have the opinion of a very able expert to support my conclusion—that if this thing is carried through it will simply mean that huge sums of money will be passed on to the various provinces, which will thereupon engage in wild schemes of road-making and in two or three years there will be nothing whatever to show for all this expenditure. I agree with what the member for Frontenac (Mr. Edwards) said the other evening when he spoke in favour of permanent roads. But it would be idle for us to borrow $20,-

000,000 and spend it in such a manner that in the future the only thing we shall have to remind us of the expenditure will be the necessity of our paying the indebtedness so incurred. Let us deal with this thing in a sane manner; let us continue the operations that have been started, go on with the work that has been begun, and wait until the provinces are in a better position to work intelligently upon the roads; then place the federal machinery at the disposal of the various provinces in order that they may build well. It is absolutely absurd for us to embark at this time upon such a scheme as this. I point out again the inadvisability of our trying to invade the jurisdiction of the provinces. The provinces do not want us to do so; we are trying as it were, to cast the mote out of their eye when there is the beam of heavy obligation in our own. In view of the heavy obligations under which we are staggering at the present time, it is very silly for us to go around the country looking for people whom we may help out.

This measure, Mr. Chairman, is one which requires all the united wisdom of the members of this House; I do not know of any measure that would require more careful scrutiny. It is an absolutely new departure; the Federal Government has never built roads in this country. No scientific investigation has been made by the Government; they are not in possession of any data on the subject; they are not able to give the House any information of a definite character, yet they are embarking upon a scheme involving the expenditure of millions of dollars. If this thing goes through, every part of the country will be after the Federal Government to expend money on roads; we shall be in for a tremendous expenditure. This, therefore, is an inopportune time to try to force a measure of this kind through Parliament. The proper thing to do would have been to bring the Bill forward at an earlier period in the session and to refer it to a special committee of the House for study, analysis and criticism. When we had to deal with the consolidation of the Railway Act a special committee was appointed and sat for days considering the various clauses of that proposed Act. Railway problems were not new to us; yet we spent weeks in the committee giving very careful consideration to the details of this Railway Act. Now it is proposed, at the eleventh hour, a few days before prorogation, to embark upon an entirely new scheme, a scheme of which we are entirely ignorant; and it is proposed to rush it through. An hon. gentleman asks the Government to allow the matter to stand until another day; that the vote be not taken at this time, but this request is refused by the minister, for reasons which no doubt he appreciates, but which I cannot for the life of me understand. There are many other things I wish to say on this subject; is the minister still obdurate?

Mr. J. D. REID: I would be glad to do anything I could for the hon. member, but we have lost a good deal of time on this resolution, which is now before us for the third time. I make one more appeal to hon. gentlemen to let the resolution go through so that I may get the Bill printed. We will then have the second reading, when there will be opportunity for discussion; and it may be further discussed in committee. Of course, if the hon. member wishes to finish his remarks, I will give consideration to his suggestions. I realize that this is one of the most important measures that ever came before this House, but it has passed this Parliament twice before, and it is well known to hon. members and to the people. The member for Red Deer (Mr. Michael Clark) wants to know whether we are going on with this Bill. I am asking that it be passed; then we may consider whether it, with other Bills, shall be gone on with during the present session. But I am not going to drop it in this way. I am as anxious as any member of the House is that the session be brought to a close at the earliest possible day, and if we do not get this resolution through to-night it will be the first Order of the Day to-morrow. If we pass the resolution to-night, we shall save a day and members will get home that much earlier. That is the reason why I ask that the resolution go through. There are a lot of other Bills on the Order Paper. In previous sessions Bills have been dropped in order that the session might be brought to a close. I am willing to do anything to facilitate the work of the session, but if the resolution is not adopted to-night I will ask the House to take it up to-morrow and to discuss it to-morrow and from day to day to see if we cannot have the resolution passed so that the Bill may be introduced.

Mr. DAVIDSON: The minister is wrong when he says that this Bill has passed the House twice before. In fact, I believe that it never passed this House before.

Mr. J. D. REID: The Highways Bill, I mean.

Mr. DAVIDSON: That Bill was entirely different from this one and involved an entirely different principle. It is one of the principles of responsible government that the Government which collects the taxes shall be responsible for the expenditure of the money so collected. That was the principle involved in the Highways Bills, which was passed by this House and killed in the Senate.

That is not the principle embodied in this legislation. I do not want to be churlish in this matter. My only reason for opposing this resolution is in order that all the members of this House may appreciate its importance and significance. If the minister would consent to have this Bill sent to a special committee to be considered carefully, as I believe it should be considered, I would have no objection to the resolution being allowed to pass.

Mr. J. D. REID: I will bring the matter before Council, and we will decide whether it will be better to refer the Bill to a special committee at this late stage of the session or submit it to the House. That is a matter I should not like to decide offhand myself, but I shall certainly bring the matter before the Government and let my hon. friend know. I really think it would save time and shorten the session if this resolution were allowed to pass and we could get the Bill printed and on the Order Paper, and a copy of it in the hands of every member.

Mr. M. CLARK: I regret if I appear to have wasted the time of the House unnecessarily. I addressed what I thought was a courteous request to my hon. friend, and if it embarrassed him, I am sorry indeed; I did not mean it that way. I regret also that the minister should have used something which appeared very, very like a threat, and addressed particularly to myself. He assured me in somewhat strong language that if this resolution does not pass to-night it will be the first thing to-morrow. That will not incommode me. This House has been four months in session and I have not missed a Parliamentary day, and if my hon. friend wants me to stay here with him four months longer, and his constitution holds out, I will stay with him. I would remind him that on one occasion when we were sitting opposite to one another we had a two weeks' sitting without any intermission whatever. I regret that he should have thrown out what appeared to be very, very like a threat. I repeat what I said before, that if it should be the wish of the majority to enact this legislation I have no objection; it would not be any use if I had. I desire majorities to rule. I have expressed the wish that we had been given a clear explanation of what it is the Government wants to do in the way of road building.

This has not been an idle day in Parliament. We had a very long Bill brought in by the Minister of the Interior (Mr. Meighen) this morning, a lucid exposition of the Bill greatly facilitated its passage, and it went through all its sixty-four clauses in committee. We had also a Bill with a great many clauses in connection with technical education. I must say, if the minister is inclined to threaten, that we would have got further ahead if he had told us exactly where he stands in regard to this national highway proposition and the other proposals. If he had told us exactly what the legislation is meant to effect, he would have helped me sooner to have ceased talking, and would have helped to let the resolution pass so far as I was concerned.

Mr. J. D. REID: The last thing in the world I would wish to use is a threat, and if my remarks could be construed in any way as a threat, I would certainly wish to withdraw them and apologize to the House. I realize that there is a great opposition to this legislation in the House. This is the third time I have tried to get this resolution through.

Mr. M. CLARK: On the two previous occasions I have not opened my mouth.

Mr. DAVIDSON: Nor did I make any statement.

Mr. J. D. REID: What I felt about it was this: If I am not to get the resolution through to-night, I would rather take it up first thing to-morrow and let the whole House decide whether we were to go on with it. I did not feel that I was asking anything unreasonable to let the resolution pass so that the Bill could be printed. I did not wish to threaten in any way, but I wished to get this Bill printed. We have a lot of other Bills on the Order Paper, and as far as I am concerned I will do everything I can to try and bring the session to a close, even if it should be necessary to drop this or some other Bills; but the Government must decide whether it shall be proceeded with or not.

Mr. EDWARDS: I considered the intimation of the minister that if this resolution did not pass to-night it would be the first order of business to-morrow, not as a threat,

but as a promise which was due to certain members of this House who do not agree with the position of the hon. member for Red Deer and the hon. member for Annapolis, but desire this resolution to go through. While I am on my feet I should like to make one observation regarding the argument advanced by the hon. member for Annapolis with respect to the British North America Act and the infringement on provincial rights. Before this resolution came up he gave his consent to the passing of the Bill respecting technical education, and if there is any argument in regard to the invasion of provincial rights that can be used against this resolution it can be applied with equal force to the Bill on technical education involving an expenditure of $10,000,000, to which the hon. member has given his consent.

Mr. DAVIDSON: In order to set myself straight, let me say that I have no inconsistency in this matter. I was opposed to the principle of the Bill on technical education, and if a vote had been taken on it I would have been compelled to vote against it for exactly the same reason that I am opposed to this resolution.

Mr. MAHARG: If it is the will of the minister that a vote should be taken on this resolution to-night I shall have to take up a little of the time of the Committee, because I have not said a word on the principle involved. I have said that this is an inopportune time for the legislation to come before the House. This legislation is entirely wrong in principle It is an infringement of the rights of the provinces, and unless they have changed their minds I do not think they are a unit in accepting it. The last Highway Bill was killed for almost exactly the same reason. If we are going to hold a string on this grant—and we are holding a string on it—I can tell the minister that Saskatchewan, at all events, is absolutely opposed to the Dominion Government handing over moneys with a string attached. If the minister insists on a vote to-night, I shall have to take up a little time. As the minister does not care to answer, I take it for granted that he intends that a vote shall be taken to-night. In the first place, the emphatic statement of the minister that the Dominion Government would hold a string on the grant is surely sufficient reason for any member of this House opposing it. The minister says to the provinces: "We are prepared to give you this money, but we are going to say just exactly where you are going to build this road and the kind of material you shall use in building it. We are going to keep an absolute string on the grant." For that is what the minister's statement meant. It is all very well to say that it will be a matter of agreement, but that does not work. The Dominion Government will hold a string on this money continuously. I say the principle is absolutely wrong.

The Technical Education Bill has no such string on it. It says the money must be spent for technical education but does not stipulate that one or two colleges must be built or that this or the other subject must be taught. It is simply provided for technical education. But this Bill says you must build the road where this Government will be satisfied with it, and the Government must be satisfied with the construction and the material. It has an absolutely binding string on it from start to finish.

Mr. BUREAU: The matter of cost is in the opinion of the minister, too.

Mr. MAHARG: I did not know that, but that makes it so much worse. It seems to me most unreasonable to ask the provincial governments to accept this regulation, and I do not think that many of them will do so. Let the minister give us the information he has secured from the governments as to what they will do. If he is prepared to tell me that the government of my province will allow the Dominion Government to have complete control in the matter I shall immediately withdraw my objection, for that is the provincial government's business, and his assurance to that effect will relieve me of responsibility. But in the absence of that, and speaking, as I think I am, for the people of my province, I am opposed to the methods proposed. This was the attitude of the people of my province some years ago and I do not think they have altered their opinions much in this respect. We believe in provincial autonomy and although we were not accorded the fullest measure of it, still we got a fair degree of autonomy and are anxious to retain it and if possible have it extended. To permit the Dominion Government to interfere with the internal affairs of a province is entirely wrong. We have heard a good deal about the United States methods. I am not familiar with many states, but I am fairly well acquainted with the good roads scheme in Michigan, as I have a brother there who is connected with municipal works. There the state hands the money to the county and an

arrangement is entered into between them. The county lays down the plan of the road and the Federal Government has nothing whatever to do with the work. If this Government is prepared to hand the money to the provinces and let them and the municipalities work out their own salvation I will withdraw my objection now and when the Bill comes before the Committee. Otherwise, I shall have to oppose it in Committee as strenuously as possible. I am not opposed to good roads, but I want the Provincial Government and the people of the province to say where those roads shall be built. In our own province they get away as far as they can from roads as such. They only undertake now large contracts, such as heavy fills or bridges. A member of the Government was Minister of Highways there for several years, and he will tell you they have been getting away from that system as much as possible. It was a continual source of trouble, getting the minister into difficulties through no fault of his own. This is a re-introduction of the system in an intensified form. It is entirely unwarranted and should not be supported. There are other matters I would like to touch upon and I should like to say a word or two to our British Columbia friends, but as the hour is late I will refrain from further remarks.

Resolution reported and concurred in.

Hon. Mr. REID thereupon moved for leave to introduce Bill No. 152 founded on the resolution.

Motion agreed to and Bill read the first time.

On motion of Hon. Mr. Calder the House adjourned at 1.40 a.m.

Tuesday, June 24, 1919.

The House met at Eleven o'clock.

REPORT OF PENSIONS COMMITTEE.

Hon. N. W. ROWELL (President of the Privy Council) laid on the table of the House the report of the Special Committee appointed to consider the question of pensions, pension regulations and all matters pertaining thereto, and moved that the said report, with the evidence appended thereto, and a suitable index to be prepared by the clerk of the committee thereof, be printed forthwith, and that rule 74 in relation thereto be suspended.

[Mr. Maharg.]

Mr. SPEAKER: This motion requires the unanimous consent of the House.

Mr. BELAND: Is this the final report?

Mr. ROWELL: Yes.

Motion agreed to.

SOLDIERS' CIVIL RE-ESTABLISHMENT.

RESIGNATION OF DIRECTOR OF MEDICAL SERVICES.

On the Orders of the Day:

Rt. Hon. Sir ROBERT BORDEN (Prime Minister): I beg to lay upon the table of the House copy of a letter from Colonel F. McKelvey Bell to myself dated June 6, 1919; copy of a letter from the same gentleman to Sir James Lougheed, Minister of Soldiers' Civil Re-Establishment, dated June 5; copy of a letter from Sir James Lougheed to myself dated June 17, all with respect to the resignation of Colonel McKelvey Bell and to the incidents which led up to that resignation.

MILITARY SERVICE BRANCH.

LETTER FROM MR. JUSTICE DUFF CONCERNING MR. S. L. DALE HARRIS.

On the Orders of the Day:

Sir ROBERT BORDEN: I lay upon the Table a copy of a letter dated the 6th of June from the Hon. Mr. Justice Duff in which he calls attention to a passage in the report of the Director of the Military Service Branch, Department of Justice, referring to and reflecting on the work of Mr. S. L. Dale Harris, one of the officers attached to the Central Appeal office. The purport of Mr. Justice Duff's communication is to convey to me and to have made public his warm appreciation of the work which Mr. Harris performed as Central Public Representative in connection with the Military Service Act.

NEW FREIGHT RATES ON AGRICULTURAL IMPLEMENTS.

On the Orders of the Day:

Mr. E. LAPOINTE (Kamouraska): I desire to ask a question with regard to the reduction of freight rates on agricultural implements to the western provinces. The manager of a plant in my constituency who applied for the new rates received the following telegram from the Traffic Manager of the Canadian National Railways:

Montreal, Que., June 17th, 1919.

La Compagnie Desjardines, Lte.,
St. Andre de Kam., Que.

Your wire date. New rates on agricultural implements as referred to in your telegram

will not become effective earlier than September first.

S. C. Tiffin.

As the farming implements, if they are to be any value to the farmers this year or to the manufacturers who sell them, will have to be bought and sold before the 1st of September, I desire to know whether the agreement between the Government and the railway companies is as indicated by this telegram.

Sir THOMAS WHITE (Minister of Finance): I suggest that the hon. member bring the matter up when the Bill embodying the tariff changes is before the Committee of the House. I was not quite able to follow him in the question that he put; I think, however, that a reply would have to cover a good deal of ground.

THE VACANT POSITION OF COMMISSIONER OF CUSTOMS.

On the Orders of the Day:

Hon. RODOLPHE LEMIEUX (Maisonneuve): I hope I shall not be indiscreet if I ask the Prime Minister whether, on account of the death of the late Commissioner of Customs, Mr. McDougald, it is the intention of the Government, in the appointment of a successor, to recognize the principle of promotion?

Sir ROBERT BORDEN: I have no doubt there will be promotion within the service, but I have not been able to give careful consideration to the selection.

THE WINNIPEG STRIKE.

On the Orders of the Day:

Mr. D. D. McKENZIE (Cape Breton North): I notice in the press this morning that the Government have separated themselves from any further efforts towards conciliation and settlement in Winnipeg. Is that a fact? Have all negotiations been cut off as between the Department of Labour, for instance, and the leaders of the strike at Winnipeg?

Sir ROBERT BORDEN: I have not observed the report to which my hon. friend has called my attention. So far as I am aware, nothing of the kind has been determined.

CIVIL SERVICE RECLASSIFICATION.

On the Orders of the Day:

Hon. JACQUES BUREAU (Three Rivers and St. Maurice): May I ask the Acting Minister of Trade and Commerce (Mr. A. K. Maclean) if there is any report accompanying the volume which he has laid upon the table of the House and which is supposed to contain the classification of the various positions in the Civil Service, or if that report is the only thing which will be handed to the members to enable them to form an opinion upon the changes which are being made?

Hon. A. K. MACLEAN: The report of the classification already laid upon the table of the House comprises substantially all the information that will be given to hon. members. There is, however, a report from the so-called efficiency experts to the Civil Service Commission.

Some hon. MEMBERS: Hear, hear.

Sir SAM HUGHES: "So-called" is the proper word to use.

Some hon. MEMBERS: Hear, hear.

Mr. A. K. MACLEAN: I did not mean to reflect upon the experts by so designating them, as I have a very high appreciation of their work. There is a report from the experts to the Civil Service Commission, which report deals with the general principles involved in their method of classification, and which, I think, will be submitted to the House in a few days by the Civil Service Commission. I might say that I hope, to-morrow some time, to lay upon the table of the House copies of the classification in French. I also hope, tomorrow some time, if I have an opportunity, to move the second reading of the Civil Service Bill, and if not, then the following day. At present it is my intention to ask the House to appoint a special committee to whom this Bill will be referred. I mention that so that hon. members may have an opportunity of considering the Bill in the meanwhile.

Mr. BUREAU: Will that report to the commission be laid upon the table of the House and copies printed for the use of members? I do not want to pass any remarks or to give my reasons now, because this is not the time; but I do say that no intelligent man can understand all of the 700 page volume which has been deposited upon the Table. It is a catalogue with the most curious and unintelligible classifications for certain positions that I have ever seen.

Mr. A. K. MACLEAN: I cannot promise my hon. friend that that report will be laid upon the table of the House before the second reading of the Bill is moved.

I think my hon. friend is in error in supposing that there is something very strange and unfathomable about this classification. It is a very simple matter.

Mr. BUREAU: It is too simple as it stands.

Mr. A. K. MACLEAN: It does not pretend to set up a single new position in the public service of the country. I hope my hon. friend will change his mind, because I trust to get the Bill and the classification through Parliament in a few hours, as there is no reason why it should be delayed at any length.

Sir SAM HUGHES: As regards selecting a committee to consider this Bill—I do not know if this is the proper time to put the question or not—is it the minister's intention to hand-pick the committee, or is he going to pick the committee from hon. gentlemen interested on both sides?

Mr. A. K. MACLEAN: Some one will have to pick the committee and I should be glad to have the assistance of my hon. friend in regard to the matter.

Sir SAM HUGHES: The minister will not get me.

Mr. A. K. MACLEAN: I shall do the best I can to select a representative committee.

Sir SAM HUGHES: I would like some good fighting men on it.

CANADA SHIPPING ACT AMENDMENT.

On motion of Hon. Mr. Ballantyne (Minister of Marine), Bill No. 148, to amend the Canada Shipping Act (transfers and mortgages of ships) was read a second time, and the House went into committee thereon, Mr. Boivin in the Chair.

On section 1—transfers, mortgages, or transfers of mortgages of ships to be subject to approval:

Mr. LEMIEUX: Is there anything new in the law, or is the old law being re-enacted?

Mr. BALLANTYNE: When the resolution was before the committee, I explained that the object of this Bill is simply to put into effect two Orders in Council, one passed on March 9, 1915, and the other on October 9, 1917. These Orders in Council, when the Peace Treaty is signed, would, so I am informed, become invalid, and the object of this Bill is to have similar legislation to that passed by the Imperial Government in 1915, entitled The British Ships Transfer Restriction Act, which is valid for three years after the declaration of peace. That same clause is in the Bill now before the committee. It is necessary to have such a law in order that, if any owner of a ship wished to have a transfer of registry or a transfer of mortgage, he would have to apply to the Minister of Marine to get it.

Mr. LEMIEUX: Can the minister give a concrete case?

Mr. BALLANTYNE: In the case of a ship built in Montreal, from which city the hon. member and I come, if the owner wished to have American or French registry, in the past he would merely have to go to the registrar of the court of Montreal to obtain it. Now he will have to apply to the Minister of Marine.

Mr. PARDEE: Is this absolutely necessary? In our part of the country, where vessel transfers are quite frequently made, every bill of sale or mortgage has to be drawn there, sent to Ottawa, submitted to the department and receive approval before we can do business at all. Is not that a policy of centralization? You have your collector of customs, who is the registrar of shipping in the port of Sarnia. Why can he not receive instructions so that we may, as in the old days, take a bill of sale or mortgage to him, or have a transfer approved by him and entered in the registry of shipping and kept in that port? I think that shipping registrars in the different ports could be instructed to carry out the regulations just as the department would here. It would save time and considerable expense, not to mention a great deal of correspondence. One of the rules of the department is that no mortgage may be drawn except upon the specific form furnished under the Shipping Act, and with extended periods of payment for the mortgage it is an absolute impossibility to put the terms of repayment in the form furnished. It has to be changed and typewritten forms must be used, and at the present time the department absolutely refuses to accept any form except that furnished. I cannot understand the reason for this. The matter might be simplified if the registrar of shipping in the port were allowed to carry on the work.

Mr. BALLANTYNE: The Orders in Council passed on the 9th of March, 1915, and the 9th of October, 1917, respectively, under the War Measures Act of 1914, were

absolutely necessary in order that Canada might conserve and control her own shipping. England in her wisdom—and she is a good example in the matter of shipping and shipping laws—saw fit to pass what is known as the Transfer Restriction Act. It was passed in 1915, to be operative for three years after the war, in order that Great Britain may be assured that none of her shipping would get into foreign hands. That Act enables her to conserve her own tonnage. Canada is simply seeking to do what the United Kingdom has done, and it would be very unfortunate for this country, with so much ship construction in progress now, if we did not pass this law. There is a remarkable shortage of shipping. Canada not being able to export one-quarter of the freight offering, and if we allow these Orders in Council to lapse and do not pass this Bill it will simply mean that we shall have no control whatever over our shipping. A man could go to a registrar and ask for the registry of any country he liked, and it would be given without question. Under the provisions of the Bill a foreign company applying for the registry or transfer of a ship will have to come to Ottawa and make application to the minister, so that we can investigate the bona fides of the applicant and decide as to the advisability of giving the transfer. We cannot have these rights granted through the registrar of the port, and if this Bill does not pass we shall revert to the position in which we were before the war, and transfers of ships will be made just the same as transfers of land.

Mr. PARDEE: The registrar is an officer of the department. Can he not be given instructions?

Mr. BALLANTYNE: My department will have no instructions to give him unless this Bill is passed.

Mr. DUFF: I have no doubt the minister is right in regard to some of the ships about which he speaks, notably steel ships. But if this Bill goes through without amendments or a satisfactory guarantee a great many of the wooden shipyards in the country will have to close up business. The minister says this Act is in accordance with a similar law passed in the United Kingdom. Conditions in Canada are quite different from those that obtain in Great Britain, where there is enough business for themselves to keep their yards busy all the time. Most of the wooden ships being built in Canada are for sale and not intended for use in Canadian trade. In fact, for a number of years past the majority of wooden ships built in the provinces have had to go outside of Canada to obtain business. The minister is optimistic in the matter of what ships can do in Canadian trade. Well, I am not so optimistic and from my experience I know that we cannot expect sufficient business for a great many of our wooden ships. I would remind the minister that even his own marine had to go outside of Canada for business, and, indeed, was able to secure better trade outside. The provisions of this Bill will work a hardship on the shipowners in Canada, especially in the Maritime Provinces. A great many vessels are sold in foreign ports. A ship may go to Brazil or France, and an offer may be made the captain, who then telegraphs his owners. Sometimes such offers are made in the British West Indies, and if a sale is to be hoped for the owners must be in a position to telegraph immediately whether the offer can be accepted. If an owner is under the necessity of communicating first with Ottawa—and large bodies move very slowly, this being certainly the case sometimes in the Marine Department, which takes a great deal of time to consider these matters—there will be no sale. We should encourage the selling of vessels outside of Canada if we expect to keep our shipyards busy. A great many men in Nova Scotia and New Brunswick when the war broke out and when Mr. Lloyd George made an appeal for ships, invested money in new shipyards, although some of them were already interested in old concerns. So far we have not received any returns on our capital, and if this Bill is made law and we are to be handicapped with unnecessary delays our business will be seriously prejudiced, for we shall certainly find it, to say the least, extremely difficult to effect sales with the United States or France if we have to apply to the Minister of Marine for permission to sell. In the past few years we have had some business with foreigners, although I should not use the word "foreigners" in connection with our Allies, France and the United States. Gentlemen from those two countries would give certain specifications for ships they required and prices would be fixed before even the keel was laid. Now, how can we shipbuilders in Nova Scotia and New Brunswick under this Act enter into a contract with French or American capitalists when we do not know whether the minister will allow us to transfer a ship after she is built? I would urge on the minister my apprehension that if this Bill goes through without the guarantees, the

shipbuilders of the Maritime Provinces will be driven out of business.

Mr. BALLANTYNE: I may say to the hon. member for Lunenburg (Mr. Duff) that I cannot agree with his argument that this will drive the wooden shipbuilders of the Maritime Provinces out of business; quite the contrary. The Government is just as anxious as is the hon. member for Lunenburg that all ships that can be built in Canada under our allied register, either wooden or steel, should be built here. There is no delay in the Department of Marine and Fisheries. All these requests are dealt with very speedily. If there was any blame it would rest on the shoulders of the minister, and I can assure the hon. member that I despatch such matters very quickly after ascertaining who the owners are. He mentioned the case of a wooden shipbuilder in the Maritime Provinces who got an order from France and who could not make the sale because he would be in doubt as to whether he could get registry or not until the ship was built. That is entirely contrary to the facts. Quite frequently men come to see me—there is one waiting for me now—to know if he can get register before he completes the deal. If an American shipbuilder, or any of our Allies, want ships built in Canada, they will be told that when the necessary very simple questions have been asked and answered, they can immediately get their registry. I am sure that in such times as we are now going through, my hon. friend from Lunenburg will recognize the necessity, in the interests of Canada, of the Government retaining control over shipping for at least three years after the war. Otherwise, we do not know what tonnage, either wooden or steel, which is being built in Canada, will slip out of our control. I cannot agree with the hon. member when he says that we have to go outside of Canada to get trade. The fact is quite the contrary. As I said a moment ago, we could commence to move the products of the farm and of most of our industries, if we had all of our forty-five new ships in commission to-day. It would be an unwise policy for the Government to allow any of our ships, either wooden or steel, that are being constructed now, to pass under foreign control, or possibly into the hands of our enemies. This is merely a precautionary measure; it does not mean delay at all. Last year the number of transfers allowed on the application of both Allies and neutrals, was twelve, and the number of ships that applied for transfer of registry was 138. The hon. member will see that we have already handled quite a number of transfers, and no one has complained about delay. I appreciated the fact that these matters must be dealt with speedily when they come before my department. No mortgage can be transferred or registry given unless the minister himself personally approves, and I can assure my hon. friend that I shall approve of these applications very speedily when they come before me.

Mr. DUFF: The explanation given by the minister is fairly satisfactory. So long as there is no delay I can assure him that it will be satisfactory to the wooden shipbuilders but they must have immediate action and they must know before they build the ships whether they can sell them or not. I was in the United States about a month ago and I had previously been in correspondence with a gentleman in Boston who has a large amount of money that he wishes to invest in Nova Scotia ships. He would be willing to put $50,000 into ships built in Nova Scotia, as an investment. This was before I knew anything about this Bill and I told him there would be no trouble in arranging it because in the past people in the United States have had shares in Nova Scotia ships. The shares were owned by British subjects but the British subjects gave a mortgage in the name of the American citizen. When I discussed this matter with that gentleman he told me that he had $50,000 to put in ships in Nova Scotia and I told him there was no reason why it could not be done in the usual manner. If this Bill goes through, and if I understand the Bill correctly, Canada will lose that money. If I am right in my interpretation of the Bill this gentleman cannot invest this money in Canadian shipping because we would not be able to give him a mortgage for the money that he invests. Am I right in that?

Mr. BALLANTYNE: The hon. gentleman will be able to give him the necessary transfer of mortgage. There is no difficulty about that. You will have to apply to the Minister of Marine and Fisheries to get his authority to give a transfer of the mortgage but there will be no delay or difficulty about the issuing of the mortgage. I am just as anxious as any hon. member to increase shipbuilding in Canada, altogether apart from what the Government is doing, and we will render every assistance to promote that object. But I am sure that hon. members will recognize that there is absolute necessity of Canada controlling her

shipping tonnage and she can only do that by asking people in these various countries to apply to the minister for a transfer of the mortgage or register.

Mr. J. H. SINCLAIR: My principal objection to the Bill is that it is an unnecessary interference with business, without accomplishing any good object. If the minister says that he is going to give his consent to all applications the Bill is no good. He has now pledged himself to the House that if any Canadian citizen wants to sell his ship to an American he will give his consent and the citizen will have a free hand to do it. Then, what is the use of the Bill? If it is to be of no use and if the minister is going to give his consent under all circumstances, it seems to me to be an interference with business and to have no good purpose. It always takes time to get the consent of the minister, and very often difficulties arise. Why should we put on the statute-book a law which will be of no service to anybody? As far as the control of shipping is concerned, the minister is not now exercising control over Canadian ships. Canadian ships are used freely in the trade of the world without any interference on the part of the minister. The fact that they are under Canadian registry does not seem to help Canada in so far as getting freight carried is concerned because the Canadian shipowner can carry freight from the river Platte to Great Britain or from the river Platte to France, or anywhere else and nobody interferes. Unless the minister intends to go farther and say that no Canadian ship can sail outside of Canada without the consent of the Department of Marine and Fisheries or of the minister, I do not see that any good purpose will be served by creating this obstacle to business. The minister knows that he is not controlling freight at the present time; yet, it does not make very much difference because if a ship is afloat and seeking business, it is immaterial to it what flag it sails under. It makes a good deal of difference in times of war but in times of peace the American shipowner is just as willing to accept Canadian business as American business provided the Canadian business is better. Unless the minister intends to go another step further I do not see the need for putting this law on the statute-book.

Mr. FIELDING: Possibly it would help the situation if the minister would give a clear explanation of the circumstances under which approval would be given and the circumstances under which approval would be refused. If the only object is to prevent our building ships and selling them to our alien enemies, if there are to be any such in the future, I am sure we should all sympathize with it. But, I come from a section of the province of Nova Scotia where there has been quite a revival of the shipbuilding industry, as my hon. friend (Mr. Duff) has described. There is very great activity, there has been quite an improvement of the situation in a business way and otherwise, but there is a fear now that the orders which have come there during war time may not continue. The view is expressed that we should encourage this industry by every means possible. If the minister could give us a definition of the class of application which he would accept and the class of application which he would be obliged to refuse it might help a good deal, because in the case of orders for new ships, at all events, they could point to the conditions as defined by the minister in the House and that would have some weight. I entirely agree with what my hon. friend from Lunenburg said as to the desirability of encouraging wooden shipbuilding in the lower provinces which has proved to be a very valuable industry in the last three or four years, and if we cannot help it along, we, at all events, should do nothing to obstruct it.

Mr. BALLANTYNE: I will be very glad to give the hon. gentleman (Mr. Fielding) the information he has asked for, but before doing so I wish to state my position more clearly than possibly I have so far done in answer to the hon. member for Antigonish (Mr. J. H. Sinclair). While I said I would give authority to a citizen of the United States or to a citizen of France who wanted to get a transfer of mortgage or a transfer of registry for a wooden ship, I would not do so without making the necessary inquiries and satisfying myself as to who the people were that were applying for such transfer, but the necessary inquiries would be made by wire and speedily. There has not been any delay in these matters since I have been Minister of Marine, and I do not see that any occasion for delay will arise in the present case.

In answer to the hon. member for Shelburne and Queen's I am pleased that he has asked me to put the case in the way he did, and for his benefit I will state two concrete instances. Suppose citizens of our ally France asked for a transfer of registry or a transfer of mortgage. If the people

making the application were subjects of that country it would be granted immediately. On the other hand, the necessity of not taking these applications for what they purport to be without inquiry is illustrated by a case which occurred some months ago. One of the neutral countries applied for registry, but upon investigation we found that the vessel was intended to engage in enemy trade in the interest of an enemy country. The fact, however, that application had been made to the Minister of Marine to get registry enabled us to prevent that ship, which was built in a Canadian yard and under Canadian registry, from passing into alien enemy hands. That is the principal object of this Bill, to see that none of our wooden or steel ships get into the hands of our enemies, and secondly to conserve our Canadian tonnage as much as we possibly can. Now here is a case which might possibly arise, although I do not say that it would: Take one of the ships that have been built by the Imperial Munitions Board and which that board may possibly want to sell to the United States or France. If we were very short of vessels, we might say: "No, we want to buy that ship ourselves." This Bill affords us the opportunity of looking first after our own interests and keeping our tonnage out of enemy hands.

Mr. MICHAEL CLARK: I am very glad that we have now ascertained exactly what this legislation means, and if that be the minister's object I think, personally, he had better drop this Bill. He says that he does not want a Canadian ship to pass into the hands of an enemy, and I understand we are to have the Peace Treaty signed within a few days. Does the minister come before this Committee with the definite policy that after that Treaty is signed we are not going to do any business with those who have been our enemies in the late war, but that we are going to put obstacles in the way of business being done? Is that what my hon. friend means?

Mr. BALLANTYNE: If the hon. member will allow me—.

Mr. MICHAEL CLARK: The question is one which can be answered in the affirmative or the negative. If the minister does not care to answer it I will assume that is what he means.

Mr. BALLANTYNE: I will answer the hon. gentleman as soon as he is finished.

Mr. MICHAEL CLARK: If that is my hon. friend's attitude then it may be necessary to explain to him that it means he is going to do everything in the way of preventing the payment of any of the enemy indemnities by means of sea freight, because the only way in which the indemnities we are insisting upon the enemy paying can be paid, is in goods, and so far as those goods come across the sea they must come in ships. If the whole object of this legislation is to enable the minister to prevent our putting shipping facilities in the way of what he is pleased to still term enemy countries, then the economic effect will be to put obstacles in the way of paying these indemnities. That will be the meaning of his policy, that will be how it will work out in our future relationships with those countries. I have no particular use for our alien enemies, but the fact is that under the Peace Treaty we have particular use for the indemnities which we demand they shall pay. Those indemnities can only be paid in goods. Those goods can only be brought in ships; and the minister comes before the House with a Bill to perpetuate the powers given in war time by an Order in Council. That was very proper while we were at war, but now that we shall shortly be at peace the minister proposes to perpetuate the powers given under that Order in Council to the thwarting of our re-establishing of trade conditions, which means the thwarting of the payment of indemnities.

Mr. BALLANTYNE: The hon. gentleman (Mr. Michael Clark), as we all know, is not only a very loyal Englishman but a good Canadian as well. Nevertheless, he has apparently overlooked what I stated in my opening remarks, that the Old Country—the country from which he comes and which very seldom errs, particularly in shipping matters, because it has had the experience of hundreds of years, has passed a Bill similar to the one we are considering declaring that it will hold control of the transfer of mortgages and of registries until three years after peace has been signed. Surely Canada cannot go very far astray in following the example of the United Kingdom in that respect?

But that is only part of my answer to the hon. gentleman. I am more concerned about the interests of our own country. To-day we are short of shipping, and I have no hesitation in saying to the committee that if I received an application at the present time from Germany, or Austria, or Hungary, for a transfer of mortgage or a transfer of registry, I would say "no." I do not know what our answer might be a

year or two years from now, but in view of the feelings which we entertain towards those countries, and the existing shortage of Canadian tonnage, I would be derelict in my duty if I allowed such transfer of shipping tonnage under Canadian registry which is so badly needed by the Canadian people, and I would deem myself unfit to be a minister of the Crown. Under the circumstances I am quite sure that no member of the committee desires that should be done. For my part I am anxious to safeguard as far as possible the interests of Canada. This Bill does not contain a single restriction that is calculated to injure Canada; every word and every sentence in it is intended to promote the best interests of the Dominion. In the explanations so far given I covered the ground sufficiently; I merely desire to say briefly that we desire the necessary authority to deal with the construction of ships in Canada, both steel and wood, during the reconstruction period which we estimate will last for a period of three years. When that time has elapsed shipping will of course be open just as it formerly was. As it is, I will place no barrier in the way of securing a justifiable transfer of registry or mortgage; the Department of Marine will act as speedily as it can in the matter, but I certainly will make no promise that at this time, and in view of the terrible war we have recently gone through, I will be willing to give a transfer of mortgage or registry to any of our enemies.

Mr. FIELDING: Might we reasonably assume—leaving out of the question the so-called enemies, and possibly after Friday next they will possibly be no longer classed in that category—that in the case of applications from the United States or any neutral government—

Mr. BALLANTYNE: There will be no trouble at all.

Mr. FIELDING: There will be no objection?

Mr. BALLANTYNE: None at all.

Mr. FIELDING: Then that removes to some extent the objection to this legislation. If the operation of the Bill was intended to be permanent I would entirely agree with my hon. friend (Mr. Michael Clark), but it is limited to three years and the policy which has been deemed proper in war time may be tolerated for a few months after the war. It is only that limitation that would make the Bill justifiable at all.

Mr. J. H. SINCLAIR: If the minister would agree to confine the operation of the Bill to alien enemy countries no objection could be entertained to it at all, but for my part I see very serious objection to the legislation in its present form as being likely to hamper business. Let us say that a case occurs, such as the hon. member from Lunenburg (Mr. Duff) referred to, where an outside capitalist, from the United States or some other country, wishes to contract with Canadian builders for the construction of a ship. The agent of that capitalist arrives in Canada, but he is not going to deal merely with one firm, he makes approaches to all the firms that are open for business. All of them will be hampered because they cannot foretell what will happen in the course of the negotiations. Men want to know where they stand, particularly in the making of a contract. They cannot say: "We will build this ship for you and give you a good title to it at a certain date," unless they know where they stand. If there are half a dozen firms negotiating with the same party the minister will have a lot of trouble on his hands and he will not be able to satisfy anybody. That is my principal objection to the Bill. If the minister could see his way clear to confine the Bill altogether to alien enemy countries, I think all our opposition to it would be withdrawn. The minister says that it does not hamper business; but it does. The penalty is severe—a $5,000 fine and five years imprisonment. I would ask the minister if he could not amend his Bill to make it apply to the nations he refers to.

Mr. BALLANTYNE: I have dealt with dozens and dozens of cases such as the hon. member for Antigonish has mentioned. I can only say again, that if any man or any number of men want to transfer to any allied or neutral countries, they can do so by telegraphing to my department. I would simply wire back and say, "We will give you registry for the United States, France, Norway or Italy,"—as the case might be —"provided, of course, that the company is not going to be foreign controlled." There will be no hampering of business, because we have been all through this for years and have not had the slightest difficulty at all. I can assure hon. members that there will be no delay and no restriction of trade, and undoubtedly it is a wise piece of legislation to put through at this time for the reasons I have already given.

Mr. DUFF: I understood the minister to say, in reply to the hon. member for

Antigonish, that he would give permission for the transfer if the ship was not to be controlled by a foreign company. If a man in the United States or France buys a ship, he will control it.

Mr. BALLANTYNE: I should have said if the ship is to be under alien enemy control.

Mr. DUFF: Of course, this would not apply to the Dominion of Newfoundland?

Mr. BALLANTYNE: No.

Mr. DUFF: But while we are discussing this Bill I might call the minister's attention to the fact that we have had a great deal of difficulty in the last three or four years in getting vessels transferred from the Maritime Provinces to Newfoundland. We have had to get the consent of the department, and in some cases have had to submit to a great deal of delay and inconvenience both in the selling of new as well as of old ships. I remember a particular case last September; a fishing schooner went into St. John's, Newfoundland, and the captain had an offer for her. He telegraphed to the owner—by the way, he was a good friend of the Government—and this gentleman came to me and asked if I would telegraph to Ottawa for permission to transfer the ship. It took me three weeks to get the transfer arranged. At first the department absolutely refused to grant permission If this occurred in the case of new vessels we would not be able to do any business. But if the minister will give us his word that there will be no trouble, and that immediately on receipt of a telegram from anybody in Canada the matter will be looked into and permission given or not given, I think there is not much harm in the Bill.

Mr. BALLANTYNE: In answer to my hon. friend, I have a letter of thanks and appreciation from the late Colonial Secretary of Newfoundland, Mr. Squires. He came to Ottawa on the morning train to see me about the transfer of a large number of wooden ships from Canadian to Newfoundland registry, and he was able to return by the afternoon train. I not only gave him, between trains, the transfers he wanted, but I also had the pleasure of having him to lunch. When he returned to Newfoundland I got the thanks of his Government for the speedy way in which I had handled the matter. The Colonial Secretary told the Deputy Minister of Marine and Fisheries that he expected to be in Ottawa several days; instead of that he was only in the city three hours. That is the policy we have followed in the past, and that is the policy we intend to follow in the future

12 noon.

Mr. DUFF: How does the matter stand with regard to the transfer of ships to Newfoundland registry; do we still have to apply to the department?

Mr. BALLANTYNE: Yes.

Mr. DUFF: There will be no trouble?

Mr. BALLANTYNE: No trouble at all.

Mr. M. CLARK: I have one or two words to say to the hon. minister. He carefully avoided any explanation of how he proposed to get the goods from those enemy nations who have to pay war indemnities, and he seemed to lay down a policy which, from my point of view, is utterly bad on two grounds. My hon friend referred to me as an Englishman. Well, I have a great deal of admiration for England. I do not know the particulars of the British measure, but I would like to give my hon. friend and the Government a piece of advice, and that is to imitate England when she does good things, and not when she does bad things. I have not unlimited confidence in the Government that is ruling England at the present moment. Neither, as far as I can see, have a large number of constituencies in which by-elections have taken place. There is a certain species of lower animal, known as the mimetic species, that have the power of imitating other objects, animate or inanimate, to save themselves from their enemies. I sometimes feel that this is a mimetic Government. If ever we attack a proposal, it is supposed to be sufficiently defended when we are told that it comes from England or from the United States. That is not quite a good thing to an Englishman who has just a little Scotch blood in him. I do not want to elaborate this point too far, but I am going to deal with the points my hon. friend raised. He seemed to think it was a sufficient defence to his Bill to say that it came from England. Two years ago daylight saving was defended on exactly the same grounds, and this Parliament carried a measure giving it effect without discussion almost. This year this same Parliament voted against it by two to one. Why? Not because it was English or American, but because they tried it and found it bad. So much for my hon. friend's English precedent. I will go into

his English precedent a little further in a moment.

I view this legislation not only with suspicion and distrust, but with hostility, on two grounds. In the first place, I do not think that we can afford, in Canada of all places in the world, to be forever at war with the peoples whom we have fought and beaten. My hon. friend says that I am an Englishman. When a boy in England, after a bout of fisticuffs outside a public house, I have seen the victor help the fallen man to his feet, take him inside, and stand him a drink. That is what we mean when we speak of an Englishman. When he has his spite out he forgets it, if those with whom he has fought will allow him to do so. I say it would be a most unfortunate thing if this Government, after the war is over, is to perpetuate feelings of international hatred and jealously—the very feelings out of which war arises. I argued in this House on the Military Service Act that the only ground on which I would defend conscription was that we were adopting it to kill conscription. The only ground on which I could defend war was that we were at war to end war. And if we are ever to indulge the sentiments of international hatred and suspicion, then it is because those sentiments are forced upon us. So much for that side of the question.

Economically, this legislation is bad from my point of view. My hon. friend utterly failed to touch the point that I raised with regard to how we are going to convey goods from enemy countries if we pursue a policy through our Marine and Fisheries Department of restricting our traffic with those countries.

I hope that my hon. friend gets the point. I wonder how far he would restrict his trade with those countries? Let us suppose that peace was signed. My hon. friend is a business man; I do not know what class of goods he handles—at least, I have no right to mention it here. But suppose that in his capacity as the head of a business firm he is hard pressed to make his business go. I hope that he will never be in those circumstances, but it is a fact that we are all anxious, in the short time between the cradle and the grave, to do all the business that we can; let us get rid of any cant and humbug in this connection. Suppose that during the three year-period of the reconstruction of shipping operations with what were enemy countries, my hon. friend's firm was offered a large order by a reputable concern in any one of the enemy countries, at a time when we were trying to forget the war and to reconstruct our country and our business. I would like my hon. friend to tell me whether he would say: Oh, we were at war with the Germans a year ago; I really could not fill this order. Would he take that attitude? If every business man in Canada did his business in that way, what would be the result? But I am very suspicious of my hon. friend. I know what kind of business man he is; I do not think he would put upon himself, even for the three years, a commercial self-denying ordinance of that kind. If he would not, then commercially his Bill is bad, because he has himself avowed that its object is to reconstruct commercial intercourse with those who were our enemies.

Mr. BALLANTYNE: I do not know whether the hon. member is aware that I am no longer active in business; rightly or wrongly I am devoting all my time and attention to the public position that I now occupy. The people who are carrying on the business that I formerly managed will have to decide the question raised by my hon. friend. What is before us now is this Bill and the question whether it is in the best interests of Canada. I have gone into it fully and have nothing more to add on the subject. I am sure that the committee is satisfied that there is no restriction of trade about it; on the contrary, it is designed to promote and facilitate the shipping of Canada and to see that it is in proper hands. If a year or two from now any of our present enemies made application for a transfer of registry or of mortgage, I would bring the matter before the Government for decision. This Bill does not absolutely shut out such a transfer; it will be for the Governor in Council to decide questions of that kind.

Mr. McKENZIE: The minister heard on a previous occasion the member for South Cape Breton and Richmond (Mr. Butts) and myself discussing the question of the return of ships and shipping that had been commandeered for the purposes of the war. We pointed out that many of these ships had not been returned and that the circumstances revealed in connection with their detention did not seem to be altogether creditable to those concerned. Have these ships been returned to their former contracts or pre-war charters? If not, is the Government assisting the companies, and those who are immediately concerned, to get these ships back? Quite a number of ships were under contract in the early days of the war with the Nova Scotia Steel

Company, and with the Dominion Coal Company for the carrying of coal to the ports on the St. Lawrence. They had contracts for terms of five, ten or fifteen years at what were regarded as good rates, but at rates which were low compared with those to which we have become accustomed during the war. These ships were put into the service of the British Government at high rates, and, naturally enough, the owners are anxious to continue them in that service as long as possible. But those who had them under contract are anxious to get them back at once, because without them their business is crippled, and the business of the people who are interested in the products of these large companies is seriously affected. If the Government can do anything to expedite the return of these ships to their former charters and contracts, it should be done as speedily as possible.

Sir ROBERT BORDEN: I am, perhaps, somewhat more familiar with recent aspects of the subject referred to by the leader of the Opposition (Mr. McKenzie) than is the Minister of Marine and Fisheries (Mr. Ballantyne), because that subject has had the attention of myself and of other Canadian ministers on the other side of the ocean on many occasions during the last five or six months. I do not intend to speak very fully upon it at the moment, because negotiations have been proceeding and representations have been made quite recently; in fact, before coming to the House this morning I drafted a communication on the subject which will go forward to-day. I think that if the member for Red Deer (Mr. M. Clark) was aware of some of the communications that have passed and of some of the representations that have been made, he would not be inclined to regard the Government of Canada as purely a mimetic government. As a matter of fact, we have taken very strong issue with authorities on the other side of the ocean as to certain aspects of the course which has been pursued. It is not desirable that I should speak more fully on this aspect of the question than in the words I have just used. The leader of the Opposition can be assured that no effort that could properly be made has been wanting and that the representations which have been addressed not only to the British Ministry of shipping, but also to the Prime Minister of the United Kingdom, have not been lacking either in vigour or in firmness.

Mr. FIELDING: I would like to supplement what the leader of the Opposition has said, though I take it for granted, as the Prime Minister has told us, that every effort is being made to deal with the situation. The importance of this matter to various interests can hardly be overestimated. It is of great importance to the coal interests of Nova Scotia; and that is a far-reaching interest that affects not only the coal companies, but also the employment of a large army of men. It affects also the interests of the Government of Nova Scotia.

Sir ROBERT BORDEN: It affects the revenue of the province.

Mr. FIELDING: Yes. It affects largely the interests of the city of Montreal as concerning the St. Lawrence coal trade. Unless these ships are released from their engagements by the British Government and placed at the disposal of the coal trade, I am afraid that we shall have difficulty in supplying the city and port of Montreal and the neighbouring sections of the St. Lawrence with the coal upon which they rely for their industrial enterprises. From every point of view the matter is one of very great importance, and I am very glad to receive the assurance of the Prime Minister that the Government have been doing and will do everything they can with a view to securing the return of these ships.

Sir ROBERT BORDEN: I may say to the hon. member (Mr. Fielding) that in view of pending negotiations I shall consider the advisability of making a somewhat fuller statement to the House than I have made this morning.

Mr. BALLANTYNE: I know that the Prime Minister and his colleagues who have been overseas recently have done everything possible to get these ships in order that they may be put into the coal trade again. When I was overseas last summer, by making many, many visits to the Minister of Shipping, I was able to get free the ships "Turret Court" and "Turret Cape," but of course, they were under Canadian registry. When ships are not under Canadian registry, we have not the authority to deal with them as effectively as if they were, but I am fully aware of the serious lack of tonnage to bring coal to Montreal, and with the Prime Minister, I shall be very glad to lend whatever aid I can.

Mr. BUTTS: Were not all those ships that were commandeered, if not under Canadian registry, under Canadian charter?

Mr. BALLANTYNE: I cannot say positively. They were not all under Canadian registry, but they were, so far as I know, under Canadian charter, and really they ought to be returned to Canada. It is a shame that they have not been, but as the Prime Minister has stated, he will take every step possible to get them back as soon as he can.

Section agreed to.

On section 2—forfeiture on owner ceasing to be a British subject, or becoming a foreign controlled company.

Mr. J. H. SINCLAIR: Does the minister regard this clause as necessary? It reads:

> Where, after the passing of this Act, any person who is the owner or mortgagee of a British ship registered in Canada ceases to be a British subject or becomes a foreign controlled company, that ship, or, in the case of a mortgagee of a ship, the interest of the mortgagee, shall be subject to forfeiture.

That is going pretty far. Supposing a Canadian moves to the United States and becomes a citizen of that republic, he forfeits the ship he happens to own. Is this forfeiture absolute, or is there a way of escaping it? I was struck with the severity of the clause, and I want to hear from the minister why he thinks it is necessary.

Mr. BALLANTYNE: As the hon. member will notice, that is already covered by Part 1 of the Merchant Shipping Act, 1894.

Section agreed to.

On section 4—duration of Act:

Mr. FIELDING: May I call attention to the wording of this clause? It may be sufficient; it may not. Before the Royal Assent can be given to this Bill, in all probability, peace will be reached by means of the treaty, although it may not have been proclaimed. The present war is referred to in this Bill, but by the time this Bill is receiving the Royal Assent, there may be no present war. It is enough to call the attention of the draughtsmen to the matter.

Sir ROBERT BORDEN: I should hardly think the suggestion of the hon. member would affect the matter, for this reason, that peace cannot be proclaimed until three of the Allied nations shall have ratified the treaty. Therefore, it is, I think, perfectly clear that we should still be technically in a state of war for some weeks and probably months after this Bill will have received the Royal Assent.

Mr. FIELDING: The Prime Minister is counting on an early prorogation.

Mr. LEMIEUX: Will, in all cases, the peace treaties have to be ratified by the various Parliaments?

Sir ROBERT BORDEN: That is a matter of domestic concern within each country. As regards the United Kingdom, the Prime Minister has given an undertaking that the peace treaties shall be submitted to the British Parliament before ratification, and we intend to pursue the same course here with respect to all the treaties. We shall have them laid before Parliament in order that they may be considered by Parliament before we shall authorize ratification on the part of Canada.

Mr. LEMIEUX: I do not know if I made myself very clear. I understand the peace treaties will be signed by the plenipotentiaries, and as regards Canada, we are bound by the signatures of the Prime Minister of Great Britain and his colleagues who attend the Peace Conference. Then the treaties will, as a matter of course, be sent to the various Dominions, Canada included, and be considered by Parliament, not for the purpose of ratification, if I understand well, but simply for the purpose of passing judgment on the treaty.

Sir ROBERT BORDEN: The ratification is an executive act. Parliament would not ratify the treaty; Parliament might be concerned in the passing of legislation which the Peace Treaty would render necessary. I do not think it is the intention of any Government within the British Empire to ratify any Peace Treaty as an executive act without first consulting Parliament and giving Parliament an opportunity to express its opinion thereon.

Mr. DUFF: As peace will be concluded in a month or two, I would move that this clause be changed to read:

> This Act shall continue in operation for three years.

Cutting out the words " during the present war " and " after the conclusion of peace." It will make only a difference of a month or so.

Mr. J. H. SINCLAIR: That is three years from the date on which the Bill receives the Royal Assent.

Mr. A. K. MACLEAN: Yes.

Amendment agreed to.

Mr. LEMIEUX: I understand the object of the Bill, but will it affect only alien enemy ownership of ships, or all foreign owners, whether belonging to a friendly power or to an enemy power.

Mr. BALLANTYNE: All foreign ownership.

Mr. LEMIEUX: I understand some friendly powers are going to organize a line of steamers between Canada and Rumania.

Mr. BALLANTYNE: Every one, whether belonging to an enemy country or to a friendly country, has to apply to the Minister of Marine.

Section as amended agreed to.

Bill reported, and amendments concurred in.

PROPRIETARY OR PATENT MEDICINE ACT AMENDMENT.

Hon. A. K. Maclean (Acting Minister of Customs and Inland Revenue) moved the third reading of Bill No. 53 (from the Senate), to amend the Proprietary or Patent Medicine Act.

Mr. MICHAEL STEELE (South Perth): Mr. Speaker, before this Bill receives its third reading I would like to call the attention of the House to certain features of it with which I dealt on a former occasion and which I feel are not thoroughly understood. If they were, I do not think the Bill would have reached its present stage in the form in which it is now before us. I would direct attention to the clauses relating to registration and license fees in the Bill as amended, and which will hit retail druggists severely, and to subsection 2 of section 2 which, as amended, reads:

> For the purposes of this Act the proprietor of a proprietary or patent medicine shall be deemed to be the manufacturer thereof.

That means that in a great many cases retail druggists will legally be manufacturers of the medicines which they sell but which may have been manufactured by one of the wholesale patent medicine manufacturing firms. Under section 3 every manufacturer, who will be a retail druggist according to the previous section, shall, before offering any medicine for sale, procure from the minister a numbered certificate of registration for each proprietary or patent medicine he proposes to offer for sale. He will have to pay $2 for each certificate, and another section imposes a license fee of $1 for each preparation that is sold. Large wholesale manufacturing firms will simply pay $2 for each article they manufacture, which will mean practically nothing to them, while the retail druggists will have to pay the same registration fee for each article which in a great many cases they will not manufacture, and an annual license fee of $1 for each preparation sold. In order to satisfy myself of the fact that it will bear heavily on retail druggists, I made inquiries of a number of druggists, who gave me information that confirms my contention that it will. One druggist tells me that 17 preparations of his will come under this Act. He will have to pay, therefore, registration fees amounting to $34 and annual license fees amounting to $17. Another druggist sells four preparations, and another fifteen. The latter has just started in a new business and he informs me that if he carries the line of goods he had in his last business he will sell thirty-five preparations, which will mean $70 in registration fees and $35 in license fees. Another druggist has ten preparations and another six. From a city druggist I get the information that city druggists will have to pay in the way of license fees an average of from $5 or $10 up to $60 or $100 per annum. I am sure it is not the intention of the Act to impose these fees on retail druggists who after all are receiving the minor profits in the patent medicine business. I regret the Bill is worded as it is, but I believe it is not yet too late to make the necessary change, and I hope the minister will take the matter further into consideration and modify the Bill so as to relieve retail druggists of these heavy costs. It may be said that $10 or $20 is not much, but it is a great deal in these days. The reason for imposing these fees is, of course, to defray in some measure for the cost of administration, but I think the men who should pay for the cost of the administration of the Act are the large manufacturers. The great burden of the cost should be imposed on them because they can best bear it. If the Bill passes as it is, in a year or two it will fall into the same condition as the last Patent Medicine Bill and become a mere dead letter, incapable of being properly enforced owing to the opposition and dissatisfaction among retail druggists throughout the country. It is far better to have a law which can be strictly enforced than one which will meet with determined opposition all round. I trust the minister will give this matter his

earnest consideration before the Bill finally passes.

Mr. SPEAKER: In submitting this motion, the minister exercised his right to speak. Under our rules a reply is not permitted, but owing to the peculiar circumstances of the case, I presume the House will give unanimous consent for the minister to make reply.

Mr. LEMIEUX: Before my hon. friend replies, I would like to draw attention to a resolution passed by an association of ladies in the West in which is denounced the use of alcohol in certain preparations. I wonder if my hon. friend will take action in regard to the resolution passed by this association? As he accepted the amendment moved by my hon. friend from Beauce (Mr. Beland) concerning the use of opiates in drugs, will he permit to be sold in future what remains in stock, in the various drug stores, of drugs that may be poisonous in that they contain opiates? I refer to preparations for the use of babies. Surely my hon. friend should prevent the sale of such drugs that may be in stock.

Mr A. K. MACLEAN: Immediately this Act goes into force, the further sale of these prohibited drugs will be prevented, and the loss will fall upon those druggists who have them in stock. I shall be glad to take into consideration the suggestion of my hon. friend (Mr. Steele) and if I find that an amendment is necessary I can overtake the Bill in the Senate. The matter he suggests was discussed very fully by the committee who were of opinion that you could not differentiate between the small manufacturer and large manufacturer of patent medicines. Many local druggists sell very largely their own patent medicines, and if they want to avoid payment of the tax all they need to do is print upon the bottle or wrapper the formula showing the ingredients of the medicine.

I do not think it would be fair to say that the large manufacturer of patent medicines must pay a tax different from that imposed on the small manufacturer of perhaps similar medicines. I am doubtful whether there should be any such thing permitted as the patenting of drugs at all. I hope we will reach the time when everybody who discovers a medicine of value will be very glad to reveal the formula to the world. I am rather inclined to have very little sympathy with anybody who is engaged in the patent medicine business.

Mr. FOURNIER: I agree with the hon. member for South Perth (Mr. Steele). When this Bill was presented to the House I drew the attention of the minister to that feature of it. The druggist pays two dollars and then one dollar for a license. Practically every druggist gets out fifteen or twenty of his own preparations, and that would mean a payment of sixty dollars or perhaps more. My hon. friend says that he has no sympathy with anybody who wants to have a medicine patented. If he consults the records of the patent office he will see that there are practically no medicines patented; there is only registration. In regard to that, I might remind him that Jenner died a poor man although he was the originator of vaccination. Physicians did not employ it at first, but now they do. What stimulus is offered to a physician who invents a cure and gives it to the world for nothing? He will deprive himself of a living.

Mr. A. K. MACLEAN: No respectable man would keep secret a medical discovery which would cure any one.

Mr. FOURNIER: The enforcement of this Bill would have prevented the use of antitoxin and such preparations as that, which at first were kept secret.

Mr. MANION: I have studied something of the history of medicine, and I do not know of any remedy that is a cure for anything that was ever discovered by a physician anywhere that was kept secret, with the exception of Salvarsan, a cure for syphilis, which was discovered by Elrich. He kept it secret and patented it.

Mr. FOURNIER: Then, we are spending time for nothing. Drug therapy seems to have become a lost art. Doctor Huxley said of young students: They work to pass, and outraged science gets her revenge. If my hon. friend the Acting Minister of Trade and Commerce consults the records of malpractice in the United States he will find that the cases are in the following proportions: Physicians 60, druggists 10, and patent medicine manufacturers 4. Therefore, I must ask the minister to give more consideration to the druggist's part of this matter. If he had accepted my suggestion the other day he would have wiped out the patent medicines that are absolutely no good. He has given no protection to the public and in this connection I know what I am talking about.

Mr. A. K. MACLEAN: I did not answer my hon. friend's question correctly. I remember reading a resolution this morning from some ladies' organization—at Regina, I think—objecting to the use of alcohol in

medicine. Possibly they did not go that far because it is impossible to compound medicines without alcohol. I think that probably the gist of the resolution was that we should prohibit an excess of alcohol in drugs without sufficient medication. Medicine might be so compounded that the liquid would be potable and could be used as an ordinary alcoholic beverage. The Bill provides that the advisory committee can prohibit the sale of any drug containing alcohol that is not sufficiently medicated. I shall discuss the point raised by my hon. friend behind me during the day personally or privately.

Mr. LEMIEUX: What penalty is provided for breaking the law in the case of drugs containing opium?

Mr. A. K. MACLEAN: There is a general penalty clause.

Mr. PETER McGIBBON: When this Bill was up at first I asked the minister if he could give us any information as to the cost of administering the Act. I would like to know if he has any further information.

Mr. SPEAKER: We are not in committee; this is on the motion for the third reading of the Bill and I would suggest that there should be some attention paid to the rule that only one speech is permitted from each hon. member.

Mr. A. K. MACLEAN: I am unable to give my hon. friend (Mr. P. McGibbon) that information now.

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

INSPECTION AND SALE ACT AMENDMENT.

On the Order for the second reading of Bill No. 105 to amend the Inspection and Sale Act (Containers):

Mr. SPEAKER: Dropped.

CANADA GRAIN ACT AMENDMENT.

On the motion of Hon. A. K. Maclean, Acting Minister of Trade and Commerce, the House went into Committee on the following resolutions, Mr. Boivin in the Chair:

Resolved, That it is expedient to bring in a measure to amend The Canada Grain Act, chapter 27 of the statutes of 1912, and therein to provide,—

1. That in lieu of the provisions of section 102 of the said Act, it be enacted that there shall be a board to be known as the Board of Grain Appeal, to consist of three members who must be expert and experienced in the inspection of grain to be appointed by the Governor in Council;

2. That

[Mr. A. K. Maclean.]

(a) each member shall hold office for ten years, but may be removed for cause, and shall retire upon reaching the age of seventy years;

(b) a member upon expiration of his term of office, if under seventy years of age, shall be eligible for reappointment;

(c) one of such members shall be appointed by the Governor in Council as Chairman of the Board; two members shall be a quorum;

(d) the salaries of the members shall be such as are fixed by the Governor in Council;

(e) the fees to be charged by the Board of Grain Appeal shall be set by the said board on or before the first day of September in each year, and shall be approved by the Governor in Council.

(f) the members of the said board shall devote the whole of their time to their duties under the Act and shall not accept or hold any other office or employment.

(g) no member or officer shall, directly or indirectly, hold any interest in any corporation subject to this Act, nor directly or indirectly deal in or be financially interested in grain or hold any interest in any grain elevator or warehouse or in any partnership, corporation or business engaged in the grain trade or in the transportation or storage of grain;

(h) the members and such officers as may be directed shall before acting take and subscribe an oath of office in prescribed form.

(i) the said board shall hear all appeals from the decisions of the Chief Inspector on samples of grain, as provided in section 101, and perform such other duties as are prescribed by the Governor in Council by regulation or otherwise;

(j) the offices of the said board shall be in such place as the Governor in Council may direct, but for the purpose of better considering any particular appeal, the board or any of its members duly appointed in any special case by the said board may hold sittings at any other place in the division.

3. That in lieu of the provisions of subsection seven of section ninety-five of the said Act, it be enacted that in the month of August in each year, stock shall be taken of the quantity of each grade of grain in the terminal elevators; if a surplus in any grade of grain is found in excess of one-half of one per cent of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually by the Board of Grain Commissioners and the proceeds thereof paid to the said board. Such proceeds shall be applied towards cost of the administration of The Canada Grain Act in such manner as the minister may determine on the approval of the Governor in Council.

4. That the provisions of section 101 be amended so as to provide that appeals from the decisions of the Chief Inspector, on samples of grain respecting which the grading is in dispute, shall be to the Board of Grain Appeal.

5. That in lieu of the provisions of section 103 it be enacted that the Board of Grain Appeal may make by-laws for the better carrying out of the business of the Grain Survey Board of any district in the Division, and for the establishment of a schedule of fees for survey services.

6. That the provisions of section 104 be amended so as to provide that a survey board with offices in Calgary shall be established and

appointed for the district of Calgary, and that the provisions of section 101 ("Grain Survey Board" being substituted for the "Board of Appeal") and 103, as amended, shall apply to such survey board.

7. That sections 101, 102, 103, and 104 as proposed to be enacted, shall come into force from such date as may be prescribed by proclamation of the Governor in Council.

8. That the provisions of section 119 be amended to provide,—

(a) that all licenses, issued under the Canada Grain Act shall expire on the 31st August in each year;

(b) that the Board of Grain Commissioners shall fix the amount of bonds to be given by the different persons specified in said section and by primary grain dealers; and license, control and regulate the trimming of all grain at Fort William and Port Arthur;

(c) that the said board, in its discretion, may accept security of persons, firms or corporations to whatever amount and in whatever form shall be deemed necessary by them in lieu of bonds;

(d) that any person who engages in any business for which a license is required under the said Act, without first obtaining such license shall be guilty of an offence and liable, on summary conviction, to a penalty of not less than five hundred dollars and not exceeding two thousand dollars and costs, or to imprisonment for a term not exceeding five years, or to both fine and imprisonment.

9. That the provisions of section 120 be amended to provide that the board shall have all the powers of a commissioner appointed under the provisions of Part I of the Inquiries Act, chapter one hundred and four of the Revised Statutes of Canada, 1906.

10. That the provisions of section 137 be amended to provide that every warehouseman of a terminal elevator shall be required on or before the 15th day of August of each year to file with the board the table or schedule of rates as specified in said section.

11. That a provision be added to section 151 to provide that the railway company shall on allotment of any site for new elevators and on transfer of any lease notify the board, stating the location and to whom allotted or transferred, and shall furnish the board on or before the 1st of October of each year with a list of all elevators and warehouses on its lines.

12. That a provision be added to section 160 to provide that notwithstanding the provisions of subsection four of this section, the owner, possessor or holder of a cash purchase ticket shall not be deprived of his right to payment or redemption as against the warehousemen or his surety for payment of same, if he should not avail himself of the provisions of subsection four.

13. That in lieu of the provisions of subsection three of section 166, it be enacted that except as in this part mentioned or except as otherwise provided by order or regulation of the Board of Grain Commissioners for Canada with the approval of the Governor in Council, no receipt or certificates shall contain language anywise limiting or modifying the legal liability of the person issuing same nor shall any of the parties thereto enter into any agreement whatever, other than that provided for in the aforesaid warehouse receipt. The entering into any such agreement shall be deemed an offence and the agreement shall be void.

14. That the provisions of section 197 be amended to provide that the applicant or his agent duly appointed in writing shall furnish to the railway agent the name and post office address of the applicant, and the section, township and range on which the grain was grown; and by adding the provision that no agent employee, owner or operator of any elevator company or of any grain company or of any person licensed under this Act shall either directly or indirectly act as agent within the meaning of this section.

15. That section 201 be amended by adding the provision that any such notice shall be made out in duplicate, one copy of which shall be open to the public at any time, being kept on file by the agent, and the other being posted up in a conspicuous place in the waiting room or in the place of business of the person in charge of the car order book, which notices shall be available to all persons for a period of not less than sixty days from the time said cars were awarded.

16. That a provision be added to section 215 to provide that no person, firm of corporation, licensed as a grain commission merchant, shall directly or indirectly buy for their own account any grain consigned to them for sale on commission.

17. That a provision be addel to section 219 that the proceeds or balances of all such carload lots shall only be applied in settlement of each specific transaction.

18. That Primary Grain Dealer shall mean any person, firm or corporation which contracts with the producer to purchase or handle grain for commerce in any manner for which a license (other than a license for a primary grain dealer) is not required under the provisions of The Canada Grain Act.

19. That it be enacted as section 219A of the said Act that,—

(a) no person, firm or corporation shall carry on the business of primary grain dealer without first having obtained a license so to do from the board and entered into bond, with sufficient sureties, for such amount and in such form as is approved by the board;

(b) the annual fee for such license shall be five dollars;

(c) it shall be the duty of every primary grain dealer to make all contracts in writing in duplicate in form H of the schedule to this proposed Act, said duplicates to be signed by both parties thereto, one of said duplicates to be delivered to the producer; and to properly account for and settle in full for contracts entered into.

20. That section 220 be amended to provide that all provisions of this part relating to commission merchants shall, so far as applicable, apply to licenses issued to track buyers and primary grain dealers.

21. That it be enacted as section 227A of the said Act that the delivery of grain to any warehouseman of a country, terminal, public or other elevator for storage, although it be mingled with that of other grain, and the shipping as removing of grain from its original place of storage in any of the elevators aforesaid, shall be deemed a bailment and not a sale.

22. That a provision be added to section 244 that if any corporation is convicted of an offence under this section, every officer of such corporation who knowingly had any part or share in the commission of such offence, shall also be personally liable to the said penalties, and in default of payment to imprisonment for not less than one month or more than one year.

23. That the penalty prescribed by section 245 be amended to provide for a penalty of not less than twenty-five dollars for the first offence, a penalty of not less than two hundred and fifty dollars or two months in jail for a second offence, and to a penalty of not less than five hundred dollars or three months in jail for a third offence.

Mr. A. K. MACLEAN: The Bill proposed to be founded upon these resolutions will contain perhaps two important amendments. The balance are not of such importance. The principal features are those providing for the establishment of a board of appeal in Western Canada in substitution for the board of surveys, as I think it is now called. That is the body which hears appeals from the inspectors of grain in the western provinces. Very strong representations have been made to the Government by western interests to establish this board of appeal, particularly the producing interest. This is not a measure absolutely free from doubt as to the advisability of the creation of the board and I am quite content that Parliament shall have every latitude possible in reaching a proper conclusion in regard to it. It is proposed that the board should consist of three members and that they shall not engage in any other business than the hearing of appeals from the inspections of the various grain inspectors of the grain producing provinces.

The other important feature of the Bill is that which provides for a limitation of what is called the "overages" in connection with the terminal elevators. Section 2 of the Bill will provide:

That in the month of August in each year, stock shall be taken of the quantity of each grade of grain in the terminal elevators; if a surplus in any grade of grain is found in excess of one half of one per cent of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually by the Board of Grain Commissioners and the proceeds thereof paid to the said Board. Such proceeds shall be applied towards cost of the administration of The Canada Grain Act in such manner as the minister may determine on the approval of the Governor in Council.

The Bill will propose that the proceeds of the overages shall go to the Grain Board for the purpose of meeting the cost of administration of the Canada Grain Act. I am not absolutely wedded to that proposal; it may be sounder in principle that these revenues shall go to the Consolidated Revenue Fund account, but there is a great deal to be said in favour of it.

The Bill will also provide that any surplus in excess of one-half of one per cent of the gross amount of the grain shall be sold annually. There will be doubtless a variation of opinion whether or not this is a proper average. It has been represented to me by some, that one-quarter of one per cent is a proper average. Others say one-half; while still another class suggests that the proportion should be midway between one-quarter and one-half. It is perhaps difficult to determine what is the proper percentage because the producing interest, that is the farmers in the West, object to the establishment of a cash tariff for elevators. The elevators in the past have counted upon deriving practically the greater portion of their remuneration for elevator services from the overages which they receive.

Mr. MAHARG: Did I understand the minister to say that the producers object to a cash basis for overages?

Mr. A. K. MACLEAN: I said that I understand the producing interests of the West are opposed to the absolute elimination of overages, and the substitution of a cash tariff for elevator services. That is my impression. There was a delegation of representative men from the West before me, perhaps two months ago, and I put that question to them, and was told very emphatically that the farmers do not at present care for the idea of a cash tariff. I may be wrong in that view.

Mr. MAHARG: I think it is just the reverse; the farmers want each tariff to pay for itself. They want to know what each tariff costs them. They do not want any of the tariffs to be mixed up with overages, or anything of that kind; in their opinion, each tariff should stand on its own basis.

Mr. A. K. MACLEAN: I cannot hear my hon. friend very distinctly, and perhaps we misunderstand each other. I am merely stating my view that the wheat growers in the West do not want the absolute elimination of any overages at the elevators, and would not be sympathetic towards a purely cash tariff for elevator services. That is my view and I do not think I am wrong in it. If that view is correct it is very difficult to determine what should be the exact percentage of overages which should be left with the elevator company. I might say that during the past year an audit was made of the overages obtained or secured by the different terminal elevators of Canada during a period of five years at the instance of the Minister of Trade and Commerce, and the report disclosing the results was laid upon the table some considerable time ago. I assume that the facts therein

stated are known to hon. gentlemen, and therefore I need not go into any of the details of the report.

Other provisions might more profitably be dealt with when the Bill has been printed and probably it would be better to defer consideration of every question and every principle involved until after the passage of the resolution. We are providing also for more severe penalties against persons who engage in the handling of grain in any manner without having first received a license. Hon. gentlemen from the West will know that in recent years some dealers having a track-buying license have engaged in the grain commission business without having furnished the Board of Grain Commissioners with a bond, and after purchasing grain have failed to pay the persons from whom they made the purchase. We are endeavouring to prescribe severer penalties for such violations of the Act. I do not think I need trouble the committee with an explanation of other sections of the Bill, because ample opportunity will be given hon. gentlemen to discuss many matters relating to the grain business upon the second reading of the Bill. Several members earlier in the session had resolutions on the Order Paper involving a discussion of matters relating to the grain industry, but they were not reached and I promised the hon. gentlemen referred to that upon the second reading of the Bill there would be the widest latitude to discuss everything that relates to the grain business in the West.

Mr. MANION: When the Bill comes up for the second reading it will be still later in the session, and I personally would not like to take up time by any extended remarks upon this question. I would prefer to speak now upon the resolution, unless the minister is absolutely opposed to it, because the later we get in the session the more impatient of discussion the House becomes. I do not think it will tend to shorten matters to postpone the discussion until the second reading, although I have personally no intention of putting myself on record twice.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

The CHAIRMAN: When the committee rose at one o'clock we were dealing with the resolutions to amend the Canada Grain Act, Chapter 27 of the Statutes of 1912. Mr. Manion had the floor.

Mr. MANION (resuming): Mr. Chairman, I regret at this late date to take up any length of time in a discussion of this kind, but this legislation has been held over for a couple of sessions and unfortunately it now comes so late in the session that it is necessary, if one speaks at all, to speak at this time. The reason I am interested in this Grain Act is due to the fact that in the handling of the wheat crop of Canada, Fort William and Port Arthur are a very important link in the chain. Before I discuss the details of the question, I am going to put on Hansard a few figures to show the importance of the wheat trade of this country, figures which took a good deal of time to compile, and which I think would be of interest to those hon. members who have not given any attention to our wheat trade.

The wheat production of the world for the average year of the five year period, 1911 to 1915, was 3,850,000,000 bushels. The United States was the highest producer with 787,000,000 bushels, then follows Russia with 653,000,000 bushels, British India with 361,000,000 bushels, France with 272,000,000 bushels, Canada with 245,000,000 bushels, Austria-Hungary with 221,000,000 bushels, Italy with 183,000,000 bushels, the Argentine with 161,000,000 bushels, Germany with 152,000,000 bushels, Spain with 125,000,000 bushels, and Australia with 94,000,000 bushels. I have taken those countries because they are the most important wheat producing countries of the world They are named in their order for the average year. It may be well to call the attention of the House to the fact that France, a little country with an area about the size of Manitoba, produced more in the average of that five years than Canada. It might give a lesson to us as to the production of wheat.

The total value of the field crops in Canada in 1917 was $1,144,000,000. Of that wheat represented 35 per cent, or $453,000,000. In the year 1908 the wheat crop of Canada was 112,000,000 bushels of a value of $91,000,000, or 81 cents a bushel, but prices vary from year to year, showing that the value of the crop depends upon the amount of wheat produced in the world, and, therefore, the demand for it. Coming down to 1917 our wheat crop was 233,000,000 bushels with a value of $453,000,000, or nearly $2 a bushel, showing that at that time, due to the war and the shortage of shipping, wheat had more than doubled in value.

Canada's export of wheat in 1874—I am just going over these figures very briefly to place them on Hansard—was 6,500,000 bushels; from 1874 to 1896 it varied from 2,000,000 bushels to nearly 10,000,000 bush-

els; but in 1916 we exported 157,000,000 bushels, and in 1917, 189,000,000 bushels.

Now, Sir, to get to the question before the House. I would like to explain to those hon. members who have not had any occasion to look into the wheat question at all the handling of the wheat crop from the farmer to England. The farmer produces the wheat and takes it to the loading platform or to the country elevator, where, perhaps, he sells it to a track buyer or to the country merchant. If he sells it, of course, he loses all interest in that wheat, further than delivering it to the track buyer or to the country elevator; but if he keeps it he retains his interest and handles it through a commission merchant. About 50 per cent of the wheat of the West is sold outright by the farmer to the track buyer or to the country elevator so that 50 p.c. of the wheat of the West is of interest not to the farmer, but to the wheat merchant, the elevator company, and the other buyers of wheat. After the wheat leaves the country elevator it starts on its journey to the head of the lakes, Fort William or Port Arthur. The train stops forty minutes at Winnipeg, long enough for a sample to be taken, and the sample is inspected and the grade of the wheat given from that sample. Then the wheat goes to the head of the lakes and from there is shipped to England, 65 per cent going via United States ports.

In regard to an appeal board, which is the point I am speaking of in these resolutions, I am going to deal with it as briefly as I can. I have discussed the matter with grain merchants, farmers, the representatives of farmers' organizations, and with all those who deal in the wheat of this country, and they all agree that an appeal board is badly needed at the present time. In the past when a farmer was not satisfied with the grade given to his wheat at Winnipeg he asked for an appeal, and that appeal was put before the survey board at Winnipeg, which was made up of a number of wheat merchants, at their head being Mr. Searls, who is also at the head of the Inspection Department at Winnipeg. So, in a sense, the same man who made the original inspection of the wheat judged his own work and decided whether the wheat deserved a higher grade or not. The price of that resurvey or appeal was $3; whereas in Minneapolis, where they have an appeal board such as the hon. minister is suggesting by these resolutions, they only charged up to 1918, $1, and they have 40,000 to 60,000 appeals per annum there.

The only question in dispute in regard to the appeal board is its location; that is, as to whether it goes to Winnipeg or to the head of the lakes, and that is the question that I wish to particularly touch upon. On June 11, this resolution was introduced by the hon. Minister of Trade and Commerce, and at that time it read: "That the offices of the said board shall be in the city of Fort William, Ontario." That continued on the Order Paper for some ten days, and then, on June 21, it was changed to read: "The offices of the said board shall be in such place as the Governor in Council may direct."

The reason I believe that originally Fort William was named as the proper place for the appeal board was that the Department of Trade and Commerce had received from their advisors, that is the Board of Grain Commissioners who supervise the handling of the grain crop, the advice that the proper place for the location of that board was at Fort William. Besides the fact that it so appeared on the Order Paper, the other reason why I state that is because I happen to have a copy on my file of the original alterations to be made in the Grain Act, which I got some months ago, and at that time Fort William was named as the proper place to locate the appeal board.

Now, I wish to place upon Hansard very briefly the reasons why I believe from a broad Canadian standpoint—not from a localized Fort William standpoint—that the offices should be at the head of the Lakes. I would not advocate this if I thought it were not the right place of location, for the reason that if the offices were placed at the head of the Lakes for a year, and that was found to be unsatisfactory, it would be only a matter of a year, or less, perhaps, before the location would be changed, so that the condition of my constituency would be worse than it was in the first place. Therefore I am going to give a number of good reasons why I think this appeal board should be located at the head of the Lakes.

In the first place, Winnipeg as a grain centre is an exchange only; it neither mills, nor ships, nor stores wheat, that being done at the head of the Lakes. When we speak of the wheat handling market of the world, we usually think of Chicago, which has 80 elevators with a capacity of 55,000,000 bushels. Minneapolis, which is the greatest milling centre in the world, has 59 elevators with a capacity of 53,000,000 bushels, only two million bushels less than Chicago. Whereas Port Arthur and Fort William have

32 elevators with a capacity of 52,000,000 bushels, practically the same capacity as the 80 elevators in Chicago, or the 59 elevators in Minneapolis. I might mention in passing that the elevators at the head of the Lakes are the most modern and best type and have a much greater percentage of fireproof construction than the American.

Sixty to ninety per cent of the wheat of Western Canada passes through the elevators at the head of the Lakes. In 1915 280,000,000 bushels out of 360,000,000 bushels, or 79 per cent, passed through those elevators.

The second reason is that very often the original sample is not satisfactory to the farmer or to the other owner of the wheat, because as I stated before, not only is the farmer interested, but the owner of the wheat in the shape of the country elevator man and the grain merchant. He may desire a fresh sample to be taken. As the train only stays forty minutes at Winnipeg, the fresh sample has to be taken at the head of the Lakes. That sample has to be sent to Winnipeg to be put before the appeal board, and that means that the car could not be emptied into the elevator, and therefore would have to stand on the track, and there would be demurrage charges and loss of time in respect of the equipment in these resampling cases.

The third reason is this. Supposing a boat was loading with wheat at the head of the Lakes from one of the elevators, samples of the wheat are continually being taken from the spout, and if the sampler decides that the wheat is not up to the grade called for he shuts off that spout, and that dispute has to be settled before the boat resumes loading, or they have to change the bin until they get a satisfactory sample, or the boat might have to go to another elevator. But there is also the possibility that the ship might be held up for some hours, even for some days, if the sample was to go to Winnipeg. However, that difficulty might be overcome by letting the boat load under dispute and settle the question at the unloading point. But at times the boat might be delayed, but if the Appeal Board was at the head of the Lakes the matter could be settled in half an hour and the boat go on loading. I understand from grain merchants in Duluth that that is the system there; because the Appeal Board at Minneapolis is divided into two groups, one at the loading point, Duluth, and the other at the elevator centre, Minneapolis. Delays of equipment, either of boats or of cars, at a busy season is a matter seriously affecting the wheat dealers of the West, because the great rush is on between October and December to get the wheat crop out. Therefore, if these cars or boats are delayed, it means injury to the wheat dealers of the West.

A fourth reason is that many cars are marked " Too full to sample." In the case of oats, all the cars are too full to sample; they are sampled and inspected at the head of the Lakes. But of the wheat a fair percentage of the cars, I understand, are marked " Too full to sample," and they pass on and the original sample is taken at the head of the Lakes. The argument for the placing of this Board of Appeal at Winnipeg is that the original sample would be used. But the farmers are not going to permit a condition to exist under which the system in force in the United States in that regard is better than the system followed in this country. I understand that they are going to demand the privilege of asking for a new sample if they so choose. The placing of the Board of Appeal at Winnipeg might result in some advantage so far as the use of original sample is concerned, but it must be remembered that a freight car takes three or four days to pass from Winnipeg to the head of the Lakes, and that the sample would cover the distance in twelve or fifteen hours by express, arriving at the head of the Lakes in advance of the original car of grain and in time to permit examination and the settlement of the appeal before the grain would be ready to be emptied into the elevator, and in re-samples, Fort William has all the advantage of the argument.

A fifth reason is that at the head of the Lakes the grain is transshipped from car to elevator and then back to car, or from car to elevator and then to boat; whereas sampling is the only thing done at Winnipeg. At the head of the Lakes the wheat is weighed, cleaned, stored, transshipped and finally inspected and hospitalized; that is, the hospital elevators sometimes deal with it to take care of diseased and unclean wheat.

A sixth reason is the fact that under the Grain Act of 1912 the Grain Commission is established at Fort William, and the Appeal Board should logically be at the same place.

A seventh reason is that the Grain Commission have advised that Fort William should be the headquarters of this Appeal Board.

An eighth reason is this: The matter has been taken up with leading railway officials of the West, and many of them have given

me their opinion verbally that it would be more advantageous to have this Appeal Board at the head of the lakes. I am going to take the liberty of reading a few words from a letter written by one of these officials. The letter is a personal one and I shall not give the name of the writer, but I shall be glad to give it to the minister privately if he wishes me to do so. This gentleman, who is one of the well known railway men of the West, says:

> My personal opinion of the matter, from a transportation standpoint, is that railway equipment will not suffer as much delay if the Board of Appeal is located at the head of the lakes as it would if it was located at an inland point.

I have another letter from a railway man which expresses somewhat the same view, although not quite so strongly.

I have also a number of letters from farmers' organizations expressing their views on this subject. Possibly some of the representatives of farmers in this House may not agree with the view which I am advancing; but many representatives of farmers' organizations have gone on record as favouring the location of this Appeal Board at the head of the Lakes. I am going to read just a few words from one or two of these letters.

This is from the United Farmers of Alberta, Ardrossan, which I quote, from a letter dated June 10, addressed to their member in this House:

> We, therefore, point out to you the following points, which we want you to impress on Parliament to the best of your ability when the matter is brought up:
>
> 1. That the farmers have the right to call for new sample.
>
> 2. That the Board of Appeals should be located at the head of the Lakes to save delays to equipment and demurrage charges, which finally will be assessed to the farmer.

I have another letter from the United Farmers of Alberta, Cheadle, dated June 10, addressed to the secretray-treasurer of the Fort William Grain Exchange, who sent them a circular setting forth the facts in connection with this matter. It says:

> I wish to state that this local received your letter all O.K. and that the members were quite in favour with the points brought up that the farmers should have the right to call for new sample, and that the Board of Appeals should be at the head of the Lakes instead of at Winnipeg if it will save demurrage or delay to the return of the cars. I am also writing our member asking him to keep this in mind.

Here is another from the United Farmers of Alberta, Tealholme, dated June 4th:

> We are also writing our representative in the House of Commons by this mail to make use of all his influence in providing a Board of Appeal for the western farmer at the head of the Lakes.

I have also on my file here—I shall read only a few words from each—letters from a number of prominent grain dealers in Western Canada dealing with exactly the same point. The first is from the N. M. Paterson Grain Company, signed by Mr. Paterson himself. This is a firm which has 67 country elevators throughout Western Canada, and which is member of the Winnipeg Grain Exchange and of the Fort William and Port Arthur Grain Exchange. Mr. Paterson says:

> My own experience has been that the delay to cars held up for survey or final inspection, is in most cases in excess of eight days.
>
> With the Appeal Board, the proposition is simply that this board be located at Fort William. A dispute arising as to the grade, simply means that as the grain is in Fort Wiliam, under load either for eastern shipment or has arrived from the west, a sample can be drawn and the grade definitely decided in the matter of half an hour, thus releasing the rolling stock and facilitating business in the way it should be done.
>
> If this Appeal Board is not located at Fort William, the value of it is lost as the condition then, will be no different from the present survey and all the work of having this arrangement put in effect will have been for nothing.

The next one is from Davidson and Smith, another large firm of grain dealers in the West. They say, among other things:

> However, apart from the above, we honestly believe Fort William is the only logical point for an Appeal Board. Compare for instance the United States—every grain shipping centre there has its own Appeal Board: Kansas City, Chicago, Minneapolis, Duluth, New York City, each has its own Board of Appeal located within their limits. This would go to show that the Appeal Board is usually located where the grain is actually handled and where the members of such board can obtain independent samples and have full supervision over the grain in dispute.

They close by saying:

> Our firm would greatly appreciate anything you could do to have the Appeal Board established at Fort William, yet in urging this, we would again mention that our Principal Office is at Winnipeg, and our only reason, therefore, is a desire to preserve the effect we hope for in the establishment of such a board. Fort William is the logical point; it is the point, where the grain is actually handled; it is the point where the grain can be sampled, re-inspected and appealed without any unnecessary delay.

I have another letter from the Dwyer Elevator Company also members of the Winnipeg Grain Exchange and of the Fort William and Port Arthur Grain Exchange in which they very strongly advance the same argument; also a letter from the Bole Grain Company, in which they say:

Concerning the Board of Appeals. The location of this body in Fort Wiliam is really one of the most important features of its usefulness. If the chief reason for its existence is policy, probably other places of larger population would have stronger claims, but you are too well acquainted with the objects of this board to require your attention to be drawn to the fact that its usefulness depends absolutely on the speed and accuracy with which they can do their work. It would be obviously impossible to get as satisfactory a despatch if the board is located away from where the grain is actually handled.

In closing they say:

In conclusion, you can readily see that the usefulness of the Board of Appeals depends entirely upon its being located where the grain is actually handled.

I have read these extracts from letters of farmers, grain merchants, and transportation officials in order to show that they strongly favour the placing of this Board of Appeal at the head of the lakes. I am arguing in favour of this step purely from a standpoint of utility, and not at all because of purely local reasons. Of course, living in Fort William, I would desire to see the board there anyway, but I submit these arguments from the broader standpoint and because it would appear that the most useful place for the board would be at the head of the lakes. I wish to quote one or two statements from a book written by Mr. Piper, of the Winnipeg Grain Exchange. Mr. Piper is one of the prominent officials, if not the head, of the Empire Elevator Company of Winnipeg. They have an elevator in Fort William, but they are not members of the Fort William Grain Exchange. In this book, which is entitled "The Grain Trade of Western Canada," he says a few things which are apropos. He says:

Fort William-Port Arthur is a real terminal, as here lines of commerce converge, lake and rail meet, and bulk is broken. Here is grain tarnsferred from train to boat or train to train. It is a natural transfer point. The grain here has a value, for here, for the first time, it is in a commercial position for consumption or immediate forwarding to final point of marketing.

Then he says, on pages 127 and 128, of his book:

These qualities cannot be transferred from Fort William simply by building elevators elsewhere.

Then a little later on he says:

Fort William is a natural market. Because of the geography of our country and the resulting locations of our principal trade routes, the natural point of delivery for purchasing and selling grain is Fort William-Port Arthur.

Therefore, we find the peculiar situation and the only one in the world where a large public market—

referring to Winnipeg.

—for dealing in grain is situated 400 miles away from the elevators or warehouses where the grain itself is stored for delivery.

Fort William and Port Arthur terminal elevators receipts are accepted by banks as best possible security.

I have concluded all I wish to say and I simply hope I have made it more or less clear to the Acting Minister of Trade and Commerce (Mr. A. K. Maclean) that when this question is finally settled—as I believe it is his intention now to leave this matter to the Governor in Council—he will take these statements into consideration and not allow Winnipeg, unless it can prove that it is the better spot, to surpass Fort William's interest and the country's interest generally in the location of the Board of Appeal.

Mr. STEVENS: My only possible excuse for addressing the committee on this occasion in regard to this resolution is that on at least six former occasions I endeavoured to bring before the House certain facts on a resolution and each time I was asked by the minister to let it stand. While I shall not go into the matter in as much detail as I had intended, nevertheless, I think, in considering this resolution, there are certain facts of which the committee should be seized. The only point in the resolution to which I wish to draw the attention of the committee is contained in clause 3, which says:

"If a surplus amount of the grain received in the elevator is found in excess of one-half of one per cent of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually"—

And so forth. This clause is supposed to deal with one of the most flagrant abuses of the Canada Grain Act and one of the most pernicious practices indulged in by the terminal elevators at the head of the Lakes, but it does not deal with that abuse at all. To permit the one-half of one per cent amounts to legalizing overages in terminal elevators instead of making them absolutely and entirely illegal. In order that I may make my explanation and remarks as brief as possible, let me say this: that these overages are simply quantities of grain which are improperly and illegally docked or deducted from shipments of grain sent to the terminal elevators, and while not in every case does it come out of the exact shipments of the farmer, yet in the long run, the practice really means that the pioneer shipper, the farmer in the country, is the one who suffers. As a matter of fact, I might draw the attention of the committee—and they can readily figure this out for themselves—to this significant

fact that by allowing one-half of one per cent, the quantity mentioned in the Bill, you are allowing elevators, such as the Canadian Pacific Elevator D, to take on an average of several years, an overage of $100,000 a year, the Eastern elevator, $110,000 a year, the Empire elevator, $160,000 a year, the Fort William elevator, $110,000 a year; the Grain Growers' elevator, $110,000 a year, the Western elevator, $125,000 a year. These figures, I have computed from an average of a number of years. Some years there would be more, other years less. I shall give some actual examples in a moment of the nature of this abuse.

Mr. A. K. MACLEAN: I am very sorry to interrupt the hon. member. It is necessary, in order to permit the joint conference between the Commons and the Senate to take place upon the Railway Bill, that the committeee now rise and report progress.

Mr. STEVENS: I should just like to say to the minister that this is the seventh time I have been prevented from discussing this matter.

Mr. A. K. MACLEAN: In a few moments, the hon. member will be able to resume. It is not my fault that I had to interrupt.

The committee rose and reported progress to take up procedure as to a conference with the Senate.

CONFERENCE WITH THE SENATE.

ON AMENDMENT TO RAILWAY ACT AMENDMENT AND CONSOLIDATION BILL.

Mr. SPEAKER: The time appointed for the conference of the two Houses to consider certain amendments made by the Senate to Bill No. 19, (Letter A of the Senate) to consolidate and amend the Railway Act, having arrived, the clerk will read the names of the members.

Mr. W. B. NORTHRUP, M.A., K.C., Clerk of the House, then read the names of the managers of the conference, as follows:

Messieurs Bristol, Bureau, Cahill, Calder, Henders, Lemieux, Mowat, Reid (Grenville), Rowell, Sinclair (Antigonish and Guysborough), and Tweedie.

Mr. SPEAKER: According to ancient practice, which has come down to us from the British Parliament, it has been the custom to suspend the sitting of the House during the proceedings of the conference, but I should like to point out that this practice originated when time was not of such value as it is at present, and when the business of the country was conducted in a much more leisurely fashion. No useful purpose would appear to be served by suspending the sitting of this House while the conference is in progress, and I am, of course, within the judgment of the House, but I submit that it would be better for us to start on a new road and to establish a practice of our own, which would permit business to be carried on while such a conference is taking place.

Mr. ROBB: I suppose it is well understood that this will not create a precedent for future years.

Mr. SPEAKER: That is just what it would do.

Mr. A. K. MACLEAN: I think it is very desirable that this House do create a precedent that public business be not suspended merely owing to the fact that a conference upon a public Bill is necessary between hon. gentlemen representing this House and hon. gentlemen representing the Senate. Mr. Speaker has made it perfectly clear that he desires to establish a new precedent, and I think the reasons he gave for that are well founded, and I hope the House will accept them.

Mr. BUREAU: The reasons may be well founded, but there are also certain objections. Supposing a member appointed to take part in this conference is interested in the resolution which is before the House. He must do either one of two things: He must either abstain from attending the conference, or abandon the work which he is doing in the House. The rule was not based, as seems to be the impression, upon the fact that Parliament had plenty of time and that time was not as precious in those days as it is now. My opinion is that it was to guard against such a case as I have mentioned. An hon. member appointed to the conference might be put in a position where he is discussing some matter in this House, and where his absence from the House might prejudice him, and where his absence from the conference might also prejudice him. He would then be in a most embarrassing position. It happens that to-day the matter does not present itself in that light, but I think my hon. friend, the chief whip of the Opposition (Mr. Robb), is right when he says that we ought not to create a precedent because to-day it happens that no member who is on the committee takes any special interest or has any special duties to perform in what is going on in the House this afternoon. Let this

pass to-day, but let it not be a precedent. I do not think the reasons put forward by the Minister of Trade and Commerce could stand. We are asked to pass upon this on the spur of the moment and I would not like to pronounce myself in regard to changing a standing rule of the House without going into the matter very fully. For to-day, I have no objection.

Mr. A. K. MACLEAN: I should like to point out to my hon. friend that the reason he assigns against establishing a precedent, namely, the undesirability of preventing hon. members of the conference committee from attending to public duties, does not hold good because at present the practice is to allow committees of the House to sit while the House is in session.

Mr. BUREAU: That is not the same thing. This is an extraordinary proceeding. Two or three sessions have passed without such a conference as this being held.

Mr. A. K. MACLEAN: The theory upon which the House adjourned on the occasion of such a conference was that both bodies of Parliament were together in conference, although, as a matter of fact, represented by members of each body. If hon. members are of the opinion it should be declared that it will not be regarded as a precedent, there would be no objection.

Mr. SPEAKER: Perhaps I should point out to the House that I made my previous statement in the belief that it would be the part of wisdom to establish a new practice to obtain in the future, and, I might add, my information is that it is the intention to carry out this course in another place. In my previous statement I was submitting the matter to the judgment of the House, and if hon. gentlemen who have objected persist in their objection there will be no alternative for me but to be bound by the rule and declare the sitting suspended.

Mr. BUREAU: I did not object to the course being taken to-day, and I desire to be clearly understood. The matter under discussion seems to require the presence of members who are on the committee, but there may be other occasions when the same circumstances will not exist. I do not object to the House going on sitting while the conference is on, but hereafter if the House continues sitting while members are away important matters may be discussed here and those who are absent will be unable to consider them. It might therefore be necessary in future, in order to allow certain members to take part in discussion before the House, to adjourn while a conference is on. Some of the leaders of the parties might be interested in a discussion at the time. What I object to is having this established a precedent. I do not suppose that any injury will be occasioned if we go on now, but we should not take this fact, that we are sitting while the conference is on, as constituting a precedent.

Mr. SPEAKER: I take it to be the judgment of the House that we shall proceed with the business of the House and that our present action is not to be construed as a precedent. The motion is that I do now leave the Chair for the House to go into Committee again on resolution No. 31 on the Order Paper.

Motion agreed to.

CANADA GRAIN ACT AMENDMENT.

The House resumed in Committee on resolution to amend the Canada Grain Act, chapter 27 of the statutes of 1912, Mr. Boivin in the Chair.

Mr. HENDERS: Mr. Chairman, I am directly interested in this resolution. I would like to have an opportunity on the second reading of the Bill to present my views on this matter to the Committee.

Mr. A. K. MACLEAN: The hon. member will have ample opportunity on the second reading of the Bill.

Mr. STEVENS: May I resume the remarks which I was about to make when I was interrupted? I was at the point of giving to the members a few figures to show the enormous amount involved in these annual overages. In the last eight years upwards of $10,000,000 worth of grain has been illegally appropriated by the public elevators at the head of the Lake. I shall give to the Committee some figures in connection with these overages. I have the figures of all the elevators but I shall not give them all. What examples I give will apply largely to the other elevators. In regard to the Consolidated Elevator Company, the total cost of their property was $607,000 in round numbers. They had capital stock outstanding on August 31, 1917, of $628,000, upon which only $191,000 was paid. The rest of this was made up by stock dividends of $437,200. Broadly speaking, many of the terminal elevators at the head of the Lake have been paid for almost entirely out of overages and screenings illegally taken from shippers. They, the Consolidated Elevator, issued bonds which were redeemed by stock divi-

dends of $258,000. The elevator value was increased by $60,000 by a book entry and the real estate increased by $61,900 by book entry and ten years' tax exemption granted by the generous city my hon. friend (Mr. Manion) represents, capitalized at $37,000 or a total of $160,000. To cover this credit of book entries they issued stock dividend of $159,600. This concern covered all this enormous surplus, which from year to year added to the capital of the company, out of overages. The Empire Elevator Company's situation is similar. They have a capital stock of a million preferred and a million common, and bonds of $375,000, practically all redeemed. These bonds were guaranteed by some other elevator companies. The cost of plant, however, represented in this $2,375,000 of capital and bonds is only $559,000. This elevator company I think was combined with the Thunder Bay Elevator Company, which had a stock of 5,000 shares preferred and 5,000 shares common. The stock outstanding in September, 1910, was $168,000, and stock dividends used in redeeming bonds amounted to $198,000. Then they sold out to the Thunder Bay Terminal Elevator Company for $775,000 in stock, the new company assuming $200,000 bonds. I want to call attention to some of the earnings. The combined earnings in 1912-13, amounted to $357,500. I am giving these figures in round numbers.

1912-13..	$357,500
1913-14..	424,900
1914-15..	134,700
1915-16..	474,400
1916-17..	546,100

Now I ask the committee's particular attention to this: The comparison of the earnings of this plant is on a basis of one million bushels capacity for which is allowed operating capital of $50,000 per million bushels capacity, giving the following figures:

1912-13..	28.50 per cent.
1913-14..	33.88 " "
1914-15..	10.75 " "
1915-16..	37.82 " "
1916-17..	43.54 " "

Average earnings, 30.80 per cent.

Now take, for instance, the grain growers' elevator operated by the Grain Growers' Grain Company, and I am just citing these figures to show how this pernicious practice has even dragged into line a company which virtually organized to do away with this practice. In other words, early in the organization of the grain growers, my hon. friend, the former Minister of Agriculture (Mr. Crerar) found that there was an injustice being done to the farmers. He himself, I remember on one occasion, drove up with a load of grain to an elevator and was docked, I think something like two or three per cent, for some unknown reason. This roused his ire and others had similar experiences, so they organized the company. The company without any question desired to rectify these abuses, but once they got into the swim of things we find that they have been guilty of the same practices as the other elevators. The United Grain Growers' Company show overages in value for instance, as follows, I am giving the dollars:

1912-13..	$ 72,000
1913-14..	33,000
1914-15..	54,000
1915-16..	94,000
1916-17..	132,000

The figures for the last two years I have not under my hand, but I understand they were along the line of the increasing ratio.

Now just a few figures regarding the earnings of this company. These earnings are all based upon the capital basis which has been applied to all these cases by a committee of expert auditors who investigated the matter. They allowed the elevators $50,000 for each million bushels capacity. The Grain Growers' Company rent the elevator, I think, from the Canadian Pacific for which they paid the company, if I remember rightly, $68,000. Anyway, they paid a rental equal to about six per cent on the capitalized value of the elevator. Now omitting screenings and overages this company earned in those five years an average of 7.73 per cent, which is a very reasonable and fair earning. Adding the screenings, but excluding the overages, they earned 11.81 per cent on the average of five years. Including the screenings and overages, the earnings were 18.85 per cent. The point in all these figures that I have given is the abnormal earnings of all these elevators because of the screenings and the overages which they illegally take from the farmer. And why do I say "illegally?" Because in the Grain Act, I think in clause 126, you will find it clearly set forth that wherever dockages are made for screenings the elevator company shall account to the shipper, the owner, or the farmer for them. Now, as a matter of practice, it was found by the auditors who investigated all these companies that they never did notify the shippers of these screenings or dockages except when it was demanded of them, and they knew nothing about what the overages would amount to until they weighed up at the end of the year and then made the discovery, and of course they did not know to whom they be-

longed. These overages occur largely out of dockages made in the way I have mentioned.

Now, I want to draw the attention of the committee to the returns secured by the Grain Growers' Company—I give their figures as a sample, and I have others as well—on the capital invested.

Mr. A. K. MACLEAN: What is the name of that elevator?

Mr. STEVENS: The Grain Growers' Grain Company, I think they call it now the United Grain Growers. I am under the impression that it is Canadian Pacific Railway elevator No. D. Now the company in 1916-17 earned a total of something like $446,000. The operations of the elevator yielded $238,000; screenings, $51,000; overages, $156,900, The expenses were operating and management, $136,000; depreciation, $29,000; and rent, $68,000 Deduct $234,000 expenses from the earnings of $446,000 and we have a net result of $212,000. Now it must be remembered that the working capital estimated by the experts as being needed for this elevator was $100,000. Of course, the Grain Growers' Company may say this is not a sample of their general business, but in all these calculations the same operating capital has been allowed by the experts, which in this case gives earnings of something like 211 per cent. In connection with its operations this company, in common with all other companies, sold grain on option before the overages actually occurred. In other words, they anticipated that overages would occur and they sold, or dealt in grain stored in their elevators.

Mr. CRERAR: Will the hon. gentleman state what proof he has of that statement?

Mr. STEVENS: I have an audited statement in my hand which was laid on the Table a couple of months ago, and which I had an awful time getting from the minister who has charge of this Bill.

Mr. A. K. MACLEAN: I do not think so.

Mr. STEVENS: Well, I had to dodge about quite a bit before I got it, but I thank the minister for his courteous treatment of me in the long run. I find that this company lost in options in the year 1916-17 the sum of $24,055. This amount, of course, is added to the expenses and deducted from the earnings leaving something like a profit of 187 per cent on the operation of that elevator. This is not an abnormal profit for elevators. This is the profit which all the other elevators shared in and it was not peculiar to the Grain Growers' elevator. For instance, we have the Port Arthur Elevator Company which has overages of $185,000, $51,000, $50,369, $112,716, and in the year 1916-17 overages to the amount of $388,000.

Now, what I want to get through the minister's head is this: He is putting in the Bill one-half of one per cent of the amount of grain handled through these elevators as a cure for these abuses. My point is that not only should we prevent these elevators from carrying on these abuses and keeping these overages, but that every dollar taken out of overages for the last five years contrary to the Grain Act should be paid back into the treasury of Canada either for distribution to the proper owners or, if that is impossible, to be used for the public welfare.

Mr. MAHARG: Will the hon. gentleman permit me a question?

Mr. STEVENS: One at a time.

Mr. MAHARG: What would you do in the case of a shortage?

Mr. STEVENS: My hon. friend advances an argument, which is the only argument that is presented from time to time: What would you do in regard to a shortage? As a matter of fact, shortages occur only in very few cases and are deducted from the total overage. I have not the "red" figures, as they call them, but the allowance for shortage is mighty small. The point is this: the large elevator could so operate as not to create either a surplus or a shortage. It may be that we have to make some small allowance for that; but what I am complaining of is that one-half of one per cent will virtually perpetuate the abuses which have been continuing for the last seven or eight years, and it is altogether too much. If you allow anything at all, one-tenth of one per cent would cover it very easily, or more than cover it. I ask the minister, therefore, that before he insists upon the quantity fixed in the Bill going through he should put some good actuary to work on these figures and let him figure the percentage. Any good accountant would come within a few bushels of what is necessary to protect these companies against the possible shortage which, by the way, rarely occurs.

Now I wish to point out this: Another practice carried on by all the elevators—I won't say all of them, but by a good many of them—at the head of the lakes is this, they pay their officials a bonus on the amount of overages created in these elevators from year to year. I do not like to

use strong language but after studying the matter with the utmost care I see nothing for it but to say that the bonus is given for the dishonest handling of the grain in these elevators. There is no man who studies this case carefully but must be convinced that these overages are abnormal, that they are unreasonable, and they are utterly unfair to the shipper. And when I find one company paying six officials an average salary of $7,000 a year—some get a little more, and some a little less—or a total of $40,000 in salaries and bonuses, that is altogether out of proportion to the business of the elevator. This practice is a pernicious practice. It has been indulged in for a very considerable time and we, as a Parliament, owe it to the shipper, to the farmer, and to the dealers of the country that it should be stopped absolutely. Had I had the privilege of moving a resolution which has been on the Order paper ever since the session opened and to which I endeavoured to speak half a dozen times, I had intended to move that these elevators should pay back to the owners, or pay over to the exchequer of the country, the amount of overages accumulated during the last four or five years. I am not going to delay the House with any further lengthy remarks in connection with this subject, because the session has now reached so late a period that I would not be justified in doing so. I have merely cited a few figures from the report of this special committee of auditors. The Government has this report in its possession and it would take very little effort to work out what is necessary to cover any possible shortage. Certainly, to make the figure one-half of one per cent is simply perpetuating the abuse which has been carried on for a number of years, instead of making that abuse illegal. If I had my way I would make it a very serious offence to retain any overages, and also do everything possible to reduce the overages which have occurred, as they have occurred during the past few years.

Mr. MORPHY: The hon. gentleman stated that the dividends paid by this company, I have forgotten to whom—were apparently seven per cent, but on many transactions they had a percentage of 211 per cent on capital invested. Do the hon. gentleman's figures show what became of that surplus? Who got that very large amount?

Mr. STEVENS: I presume that went into the general fund of the company, I could not tell the hon. gentleman that.

I might explain, Mr. Chairman, that these figures are the figures of a special committee of auditors appointed by this Government, under an Order in Council, to investigate all the terminal elevators at the head of the Lakes. Now that my hon. friend has reminded me of it, I might say that a proposition has been before this country for years that the Government should take over and operate these elevators. It has been a subject of comment not only regarding these elevators, but with respect to privately owned elevators that they have been used during the past few years to increase the cost of living. Now regarding what my hon. friend says, all the elevators referred to have been computing their earnings, and so forth, on a systematic basis. They have allowed for each elevator a working capital of $50,000 per million bushels capacity, which is considered by them after careful investigation to be ample. Now in the case of nearly every elevator I find in analyzing these figures that the elevators have either paid the whole, or a very large proportion of the total cost of their plant out of these earnings extending over a period of from seven to eight years. In the case referred to by my hon. friend, and which I dealt with a moment ago, the Grain Growers Company, they operate in a very large way all over the country and have many different branches, but the operation of an elevator is quite a simple process to figure out. They rent an elevator and pay $68,000 for it. The commission of expert auditors allowed them $50,000 per million bushels capacity, as they do in every other case, or a total, I think, of $100,000 working capital upon which, of course, interest is allowable, but the earnings of the elevator, taking out your expenses—rental and so forth—and leaving them with a working capital of $100,000 was, as I have said, 187 per cent after deducting the lossses on options on the market, and of 211 per cent without these losses.

Mr. CRERAR: The subject that is under discussion this afternoon is one of very great interest to the country—in fact, this is applicable to anything that has to do with the handling of the grain of Western Canada. I followed with a good deal of interest the remarks of my hon. friend from Fort William (Mr. Manion). I think he raised no objection to the amendments to the Grain Act, which are now under the consideration of the committee, excepting the point that the Board of Grain Appeals should be located in the city of Fort William. It may be of interest to members of

the House, who are not, perhaps, closely familiar with the methods of handling our grain, to give a word of explanation as to what is really intended by the amendment to the Act providing for a grain appeal board. Our grain handling system in Canada is, I think, without exception, the best method of handling grain that can be found anywhere in the world. The foundation upon which it is largely built is our grain inspection system, whereby

4 p.m. the grain, as it comes from the farmer's hands, is inspected, classified accordingly, and sold abroad on the inspection certificates of the chief grain inspector. Now the chief grain inspector is located in the city of Winnipeg and all the members of his staff are there. There are subsidiary branches at Fort William and Port Arthur at the head of the Lakes, and in Calgary, Moosejaw, and, I believe, in Saskatoon. The inspection system as we have it to-day depends almost entirely on the eye test of the inspector. Provision is made for taking a sample of grain from a car that is shipped, in such a way as to ensure that it will be a fair average sample of the car. That sample is taken to the inspection department, passed upon by the inspection officials, and the grade given to it, and that grade governs. It has happened in the past that deficiencies or defects occasionally arose in that system, and to further improve it the proposal has been introduced into these amendments to the Act providing that a Board of Grain Appeals shall be formed to which there may be an appeal taken from the decision of the chief grain inspector in respect to the particular grade that may be given any car of grain. This has worked out very successfully in Minneapolis, and I am free to say that our farmers in Western Canada have asked pretty insistently for this for several years back.

Now the point my hon. friend from Fort William (Mr. Manion) makes is that this Grain Appeal Board should be located in the city of Fort William. My contention is that it should be located in the city of Winnipeg for the reason that the sample upon which the inspection is first made is taken either in Winnipeg or before the car reaches that point. Here the sample is passed upon by the chief inspector or his officials in Winnipeg, and consequently if there is to be any value in a Board of Grain Appeals that board should be located at the point where the inspection is made. It is not intended that fresh samples shall be drawn from cars, otherwise there is no need for an appeal board. The very intention and purpose of this legislation is that there shall be an appeal from the judgment of the chief grain inspector, or his officials, upon any particular sample of grain that a farmer or dealer might wish to have referred to the Grain Appeal Board. Consequently, that being the case, the Grain Appeal Board should be located where the sample is first secured and where it is readily available.

Mr. MANION: The hon. gentleman knows that in Minneapolis the Board of Appeal have provided for a fresh sample. He objects, at least I take it from his remarks that he does, that a fresh sample is not necessary in Canada. Is that the hon. gentleman's contention?

Mr. CRERAR: I was just coming to that point. There may be an occasional case where it is necessary to secure a new sample from the car. In such cases I will admit the hon. gentleman has a valid argument for locating the Board of Grain Appeals at Fort William, but I say that such cases will be very rare. I believe that in Minneapolis in actual experience, and in Duluth also, that has proven to be so.

We will probably further improve our existing system by providing for duplicate sampling of cars, which obtains now in the Minneapolis market. Outside of this, the hon. gentleman from Fort William had very little criticism to offer of the amendments that are proposed by the Acting Minister of Trade and Commerce.

I wish now to say a word or two as to the observations of my hon. friend from Vancouver (Mr. Stevens) who has, I am very glad to say, suddenly developed an alarming interest in, and friendship for, the prairie farmer. The hon. gentleman has not always exhibited that interest in the welfare of the prairie farmer, and naturally I am delighted to see such a manifestation on his part.

His criticism was directed mainly against what he called overages in terminal elevators, and concerning which there is a provision in the amendments proposed by the hon. minister. I regret that, perhaps for lack of time, the hon. member from Vancouver did not stated the facts altogether correctly to the Committee. I at once acquit him, let me say, of any desire to intentionally mislead the Committee; but his study of the question, Mr. Chairman, has been very elementary indeed, and he has simply picked out of a report here and there a few facts upon which he bases general conclusions that are entirely misleading.

Terminal elevators are warehouses, and, consequently, are supposed only to store grain for shippers and customers. But every man, Mr. Chairman, who knows anything at all about the handling of grain knows this fact, that you cannot operate a terminal elevator or a country elevator or for that matter any other elevator, where grain is handled in bulk, and have your outturn correspond identically with what you put into the elevator. That is an absolute impossibility. The Grain Act provides, and very properly so, that the owners of terminal elevators shall be responsible, as warehousemen, for every bushel of grain that is put into them. They have got to account for it. Not only that, but the provision is so strict, Mr. Chairman, that under regulations of the Board of Grain Commissioners for every car of grain unloaded into a terminal elevator there is issued what is called a terminal elevator warehouse receipt. That receipt is registered in the registry office of the Board of Grain Commissioners, and when so many bushels of any particular grade of grain are shipped out of the elevator, warehouse receipts corresponding to that amount have to be surrendered to the registry office of the Board of Grain Commissioners in order that they may keep accurate and absolute tab on the proceedings.

The hon. gentleman (Mr. Stevens) made the statement that these overages have been illegally taken. I would just point out for the information of the Committee, that those overages have been taken with the knowledge and approval and consent of the Board of Grain Commissioners, the body created under this Grain Act to especially regulate the handling of grain in this country. If illegal why has the Board permitted it? I will tell you in a moment why they did it. Consequently when the hon. member for Vancouver leaves the impression on this Committee—as I think he did this afternoon;—or, at any rate, it was the only inference that could be drawn from his remarks,—that there has been a condition of affairs in Fort William approximating robbery, he is leaving an impression that is altogether contrary to the facts.

I stated a moment ago that it is impossible to operate an elevator, whether at Fort William, in the country, or anywhere else, and have your out-turn correspond exactly with what you put in. That is a well-known fact. I have stated also that the owner of a terminal elevator warehousing grain is responsible for every bushel of grain that goes into that elevator. Not only so but he is responsible for every bushel of grain of a particular grade that goes into the elevator. In other words, if I, as a terminal warehouse man, put 100,000 bushels of No. 1 Northern grain in my bins and if the inspection has been any way lax, the inspection department has for example allowed more moisture in the grain than should be permitted for No. 1 Northern, and the grain goes out of condition, I nevertheless am responsible to the Board of Grain Commissioners for 100,000 bushels of No. 1 Northern, and in that event I have to go into the open market and buy the grain necessary to make up the deficiency. Those are facts that were not stated by the hon. member for Vancouver in presenting his so-called facts, and in order to get an impartial survey of the situation they should be stated.

Now, how do the overages arise? Naturally, when the superintendent of an elevator is conscious of the fact that his elevator is short on any grade at the end of the season, or it is short on the total amount of grain put in, and his company has to go into the market to buy that grain to make up the deficiency, he uses every precaution to insure that his elevator comes out right. When discussing this matter with the Board of Grain Commissioners years ago I stated to them, "You guarantee me against loss from shortages in my elevator, and you can have every bushel of surplus. But as long as the elevator warehouseman is placed in the position that he must make good every bushel of shortage that occurs in his elevator, then you cannot justly take away from him the right to participate in any surplus there may be." And that principle, Mr. Chairman, is recognized in the whole administration of the Grain Act, not only in the operation of elevators in the country but everywhere else.

Indeed, it is a comparatively easy matter to secure a surplus in an elevator if your handling is large. The hon. gentleman—I do not know what his motive was—directed particular attention to the Grain Growers' elevator in Fort William. I may say that in one season when the crop was large we handled 28,000,000 bushels of grain through that elevator, and the amount of profit—to which the hon. gentleman has referred, I was going to say, pathetically, or at least in a tone of voice that indicated his extreme interest in the matter—amounted to only a fraction of one cent per bushel on the stuff handled. The rather harrowing inference that the hon. member threw out in his remarks, that the making of this profit added to the cost of living, appeared to me to be ridiculous, and would

appear ridiculous to the hon. gentleman himself if he gave the matter a little thought.

I commend the step that is taken by the Acting Minister of Trade and Commerce in the amendment which he has brought down; and it may be that the existing system is not an ideal one. My own view is that the Government should frankly guarantee the elevators against shortages, place them upon such a basis that their remuneration shall be confined to the cash tariff that they charge, and then appropriate the surplus. But that throws the risk of shortage in the elevator upon the Board of Grain Commissioners, and that is a risk that they very naturally do not wish to assume. Moreover, if these surpluses are entirely taken from the elevators, unquestionably it would mean an advance in the handling charge from three-quarters of a cent a bushel to at least 1½ cents a bushel. In no grain handling centre in North America are the rates for the handling of grain through terminal elevators as low as they are in Port Arthur and Fort William.

As to the question of screenings, I regret that the member for Vancouver did not state the facts clearly. It is true that screenings come from the cleaning of grain, but there is a regulation of the Board of Grain Commissioners that where more than 3 per cent of screenings is cleaned from a farmer's car, the grain merchant handling the screenings has to make a separate return to the farmer for the value of them. Only in cases where the percentage of screenings taken from the car is under 3 per cent is no return made.

Mr. MORPHY: Is there any regulation in the Grain Act respecting surplus of grain which corresponds to that with regard to screenings which go back to the farmer?

Mr. CRERAR: There is no such provision, because in my judgment, and, I am sure, in the judgment of the Grain Commissioners, it would be impossible to work out any regulation that would permit that. A small allowance per car is made for loss in unloading—an allowance of 30 pounds per car for invisible shrinkage—and a portion, at any rate, of any surplus the elevator secures comes from that source. But a separate return is made for screenings where the screening is over 3 per cent, and in that case a charge is made to the shipper for cleaning the grain. The tariff for receiving grain in the elevator, unloading it, elevating it, binning it, and shipping it out again if shipped within fifteen days, is three-quarters of a cent per bushel. In cases where a separate return is made for screenings an additional cleaning charge is made, but where no separate return is made for screenings—that is, where the screenings are under three per cent—no charge for cleaning is made. In other words, the elevator operator takes the screenings as his pay for cleaning the grain; and that practice has prevailed all down through the years. I quite appreciate the fact that there is possibility of an abuse growing up in this regard. But if the Government is not prepared, through the Board of Grain Commissioners, to assume the responsibility for any shortage that may arise in these elevators, then in my judgment the minister is taking entirely the correct course in permitting the elevator to retain a small portion of any surplus that may arise.

Mr. KEEFER: With regard to the question where the Board of Appeal should be located, I cannot agree with my hon. friend (Mr. Crerar) that because the first inspection takes place at Winnipeg, and because that is where the chief inspector resides, the Board of Appeal should be located there. As a matter of fact, the chief inspector used to be at the head of the Lakes and should be there now; he should not have been taken away to Winnipeg. The business is all done at the head of the lakes. It passes through Winnipeg, and if there is any dispute about the quality of the grain a new sample should be taken. The car is only a short time in Winnipeg, and the sample may be defectively drawn; the only procedure that is fair to the farmer is to resample. But the cars stand on sidings at Port Arthur and Fort William, and there is delay incidental to that rolling stock. If the minister will consult the convenience of the railroad people and of the public generally he can come to only one conclusion, and that is that the Board of Appeal—as the Board of Grain Commissioners did recommend—ought to be at the head of the Lakes; that it ought to be at Fort William. I may tell the minister that when Port Arthur and Fort William unite on a thing, it must be right.

Then, there is the question of overages. The minister is to be congratulated for cutting down these overages to at least one-half of one per cent. I was hoping, to use a vulgar phrase, that he would "go the whole hog." If a return to the elevator company of three quarters of a cent a bushel is not

sufficient to provide for any falling off of the grain, increase that amount, but let us be fair and square with the Grain Act, which makes it absolutely illegal for terminal elevator people to deal in wheat. Yet, by virtue of the method which we have been pursuing, we have, in an indirect way, been giving the elevator people the right to take at least 3 per cent of the carload, clean it over again, and get that much to the good.

Mr. CRERAR: If the practice is illegal, why has it been permitted by the Board of Grain Commissioners?

Mr. KEEFER: I do not say that it is illegal; if it was illegal, it would have been stopped; but it is contrary to the underlying principle of the Grain Act. It has been held by some judicial twist of some person to be legal, but it is contrary to the underlying principle, namely, that those terminal elevators should not speculate in wheat.

Mr. CRERAR: They do not.

Mr. KEEFER: They should handle the grain from the shipper and send it on its way to the market. What is going to be the effect if you abolish this overage and dockage? These terminal elevators, with the exception of three or four, will go out of business, and they will all become private elevators. They will all at once begin to deal in wheat as they ought to be doing, as many private elevator companies are doing there, buying wheat from sample and grading it as they can and selling to a mill as they do at the place where the wheat finally reaches in England. That would be a benefit to the farmer, who will get more for his wheat when a sample market is established. The grain can be worked together, and perhaps a better price can be obtained, and he will not lose his dockage of 3 per cent. Private elevator men would buy the whole carload and they would be all competing one against another, so that the hon. member for Red Deer (Mr. M. Clark) would have the principle he has advocated so strongly for, namely, free trade.

The question of screenings has been a continuous source of trouble at the head of the lakes. If the screenings are to go 3 per cent up, to the owner of the elevator, there is an interest there that should not exist. If the elevator owner is paid simply the price he ought to be paid for cleaning the wheat a great deal of controversy will be removed and possibly a desire to get ahead of somebody else.

Mr. ROBB: When the Acting Minister of Trade and Commerce brought in his resolution this morning I could not but think that he was introducing this proposed legislation under duress, having in mind the statement made during the Budget debate by an hon. member from the West, that they had put the gun up to the Minister of Finance and compelled him to create three new government positions. We gather now, from the debate, that there are two interested parties; we have, first, Fort William and Port Arthur, which apparently are united in a campaign to open this new office in the twin cities. They are doing that upon instructions from their Board of Trade, because I hold under my hand—and I suppose every hon. gentleman has a copy—a circular letter put out in May by the members of the Fort William and Port Arthur Grain Exchange urging the passing of this legislation. The Committee will note that no person has as yet made any real complaint against the present system of the Board of Appeal. The hon. member for Marquette (Mr. Crerar) has given his blessing to the idea of this new board, but he has made no real complaint against the present system of appeals. The hon. member for Fort William and Rainy River (Mr. Manion), if I understood him aright, stated that the Board of Appeal was constituted by certain members of the Winnipeg Grain Exchange. If that were correct, it would not be an ideal system, but my hon. friend is apparently wrong in his information. Article 102 of the Manitoba Grain Act provides that the Survey Board shall consist of twelve members, six of whom shall be appointed by the Board of Trade of Winnipeg, two by the Minister of Agriculture of the province of Manitoba, two by the Minister of Agriculture of the province of Saskatchewan, and two by the Minister of Agriculture of the province of Alberta, so that one-half of the members of the Grain Board are appointed by the Ministers of Agriculture of the three provinces which are particularly interested in grain. If there be anything wrong with those six gentlemen, if they have not the proper qualifications, then the remedy should be with the Ministers of Agriculture of the several provinces. My hon. friend from Fort William and Rainy River advances an argument in favour of locating at Fort William and Port Arthur, because he says that the milling is all done there, and that there is no milling at Winnipeg. As a matter of fact, there is a larger milling capacity at Winnipeg and St. Boniface,

I think, three times the capacity that there is at Fort William, where there is only one moderately-sized flour mill, the Ogilvy flour mill.

Mr. MANION: There are two statements which the hon. member made in which he misquoted me, and I know he has no intention of doing so. He said that I stated that the present Appeal Board—really it is a survey board—is comprised of members of the Winnipeg Grain Exchange. I did not mention the Winnipeg Grain Exchange. I said that the appeal was put before the Survey Board at Winnipeg, which was made up of a number of Winnipeg merchants, at their head being Mr. Searls. In the second place, I did not say there was no milling at Winnipeg. I simply said that, as regards handling shipping and milling grain, there were better facilities at the head of the Lakes than at Winnipeg.

Mr. ROBB: The inference is that the hon. gentleman tried to create the idea that the Survey Board was comprised of Winnipeg Grain Exchange men. As I was proceeding to say, there are large mills at Winnipeg. There is a large mill at St. Boniface, a large mill at Keewatin and a large mill at Kenora. I am not going to enter into an argument as to whether this board should be at Winnipeg or Fort William. My contention is that it is an unnecessary expense, that it is creating three jobs for some people. I do not know who are making applications for these jobs, but I should like to point out that it is contended that these three gentlemen should be expert grain men. That was the contention when the members of the Board of Grain Commissioners were appointed, but who were appointed by the Government of which Sir Robert Borden was the Prime Minister? The Government appointed Mr. Staples, a very good fellow. Everybody who sat in this House with Mr. Staples liked him very well, but he was an ardent politician; he played the game fair and played it for all it was worth. He never pretended to have any expert knowledge of grain except that he was a good farmer. Then they appointed Mr. Leslie Boyd, another good chap. He was a lawyer of the city of Montreal; he was President of the Conservative Association, and, I think, once or twice he was a candidate for the Conservative party. Those were the qualifications of these expert grain men. Having that in mind, I wonder who is going to be appointed this time. Will it be an expert grain man? Will it be a man who is experienced in law or in theology? I do not know.

Mr. A. K. MACLEAN: The Bill will provide that he will be an expert in regard to grain.

Mr. ROBB: Will he be an expert in law or theology or grain? If the Government are not satisfied, if there is complaint against the present system of the Appeal Board, that is to say, six members appointed by the Winnipeg Grain Exchange, the handlers of the grain and six members appointed by the Ministers of Agriculture of the three Prairie Provinces.

Would it not do to appoint this grain commission as appeal board? They have not very much to do and no one will accuse them of being overworked. We are told they are expert grain men, and as their offices are in Fort William that will satisfy gentlemen there and add no more expense to the country. I am opposed to the resolution because it is imposing an unnecessary burden on the people. There is a suspicion that the real intention is to gratify the ambitions of Fort William, on the one hand, and on the other to create good fat jobs for friends.

Mr. MAHARG: Let me assure my hon. friend (Mr. Robb) that the people who are asking for this are not holding a gun at anybody's head. They have been trying to get this thing done for the last five or six years. The people who produce the grain that furnishes the business for all these elevators are the ones with whom this idea originated, and not the people of Fort William, Port Arthur or Winnipeg, or the Winnipeg Grain Exchange. The president of the Winnipeg Grain Exchange was sitting in the gallery this morning and I had a long talk with him. They are not asking for the board, and may have even told the minister that perhaps it is unnecessary. So that it is not the grain interests that are seeking this. As a matter of fact, they would probably get along better without it. The people that are asking for it are the producers of grain, in order that they may get a fair deal in the grading of their grain. The grain will have to carry the expense. If a car is appealed, the appeal is charged against that car, whether it belongs to the farmer or to the grain dealer. The revenues of the country will not therefore be taxed to pay for these charges, and the business in this respect will be self-sustaining. There can therefore be no objection on the score of charges.

Mr. ROBB: Suppose the inspection is so satisfactory that there are no appeals, who pays?

Mr. MAHARG: Well, that is why we are asking for this board. The difficulty is that the present board is entirely too cumbersome. There are twelve men, who the hon. member for Vancouver said were Winnipeg Exchange men. They are Winnipeg Exchange men, and they are the only men who could effectively deal with the business. It would be inadvisable to appoint any man to come from outside of Winnipeg, because you would have to pay a special salary to him, and he would have to be there all the time. The only way in which the business can be conducted is to have members of the Winnipeg Grain Exchange who are accustomed to dealing in grain. These men have to be got together and as they are all busy men attending to their own affairs it is hardly fair to ask them to leave their business at a time when minutes may mean thousands of dollars to them, and where it is important to sell grain at the proper time. A man may have brought 50,000 or 100,000 bushels of grain the day before and have to dispose of it within a certain time, and time means a good deal in these circumstances. Another circumstance in connection with the matter is the fact that men do not like dealing with grain that may belong perhaps to their fellow members. There may come before them samples from friends or even their own grain and they do not like the embarrassment this causes. We want an absolutely independent board that will have no interest in any one car of grain that comes before them, men who will not be permitted to deal in grain or handle it in any way privately. It will be for the board to make such charges as will render the work self-sustaining. I visited Minneapolis on different occasions and the system there worked perfectly, and we appealed to the Government years ago for the establishment of a similar board at Winnipeg. As to the location of the board the consensus of opinion favours Winnipeg. We have our own farmers' organizations in the three western prairie provinces and they have been looking after the affairs of those provinces in all these matters, and they also have their own two companies, which are the largest initial grain handling companies in the world. The Saskatchewan company is only a few years old but it handles 25 per cent of the entire grain produced in Saskatchewan. They have been able successfully to handle their own business on a fairly favourable basis and we believe that we have men who understand the grain business as thoroughly as those in any of the other companies. I have no particular interest in Winnipeg, except that we have commission officers in Winnipeg and have our terminal elevator. I am not speaking on behalf of Winnipeg, or Fort William, or Port Arthur. We have far more interest in Port Arthur than anywhere else, we have a million dollars there where we have not ten in Winnipeg in so far as real estate is concerned. If we were considering our interests in so far as property is concerned we should speak of Fort William or Port Arthur, where we have our investments. But we are not looking at it in that way. We have studied the system throughout and have considered the system in Minneapolis as well and we have come to this conclusion, without a dissenting voice, we also claim that the men who produce the article which is going to be inspected and who pay for the charges should at least have some say as to where the operation shall take place. Primarily they are the only people interested and it is only reasonable that they should study their own interests and make recommendations as to where the board should be located. The managers of our companies who are not shareholders, at least so far as the Saskatchewan company is concerned, have no hesitation in saying that the board should be at Winnipeg where all the inspection is done. We are given to understand that sample markets will be established in Winnipeg and that being the case, samples will be taken outside of Winnipeg, just as is done in Minneapolis. Samples will be forwarded to Winnipeg by express in most cases, and the inspection can be done; and in case it is necessary to re-sample, if it cannot be caught at Winnipeg it can be caught at Fort William. There is an erroneous impression that where an appeal is called for it is necessary to re-sample the car. That is not the case. It simply means a disagreement with the man who has inspected that particular sample of grain, and the sample will go to the Board of Appeal.

Mr. MANION: In Minneapolis could not the farmer ask for a re-sample, and is that not what you advocate in Canada?

Mr. MAHARG: Any farmer can ask for a re-sample of a car if he wishes, but that has not been the case very often in Minneapolis, where they have two sampling bureaus. They have one which is maintained by the government and one by the trade itself, and they check up one with the other. We are asking now for duplicate sampling at Winnipeg to obviate as much as possible the re-sampling of cars. Altogether,

we are perfectly satisfied in our own minds that Winnipeg is the logical place for the Board of Appeals to be constituted.

I do not think I need touch upon that any farther because I think it should be patent to every one that the producers of the grain who furnish everything in connection with the elevators should at least have their interests considered. There is one other point in connection with overages that I want to touch upon. The committee wants to bear in mind that the terminal operators have absolutely nothing to do, one way or the other, with the weighing of the grain. The Dominion Government weigh the grain into the elevators, weigh the grain out of the elevators, inspect the grain into the elevators and inspect the grain out of the elevators. The terminal operator has absolutely no responsibility as to the weighing or grading of the grain. If the Government do not take sufficient dockage on the grain, it is their fault and not that of the terminal operator. He has to go by instructions laid down by the Government both as to grade and dockage. There might be the inference that probably the Government are not careful enough in their weighing. I would not make that assertion at all because I think the Government are as careful as they can be and I do not hesitate to say that it would be absolutely impossible to bring an elevator out even. In an operation covering 300 elevators, we have never yet been able to bring an elevator out even. We will have one with a big overage and another, a few miles away, with just as big a shortage.

The hon. gentleman said that he understood that these operators were paid a bonus according to their overage. I hate to take up the time of the committee but I hate to let that go unchallenged. It is only in connection with our country elevators that this bonus is allowed. We have not been operating our terminals long enough to establish a precedent or to form a basis for future action because we only got this system in operation last season and it has been in existence for too short a time to enable us to come to a definite conclusion. This season we will be in an entirely different position. With regard to the bonus we have established there are five or six different points that count favourably or unfavourably to the operator. Accuracy of weight is one and that is the only point that I shall deal with. Accuracy of weight counts twenty points. If a man has got 100 bushels of an overage and another man has got 100 bushels of a shortage, they are both dealt with exactly in the same way in so far as the amount of the bonus is concerned. The man who gets 100 bushels of an overage does not gain one iota on the man who is 100 bushels short. I might say that we have discharged men for having large overages. While we have not discharged one for shortage where we have discharged two for overages. That is not the basis we adopt. We adopt the basis of actual, square dealing. The same thing applies exactly to the grading of the grain; we desire to secure accuracy in grading. The man who gains grades does not gain one cent by way of bonus over the man who loses grades. They are dealt with in exactly the same way on principle so that in so far as our country elevators are concerned the statement of the hon. gentleman is absolutely erroneous. That is not the basis that we follow at all.

Mr. ALLAN: What do you bonus them for?

Mr. MAHARG: That is a question that we may differ upon. We thought it would be a good thing to bonus these men to promote efficiency. We bonus them for efficiency and what we base our bonus on principally is accuracy. The number of complaints from individuals that an operator is doing business with would be one of the things that would be taken into consideration. Another point is the giving of satisfaction generally to the community as a whole but the whole thing hinges on efficiency all the way through and no man gains on account of gaining on his grades or having overages. The man who gains on his grades or has overages is dealt with exactly the same as the man who has a shortage or the man who loses grades.

I do not think I had better take up any more time in dealing with that point; I think it has been fairly well covered. But there is one other point. One hon. member used the expression "in the interest of the public." I do not know what he meant, the public who are interested directly in the operation of these elevators are the producers of the grain. If a large overage is taken, it is just that much taken from the producers of the grain. They are the people who are directly interested in it. I do not think a fraction of one per cent per bushel would affect the consumer very much and, while I am on that point, I may say for the benefit of the minister, that I fully agree with him in fixing the amount of the overage that the elevators shall retain. I would go a little further and adopt the recommendation of our company, which is one of the largest handling companies, that the over-

age be not more than one quarter of one per cent. We originated these companies to regulate the grain business. Because the company of the hon. member for Marquette made large profits, that is nothing for which you can censure them or us. They are in that business and if they did not take the grain out of the screenings and get all they could out of it, for their shareholders, they would be derelict in their duty. They would not have done their duty if they had done differently. That is where a large per cent of your overages come from. If the hon. gentleman had gone to the trouble of looking up the returns of the Canadian Pacific elevators, where they do not reclean their screenings, he would have found that they have no overages. Am I right in that?

Mr. CRERAR: In one year they had a very large shortage.

Mr. MAHARG: In the case of the Canadian Pacific, where they do not scalp their screenings, as they call it, they have had a shortage and in no year have they had very much of an overage. The fact that the Grain Growers' Grain Company produced an overage is something for which they surely could not be condemned, because they were in it for their shareholders, whose business it is they are largely occupied in doing, and which they were in duty bound to do. They recleaned their screenings and that is where their overages largely come from. If you want to turn your screenings over to other companies with a certain percentage of the farmer's grain in it, those other companies will get the advantage of it. By the way, most of the companies mentioned by my hon. friend from Fort William (Mr. Manion) were not public terminal elevator companies at all.

Mr. MANION: I did not deal with the elevator companies.

Mr. MAHARG: But you read communications from some of the elevator companies.

Mr. MANION: Yes, I beg your pardon; I thought you were speaking of overages.

Mr. MAHARG: I think I am correct in stating that two out of three of these companies are not public terminal elevator companies, that they are conducting private terminal elevators and it is impossible to know if private terminal elevators have an overage, as they are not asked to register.

Mr. MANION: I did not discuss the overage question at all. I was speaking of the Appeal Board and presenting the argument

of the elevators that the Appeal Board should be at the head of the lakes.

Mr. MAHARG: Quite so. But I want to make it clear that these are private elevator concerns that you quoted from except one. Now, I want to go a little bit farther and point out that even if you are only going to allow them one-quarter of one per cent you will not accomplish your end there for the reason that that one-quarter of one per cent will not exist.

I know just about what the elevator companies will do. If they get $19, $20, $25 or $30 a ton for screenings, they are not going to go to the trouble to scalp those screenings to get the grain out of it in order to turn it over to the public funds. Make no mistake about that; they can control it on the inside so that when it comes to fixing one-quarter of one per cent the Government will not accomplish what it expects to.

Mr. ROBB: This is a question on which I want to get some information. I am not sure whether I understood my hon. friend to argue that the only people interested in the overages were the producers. Is that right?

Mr. MAHARG: Yes, they are primarily the people interested in the overages.

Mr. ROBB: Well, suppose that an elevator takes in 100,000 bushels of wheat and ships it east to a flour mill in Ontario and the flour mill is 5,000 bushels short. Is that in the interest of the producer or the miller?

Mr. MAHARG: As I said a minute ago the Government weighs the wheat in and weighs it out. The operator of the elevator has nothing at all to do with the weighing in or weighing out of the wheat—or the grading of it. That is a government matter purely and simply. They have their men there all the time and there is no scale that is allowed to be dumped without their inspectors seeing it.

Mr. ROBB: I know that, but who is interested in the shortage, the producer or the miller?

Mr. MAHARG: The terminal elevator will have to make up that shortage. As the hon. member for Marquette (Mr. Crerar) said, in the case of every car of grain that goes into the elevator a warehouse receipt is issued for the number of bushels according to the grade the inspector says they shall be, and if the terminal elevator operator at the end of the season has

not sufficient grain to fully meet the requirements of these certificates, then he has got to go on the market and purchase grain to make up the shortage. So that in the case spoken of the elevator man would be the one to make good the 5,000 bushels shortage.

Mr. MORPHY: If this Bill has done nothing else, in my opinion it has shown the great necessity for some new method of handling the grain trade. The hon. member for Maple Creek (Mr. Maharg) took occasion to say before concluding his remarks that this was largely a matter of interest to those directly connected with the grain trade. I am not interested except as a citizen of Canada, and I have been rather painfully struck with the disclosures which have been made here to-day in regard to the handling of the grain as it affects the farmer or the producer. The hon member for Vancouver (Mr. Stevens) has given figures extending over a series of years, taken from official documents, and has made the point that out of the farmers of the West for the years he mentioned tens of millions of dollars have been, as he said, illegally taken by these elevator companies and grain growers elevator companies, which have been defended here so warmly to-day by the members for Maple Creek (Mr. Maharg) and Marquette (Mr. Crerar). I was very much struck with the fact that although both these members have sidestepped as to the gravamen of the charge made by the hon. gentleman from Vancouver (Mr. Stevens) neither of them have attempted to deny the figures that he placed upon the records of this House, or the charge that by the principle upon which these elevators operate in dealing with the farmers millions of dollars which
5 p.m. belong to the farmer have been taken from him. I think it was a case where, if possible, a good defence ought to have been made in the interests of the members of this House who are connected with elevators or elevator companies, but so far the impression created by the hon. member for Vancouver is still on my mind. What I deduce from the debate is that the farmers, after three per cent of their screenings is taken from them, get the rest back. I asked the hon. member for Marquette if it were so why they did not get the wheat back. It appears they give the farmer back the refuse but they do not give him the solid stuff; and thus tens of millions of dollars are gathered up and garnered in by the elevator companies at the expense of the farmers who sell grain to them.

Mr. CRERAR: The gentleman is quite wrong in the position he is taking. With respect to the surplus screenings over three per cent there is a definite return made to the farmer for the value they can be sold at in the open market. The screenings under three per cent are taken in lieu of a cleaning charge by the elevator. If the value of these screenings were returned to the farmer the elevator company would simply have to add an additional half a cent per bushel for the cleaning of the grain.

Mr. MORPHY: I was proceeding to say that this peculiar fact stands out: the point was clearly made by the member for Maple Creek that if a farmer sends a surplus of 500 bushels he gets no credit for it in the shape of good grain. Although it belongs to the farmer it is absorbed by the elevator company. That has not been explained in this House, and it seems to me that some explanation should be forthcoming. As I take it, if the farmer is short in his weight he loses. The elevator company docks him for that shortage unless it is clearly attributable to some defect in the car. If the farmer is short in his weight I am informed by one who knows that he is charged for that in some of the elevators. Whereas, if there is a surplus the elevator company gets the benefit of it. Therefore the farmer loses in both ways; he loses when he is short and he loses when he is long. I do not see how this can be reconciled, and it strikes me that it is time some legislation was passed to deal with this matter. I am not in favour of the Bill as I see it. I think the principle of the Bill is right, but when I see this in par. 3:

> If a surplus in any grade of grain is found in excess of one-half of one per cent of the gross amount of the grain received in the elevator during the crop year, such excess surplus shall be sold annually by the Board of Grain Commissioners and the proceeds thereof paid to the said board. Such proceeds shall be applied towards cost of the administration of The Canada Grain Act in such manner as the minister may determine on the approval of the Governor in Council.

I am disappointed. I am informed when Farmer A sends a carload of grain into the market through the elevator channels it is ear-marked; the elevator operators know that it is his grain. If he is 500 bushels long by mistake, I do not think the Government has any right to the money

as an overage in connection with the transaction. There cannot be $10,000 000 worth of overages in these grain elevators unless the operators know where it originates, especially when it is shipped in carload lots, for the wheat is ear-marked, it is tabbed, it belongs to Farmer A or to Farmer B, and I do not think that the Government or the elevator companies have any right to the over plus that is sent in through mistake.

I did expect a better defence from those interested in elevators in reply to the allegations of the member for Vancouver. It may be of no direct interest to many hon. members by reason of their not being connected with the trade; but if his allegations are true, they shock the moral conscience of every man professing to be dealing fairly and squarely. I ask those interested in the elevators: Where has that $10,000,000 gone, where are the surpluses shown in the elevators of the companies mentioned by the hon. member for Vancouver, companies with profits of 211 per cent? They only paid the farmer-shareholder seven per cent. What has become of the rest? It seems to me that that question ought to be answered. Let us have statements from the hon. gentlemen, let us have the truth, so that we may see whether the high cost of living is related to the wheat taken from the farmers which the elevator companies did not pay for.

Mr. MAHARG: I am not interested in the surpluses or dividends of the other terminal elevator companies. In so far as we are concerned, we have not made any. We only handled a small amount through our terminal elevator last year—not enough to base any figures on.

Mr. MORPHY: How about the other companies that have?

Mr. MAHARG: I cannot speak for those other companies.

Mr. MORPHY: Yes, you can.

Mr. MAHARG: No. What I said was that our company was brought into existence as a regulator; that is the position we take. For the information of the hon. gentleman,—and probably there are present some of the older members who were in the House at the time,—but if the late Sir Richard Cartwright was here he could tell all about the fight that the farmers put up against the terminal elevators ten, twelve or fifteen years ago. We have been scrapping those elevators from their inception. We had to fight the whole elevator interests of the North American continent, and three or four of our farmers who had never been off the land had to come here to Ottawa and scrap with them. We asked the Government to take over the entire system of terminal elevators, but the late Laurier Government could not see their way clear to do so; they thought control by a commission would be the proper way. We eventually induced the late Conservative Government to start a programme of Government owned elevators to regulate the other elevators.

One of the speakers on this side of the House said, "Why not let the Grain Commission perform the service that you ask this appeal board to perform?" The Grain Commissioners are not expert grain men, they are an administrative body, and I venture to say that not one of them would pose as a grader of grain.

Some hon. members appear to have been terribly shocked at what has been disclosed here to-day. I can tell them something that will give them a still greater shock. When Mr. C. C. Cassel came along on one occasion unexpectedly and locked up all the elevator bins, he found that several hundred thousand bushels of low grade grain had mysteriously disappeared, but Nos. 1, 2 and 3 grades showed a corresponding increase. That is what we have been up against all the time, and we would have been tickled to death if the Government had taken over those elevators and operated them. But we had to build our elevators in order that we might arrive at a proper basis for dockage, overages, screenings, and the like, and since our elevators have been in operation we have reduced the amount of screenings reclaimed from 5 to 3 per cent. We wanted the Grain Commissioners to reduce it to 2 per cent, but the elevator operators said, "No. If you reduce it below that you will have to give us an additional charge."

The Canadian Grain Commission fixes all the charges of the terminal elevators for elevating, cleaning, drying, or whatever it may be—all those charges are regulated by the Grain Commissioners, so that in a measure the charges are controlled. But it is the overages where the shoe pinches, and that is what we are endeavouring to get the Government to regulate.

Mr. MORPHY: Can the hon. gentleman suggest any way by which the honest farm-

er can get his share of the overages that have been stored up by the elevator companies?

Mr. MAHARG: Yes, but I am afraid that the method of operation would be so cumbersome that there would be nothing left. The only way that could be done would be at the end of the year to take the overages in any one elevator, keep track of the different grain that came in from the farmers to that elevator, and then rebate to them proportionately their amount of the overages.

Mr. A. K. MACLEAN: It is usually the grain dealer's wheat that goes into the elevators?

Mr. MAHARG: About 50 per cent of it on the average is grain that belongs to the elevator companies; that is, grain the title of which has left the hands of the farmer either at the local elevator or on the track. So that really the grain trade owns about 50 per cent of the grain that reaches the terminal elevators.

Mr. A. K. MACLEAN: I thought it was 85 per cent.

Mr. MAHARG: No. It is 85 per cent on the other side of the line. That is the way it works with our elevator company, and I imagine it would probably work similarly with the others. The hon. member for Perth North (Mr. Morphy) spoke of farmers shipping long or short. For his information, I might say that there is absolutely no such thing as a farmer being either long or short on his wheat when it goes into the elevator.

Mr. MORPHY: Is not that affected by the dockage that the grain man takes without consulting the farmer?

Mr. MAHARG: That is at the initial point. If the committee is not wearying I shall be very glad to give this information. That leads me to another point. You are referring to the grain of the farmers that may have been sold at the other end, are you?

Mr. MORPHY: No. I am referring to the fact that the farmer is skinned all the way along the line wherever his grain is handled.

Mr. MAHARG: I am inclined to agree with you that that was so until we got our own elevators. We are trying to regulate that.

Mr. KEEFER: Are not your own companies making money?

Mr. MAHARG: Certainly. Nobody is trying to hide the fact that they are. What are they in business for? No company could carry on at all if they did not make some money. It is so elementary that it is patent to every one. But the money we do make is made out of ourselves—out of handling the grain of our own shareholders.

Mr. KEEFER: Do you not take other people's grain besides the grain of your shareholders?

Mr. MAHARG: The percentage of grain from outsiders would probably not amount to more than 5 or 10 per cent. We have in the neighbourhood of from possibly 50 to 200 shareholders at each elevator, so we have practically all the people in the country interested with us, and if we do make profits it is from our own farmer friends, we take it out of ourselves. Even when we go into commercial business we are held down so that we can only sell to our own members.

Mr. MORPHY: Will the hon. member allow me another question?

Mr. MAHARG: I want to answer your other question first. I do not wish to say that you are not familiar with the grain business, but I want to put you right.

The CHAIRMAN: Order. I must ask the hon. gentleman to kindly address the Chair.

Mr. MAHARG: All right, Mr. Chairman. I am hurrying along as much as I can, I want to inform hon. members and answer their questions. Your question was that the farmer is being docked too heavily out of his grain at the initial elevator. That is the only place where he can be docked. Any grain he ships himself goes to the elevators and is inspected by the Government inspectors, so that it is only in the case of grain at the initial point that the farmer is affected. That was exactly the position the farmers were in before we came down to Ottawa fifteen years or more ago to get the Canada Grain Act—probably longer than that. The Grain Combine was one of the greatest combines in existence. The farmers were absolutely at their mercy. The railway companies refused to take a bushel of grain from any source only through the elevators of the Combine. We

had no protection. They graded the grain as they liked, they docked it as they liked, and they paid what price they liked. There were absolutely no restrictions, and we were at their mercy. Consequently we came to Ottawa and interviewed the right hon. the late Sir Richard Cartwright, and got what was then known as the Manitoba Grain Act, and what is now known as the Canada Grain Act. We have been working on that Grain Act for years, but it has not reached perfection yet. We are trying to add something to it to-day, and we will have something more to add to it later, if we do not get it this season, in order that we may perfect it as nearly as possible. We will keep trying until we do.

We were entirely at the mercy of the elevator company, but now the farmer has protection under the Canada Grain Act—that is, if he understands his business and takes the necessary precautions. Under the present regulations of the Board of Grain Commissioners the elevators all have to retain samples of grain that the farmer sells to them. The elevator company has to furnish a small tin box; the farmer furnishes a lock and retains the key, and out of every load of grain that he brings in he can compel the elevator operator to extract a fair sample and puts it in this box; this may be done whether the farmer is selling the grain or simply having it stored. If the farmer, having delivered his carload of grain or whatever the quantity may be, is not satisfied with the dockage that the elevator man has taken from him, he may, if he is selling the grain to the elevator take a sample which is satisfactory to himself and to the operator of the elevator; that sample is sent by mail to the Winnipeg inspection office, and there is graded. The inspector at Winnipeg sets the dockage on that sample of grain, and that is the dockage that the elevator company has to set if they have purchased the grain from the farmer. I am not saying that the farmer never loses, but that is the machinery with which he may protect himself in every case, if he wishes to take advantage of it.

Mr. MORPHY: May I ask the hon. gentleman to step away from his own company and to explain these tremendous profits of 211 per cent made by other companies? Apparently there is no one here now to defend those companies. Some hon. gentleman who might do so were here, but they have left the Chamber.

Mr. MAHARG: I will explain, as well as I can, how these elevator companies secure these overages. As I stated, the Government weighs the grain in and weighs it out, and fixes the dockage of grain that is to be taken. If they say the grain is to be cleaned to a certain grade, it must be cleaned to that grade. If there is only a small per cent of screenings in it, they are not expected to clean the grain at all. This is one way in which they could possibly come out a little ahead; if there is only a small percentage of dirt in the grain the elevator companies are not obliged to clean it.

Mr. McMASTER: Does some profit come to them because they do not have to clean it?

Mr. MAHARG: Yes, if there is a small quantity of small wheat or other matter in that grain they might stand to gain on that account.

Mr. McMASTER: How?

Mr. MAHARG: Because of not having to clean the grain. If the grain showed only a small amount of dockage it is possible that there is where a fair proportion of the overage comes in.

Mr. A. K. MACLEAN: That is a Liverpool Grain Exchange rule, not a regulation under the Canada Grain Act.

Mr. MAHARG: It is a rule of the inspector, who is the king so far as concerns the determination of the grade, the dockages, and the like. He is czar, so to speak, also, in regard to the moisture content of the grain.

The Government may not always hold the elevatotr people down to the letter in respect to the amount of dockage that goes out in grain. If the grade is No. 1 Northern and the board permits a certain amount of dockage over and above what really should go out, then the elevator company stands to gain. But the chief source of overage is that mentioned by the member for Marquette. The Grain Board allow thirty pounds a car on wheat for invisible shrinkage; I think the rate is the same on oats, and a little more or flax. Flax, by the way, is something that you never have an overage on. If, therefore, you handle from ten to twenty million bushels of grain and get an allowance of half a bushel on each car, ten pounds or more of this may be saved to you, here you might have from ten thousand to twenty thousand bushels, which is another source of revenue.

Another thing which contributes is what we call the scalping of the grain. The elevator people have large cleaners and when they take in 150,000, or 200,000 bushels of grain a day that grain must be cleaned up very rapidly, because in order to do business successfully the workhouse must be kept clear. More or less grain always goes over in these screenings. I have on many occasions watched this operation for hours, and I know that a little grain always goes over in the screenings. These screenings are recleaned with what they call scalping machines and the grain which goes over is thus taken out. The amount of grain that goes over may be almost unnoticeable, but out of 30,000,000 or 40,000,000 bushels of grain you may get 30,000 or 40,000 bushels and hardly see these sprinklings of grain at all as they come over. I have seen these scalpers work; they may run twenty-four hours a day for ten or twelve months, and they may bring out quite a quantity of grain. It is possible, therefore, that there is a considerable overage on that account.

There is another source of overage in respect of which no accusation of any kind can be made against the elevator people, and that is in connection with mixed grain. A car may be graded mixed grain; it may be oats with ten or twenty per cent of wheat in it. All that wheat may be cleaned out, and a certain percentage of overage will be received from this source. There are a half a dozen or more ways in which a tremendous overage can be made up when there is a big turnover. Many of the elevators turn over twenty-five or thirty million bushels.

Mr. MORPHY: Does the hon. gentleman attribute the making of the 211 per cent profit to overages?

Mr. MAHARG: The member for Vancouver (Mr. Stevens) dissected those profits and said, I think, that out of the handling there was something like seven per cent——

Mr. MORPHY: A seven per cent dividend, but 211 per cent profit.

Mr. MAHARG: I think he said that out of the actual handling of the grain—that is, the charges received for handling—the dividend amounted to something like seven per cent; the other dividends came from overages and screenings. There has been a tremendous revenue from screenings during the last few years. Screenings have been worth as much as $30 a ton; in fact, certain kinds of screenings are worth more than the grain itself. If you are sufficiently adept in separating yellow mustard from the grain, the yellow mustard is a more valuable product than the grain itself. I do not know where the yellow mustard goes, but I know that they pay more for it than they do for the grain; so that that is another source of revenue. If immense profits are piled up, there is a dozen sources from which these profits may come and which it is almost impossible to cut off. What we have been trying to get at is to have every operation in connection with the elevator paying for itself so that the thing will stand on its own feet. If this was the case they would not have to say: If you cut down our screenings, you will have to let us make a higher charge for handling the grain.

That is what we want to do. If it costs one-half cent to put the grain through the elevator, we want to know that, and we want to have an account of every operation of the elevator. If there are drying charges, we want to know what they cost. Our elevator is constructed as a regulator, so that we may know exactly the cost of handling the grain. We hope to get that from the Government elevators, but we have not been perfectly satisfied, and we have put in our own elevator and we are putting a hospital elevator alongside of it. I will give an illustration to show what it means to have one's own elevator. We were handling grain for our shippers at the terminal elevator; we had one car of wheat sent down to us last fall, and our salesman on the Winnipeg Grain Exchange offered that car for sale. He was not satisfied with the price that he was offered for it, as he did not consider it to be anything like what he should have received. While we have not the machinery in our large handling elevator to handle this grain continuously, yet we took in this one particular car of grain as this was such a glaring case of unfairness, and our operator decided that he would handle this car through our elevator, which was not built for that purpose, but which by working slowly and interfering with our other work, could handle it. To put the matter short, the net difference between the price offered for that car and the price received for it, after we had separated and sorted it for that farmer, was a litle over $600. One can readily understand, therefore, why I say that we are constructing this elevator as a regulator.

Resolution reported and concurred in.

Hon. A. K. MACLEAN thereupon moved for leave to introduce Bill No. 153, to amend the Canada Grain Act, founded upon this resolution.

Motion agreed to, and Bill read the first time.

MILITIA ACT AMENDMENT.

PROPOSED PERMANENT FORCE OF 10,000 MEN.

Major-General MEWBURN (Minister of Militia) moved the second reading of Bill No. 137, to amend the Militia Act.

Mr. LEMIEUX: Explain.

Major-General MEWBURN: One of the amendments is in connection with section 24 of the Militia Act which reads:

> There shall continue to be a permanent force which shall consist of such permanently embodied corps, not exceeding five thousand men, enrolled for continuous service, as are, from time to time, authorized by the Governor in Council.

The proposed amendment is that the word "five" be struck out and the word "ten" be substituted therefor, so as to provide that the permanent force shall consist of such permanently embodied corps, not exceeding 10,000, as are, from time to time, authorized by the Governor in Council. The permanent corps to-day consists of an establishment of 5,000 of all ranks, and it has been felt that authority should be granted to increase that force as circumstances may require. It is not the intention to increase up to that number at present, but it may be necessary in the near future to add to the present permanent force in a reasonable way as may be deemed necessary.

Mr. LEMIEUX: What does the minister call a reasonable way?

Major-General MEWBURN: I should say in the neighbourhood of 7,000 men at present. I do not know that it may not possibly be advisable to add to the force a small flying corps. At the same time, it is not considered advisable to embody permanently a flying corps of any size. Probably one squadron would be sufficient, which could be utilized for defensive purposes if required, and which would be very valuable in connection with some of our commercial industries. It has also been considered advisable, in fact, I have recommended that one cavalry regiment be added to the two that exist at present, namely, the Royal Canadian Dragoons and the Strathcona Horse. I would strongly urge and recommend the addition of another cavalry regiment, the Fort Garry Horse at Winnipeg. It may be considered advisable to add one infantry battalion to the permanent force, but as yet no definite decision has been reached. This leaves it to the Governor in Council to determine as to increasing the force up to 10,000, if required, and I would not urge it at present unless an emergency arose.

Another amendment is in connection with section 53, subsection 2 which provides that the Governor in Council may, from time to time, fix the sums to be paid to privates in the permanent corps, having regard to length of service, good conduct and efficiency. It is proposed that the following words be struck out:

> but the ordinary pay shall not exceed the amounts following, that is to say:
>
> For privates, per diem, 75 cents.
>
> For buglers under 18 years of age, per diem, 40 cents.

Section 54 of the Militia Act reads:

> When on active service, during the period of annual drill and training, and when otherwise on duty, the pay and allowances of officers and men of the Active Militia, other than the Permanent Force, shall be,
>
> (a) for officers, warrant officers and non-commissioned officers, such rates as may be prescribed;
>
> (b) for privates, at the rate of 50 cents per diem, which rate may be increased, as prescribed, up to a maximum of one dollar per diem:
>
> (c) an allowance of a dollar per diem, or such other rate as is prescribed, to each officer and man for every horse actually and necessarily used by him.

It is proposed, by striking out subsections (a), (b) and (c) and substituting the words "at such rates as may be prescribed by the Governor in Council" to leave to the Governor in Council the fixing of the pay for active militia that may be called out for active service. It is quite clear that we cannot maintain troops at these old rates, and some additional amount must be granted for them. The pay of the Mounted Police has been increased, and we shall have to meet that in order to fill up the ranks of the permanent corps. If any further explanation is required, I shall be very glad to give it.

Mr. LEMIEUX: How is the permanent corps to be distributed?

Major-General MEWBURN: I think it will be absolutely necessary to have a small force in every military district in Canada, the infantry being distributed pro rata amongst the military districts, together with the mounted units and the artillery. At the present time there are the Royal Canadian Dragoons, Lord Strathcona's Horse, Royal Canadian Horse Artillery, Royal Canadian Garrison Artillery, Royal Canadian Engineers, The Royal Canadian Regiment, and the Princess Patricia's Canadian Light Infantry, which has been added to it, Canadian Permanent Army Service Corps, Canadian Permanent Army Medical Corps, Canadian Permanent Ordnance Corps, Canadian Permanent Army Veterinary Corps, Canadian Permanent Army Pay Corps, making up an establishment of 5,000.

Mr. LEMIEUX: What proportion will be cavalry, infantry and artillery?

Major-General MEWBURN: The strength of the Royal Canadian Dragoons is only 20 officers and 359 other ranks. That of the Strathcona Horse is practically the same. If we have the Fort Garry Horse, it will be practically the same. The Princess Patricia's is the only infantry regiment added.

Mr. ANDREW R. McMASTER (Brome): Earlier in the session when the Estimates of the Militia Department were before the House I took the opportunity to congratulate the minister upon his refusal to adopt any scheme for a permanent military establishment in Canada until the peace situation had cleared up. My disappointment therefore is very great when I see to-day that we are celebrating the imminent signing of peace by proposing to pass an Act increasing by 100 per cent the permanent land military forces of this country. It does seem to me that this matter might have been left in abeyance until we and the rest of the world could see what hope of peace and disarmament the situation holds out to humanity. The great enemy who for half a century has threatened European civilization has declared his impotence by signing a peace imposing severe and drastic conditions upon him. Under these circumstances, is it wise, is it reasonable, when the country is overwhelmed with debt as it is, to increase the permanent forces of Canada? I do not believe it is. I had hoped that my country, after the splendid record which it established overseas in fighting, would be in the forefront of disarmament and progress towards peace. Why should we increase our military forces by 100 per cent? The war is over; peace is to be signed, and there is no necessity for this action. When we had a small permanent force we were able, through the courage and enthusiasm of the manhood of this country, to raise an army of nearly a half million men, and if war does threaten us again, which God forbid, surely we can rely on the same admirable qualities and heroic attributes in our race as we did before. As regards the raising of pay, I think that is only proper; but I do wish to express my profound disappointment at the step which the minister is about to take. If it is not too late I would ask him to let this matter stand for the present at least.

Mr. W. F. NICKLE (Kingston): I was not aware that the hon. member for Brome had intended to speak on this matter, but he has so adequately expressed the very ideas that have been running in my mind since this Bill was introduced into the House that it becomes unnecessary for me to say very much. Before the war, I had viewed with considerable dissatisfaction, if not with some alarm, the steady increase in our military estimates, and had hoped that the time would soon arrive when there would be a stay in them. Unfortunately the war broke out and our military estimates went forward by leaps and bounds. Thousands became millions. I was one of those who believed in the prosecution of the war, so far at least as Canada was concerned, if necessary until the last man and the last dollar, to use the popular expression, had been utilized. But I had undoubtedly hoped that when the war was over there would be a retrenchment in these military expenditures. As a member of the Pensions Committee I cannot say I view with alarm, but certainly I view with some concern, the very large amount we shall annually have to expend to meet the righteous and legitimate claims of those who have made sacrifices in the war for us, and it did come to me as a shock when the minister introduced this Bill asking for leave to increase the permanent force to 10,000 men. It is all very well to say that this merely "asks for leave" to increase the force to that number. I do not think that there are many men in this House who will come to any other conclusion than that if

this leave is obtained it will not be very many years before we shall have a permanent force of 10,000 men, with all the concomitant expenditures such a force will entail. I have not that full information that I should like to have to enable me to reach an unshakable conclusion, but from what I understand at the present time I do not view sympathetically the request of the minister as contained in this Bill. The League of Nations is held out to us as an institution that will prevent wars in the future. It is quite true that by section 12, I think, of the Covenant—if it is to be incorporated in the peace terms we must necessarily adopt its principles—we shall assume certain responsibilities with the rest of the world. But if this war has demonstrated one thing more than another, it has clearly demonstrated the fact that the hero is to be found practically under every jacket, and that when there is a national crisis men may always be called upon to respond in defence of the ideals they hold and in defence of their native land. This war has not been won by the permanent forces of the world. It has been won to a very great extent by the volunteer forces of the British Empire, and it seems to me wholly unnecessary that at this time, with the burden of debt that we are going to be called upon to assume, and in view of the urgent necessity that exists for the best efforts of every available man to increase production, we should take from the national life 5,000 able-bodied men and impose on the country the burden of maintaining a possible permanent force of 10,000. I quite agree with the minister—and when the Bill gets into Committee I intend to direct a few remarks to that aspect of the subject—that something better must be done for the permanent force whatever its size. But I cannot allow this opportunity to pass without expressing my deep regret that the Government found it necessary to introduce this Bill asking for leave to increase the permaneent force to 10,000.

Mr. J. A. ROBB (Chateauguay-Huntingdon): I desire very briefly to associate myself with the hon. member for Brome (Mr. McMaster) and the hon. member for Kingston (Mr. Nickle) in protesting against this increase in our military forces at this time. Only last week we read in the public press that the United States Congress had rejected a similar proposition of the Secretary for War and reduced his estimates for the permanent forces by one-half. In view of this, surely it ill becomes us in Canada to increase our permanent forces by 100 per cent. I have no objection whatever to passing what estimates the minister requires for voluntary training, but I do object at this time to doubling up our permanent military forces.

Motion agreed to and Bill read the second time, and the House went into Committee thereon, Mr. Steele in the Chair.

Major-General MEWBURN: I quite appreciate the remarks of the hon. member for Brome and I certainly was quite clear in the statement I made when the Estimates were up. I have no great desire to increase the forces but circumstances have arisen throughout the whole country which seem to indicate an absolute necessity that Canada should have some force available for the preservation of law and order in this country.

Provision is made for 10,000 men, but the force that we propose to have immediately is a relatively very small number when you consider the length and breadth of the Dominion of Canada. It is not the intention of the Government to increase the force at the present time to anything like the maximum number to be provided for. I do not think the force is increased at the present time any more than is absolutely necessary and probably by not more than a couple of thousand all told. I am as anxious as any hon. member to keep down the expenditure, and I think my conduct has proven that that is my desire. If the signing of the Peace Treaty were going to bring peace and good will all over the world we would all be delighted. In the United States, although I am quite aware that there was an attempt to reduce the expenditure, there were people who thought they should have a permanent standing army of 500,000 . The hon. member for Kingston (Mr. Nickle) says that the permanent force did not win this war, but I would like to know what he would say in regard to the " contemptible " little British army that took the field in the early stages of the war in 1914. If it had not been for the permanent force of Great Britain I do not know but that the results of the war might have been different. In addition to that, a permanent force is absolutely necessary for the preservation of law and order in every country. I regret to have to say that I am confirmed in that belief by events that have been happening all over the world; the troubles arising to the south of us and the troubles that are arising in

different parts of Canada. Judging by many letters I have had from all parts of Canada, it would appear as if in some cases people are getting stampeded. I have even been told that the Government are negligent in that they have not a permanent standing army of at least 100,000 men in Canada. I received a letter from Winnipeg urging that the Government should have a permanent force that can deal with the situation there. The stand I take in connection with all these troubles is, I think, the right one. The militia is not organized at the present time, and we hope to get it rehabilitated. A committee is working now with the idea of incorporating into the militia members of the Canadian Expeditionary Force, and I am not now speaking of the permanent corps. I take the stand that in any municipality where there is trouble and where the militia have to be called out in aid of the civil power for the preservation of law and order, every citizen of Canada has the duty to perform to the State and he should link up with the militia and do his duty. I explained to the House what took place in Winnipeg, how the militia units were filled up by the good citizens of Winnipeg commanded by commissioned and non-commissioned officers, all being enrolled temporarily for the emergency. The same thing has taken place in other parts of Canada—in the west, at Toronto, Hamilton and different points.

I do not feel pessimistic about the future but I think that without any doubt I would be negligent in my duty as Minister of Militia if I did not propose that we should have some force that would be available for the preservation of law and order in the country. Taking into consideration the great extent of territory of Canada, I do not think it is an unreasonable request to ask Parliament for a mandate to increase the force to 10,000 and leave it to the Governor in Council to determine as to when that force should be increased.

Mr. MICHAUD: I understand that before the war we had a small permanent force and that law and order throughout the country were well preserved. Now we have over 300 000 well trained men ready to take their place in the ranks at any time in defence of their country. I do not see that the country should be asked to pay for a larger force than that which we had before the war.

Sir HERBERT AMES: I would suppose in this case that the pay and expenses in connection with these 10,000 men would have to be voted by Parliament before the force was raised; consequently, Parliament at all times has in its control the power to regulate the number of men in this permanent force. We are, this session, voting a certain amount for a permanent force which has nothing to do with the war appropriation. The minister can only engage a sufficient number of units to use up that money and before he can increase the force he must again ask for a grant and for the consent of Parliament; he cannot go beyond the number of men for which Parliament grants the money. By this legislation the maximum will be fixed at 10,000 men, but Parliament year after year has to ratify every act of the Government in connection therewith.

Mr. McMASTER: Mr. Chairman, I have listened with a great deal of attention to what the minister has said and I have noted his explanation that this increase of 100 per cent to our permanent force is due not to apprehension of outside danger but to the fear of domestic trouble. To my mind that is a sad explanation. What the minister has said shows the intention of the department. I say to this House that force is no remedy; that it is not necessary that the Canadian people should be overawed by an increase of 100 per cent in our military establishment. As was pointed out by my hon. friend from Restigouche (Mr. Michaud) we have hundreds of thousands of men who have shown their loyalty to Canada, trained soldiers, to-day in the country. Therefore, I say that this increase in the permanent force is not necessary. Is it the fact that the minister thinks that he cannot depend on these men? Surely not. I say to the minister, as I say to this Government: Trust the people; the heart of the Canadian people is as sound as our No. 1 Hard Manitoba wheat. There is no necessity for this. If there is unrest and discontent in the country, an attempt to overawe the discontented by a 100 per cent increase in our military establishment is decidedly not the proper procedure. Trust the people I say to the Government. I would urge upon them what I have already urged from my seat in this House—summon the leaders of organized labour and the leaders of the organized employers to a joint council as has been done in the Old Country. Do not wave the red flag in the face of these discontented people by in-

creasing by 100 per cent your military establishment and telling them that we need 10,000 men to keep order in Canada. When the Northwest Mounted Police was only 600 strong it kept order in the country half the size of Europe. It is not the size of your military establishment, it is not the number of your soldiers; it is the ready obedience which the people give to constituted authority that is necessary.

I would ask the minister to reconsider this matter and if he is not prepared to do so I will take it upon myself to move the rejection of section 1. I therefore move the rejection of the clause.

The CHAIRMAN: A motion for the rejection of the clause would not be in order. There is already a motion before the committee that the clause do carry. The hon. gentleman can vote against it.

Mr. McMASTER: I will express my view by voting against the clause.

Mr. MORPHY: I apprehend that the minister in putting forward this Bill has good reasons for so doing. The fact that he has stated that from the West and other parts of Canada the requests which have come to him have led him to put forward the Bill is a factor that should be considered. The country is large and the number of men in proportion to the extent of the country is small. If one could rely on the opinion expressed by the hon. gentleman (Mr. Nickle) that with the League of Nations war would be at an end, there might be some reason for considering the necessity of the force contemplated by the minister, but in my opinion the League of Nations is too young yet for any country in the world to bank upon its efficacy to prevent war. There might be to-morrow or the day after a sudden upheaval which would throw the world again into war. The hon. member for Restigouche (Mr. Michaud) says that we have 100,000 men who have come through the war, but I do not think it is a very charitable proposal that we should send these men back again immediately to fight the battles of the country, whether domestic or foreign. The League of Nations is having its own troubles. We realize every day that Japan is uneasy, that there may be an attack on the integrity of China, that Korea is in a condition of unrest and that a conflict may break out any day. Surely we must all reflect upon the condition of things that existed before the last war. Men derided the idea that there would be a war and it was scoffed and laughed at in many quarters; it was not taken seriously. At this time I rather resent the attitude of the hon. member for Brome (Mr. McMaster) who, I think, descended just a little below his usual level when he uttered the sentiments to which he gave expression. It seemed to me to be something like pandering to politics, pandering to the working classes of the country and inciting the workingman, in so far as he could do it, against the organized, executive force of the government of the country. It seemed to me that he uttered a plain invitation or incitement to the disruption of the country's affairs. Goodness knows that the unrest to-day in Canada is not necessarily a sufficient warrant for the Bill that is before the House, but it is a factor, and I do not think it is fair for the hon. member for Brome to rely upon the statement which he does rely upon that this force is for that specific purpose. The minister does not put it forward in that way, and I do not think it is fair that any member of the House should so represent it. Canada is populated by a very widely diversified people. We have sections on the Pacific coast, on the Atlantic coast, and all over, where a force may be necessary any moment to defend the best interests of the country. Belgium with her small force of 170,000 at the beginning of the war kept the Germans back for eighteen days and helped to win the war. We must not denude ourselves of a military force in this country. When the League of Nations is formed and peace is settled and the day comes when this force can be otherwise utilized or done away with, then will be the time to take action to that end.

At six o'clock the House took recess.

After Recess.

The House resumed at eight o'clock.

PRIVATE BILLS.

SECOND READINGS.

Bill No. 146 (from the Senate) for the relief of Herbert John Lawrence.—Mr. Ross.

Bill No. 145 (from the Senate) to change the name of the Alberta-Saskatchewan Life Insurance Company to "The Commercial Life Assurance Company of Canada."—Mr. Douglas (Strathcona).

MILITIA ACT AMENDMENT.

The House again in Committee on Bill No. 137 to amend the Militia Act, Mr. Boivin in the Chair.

The CHAIRMAN: When the Committee rose at six o'clock clause 1 was under consideration. Shall clause 1 carry?

Mr. NICKLE: Before clause 1 is voted on, Mr. Chairman, I would like to say a word or two in reply to the Minister of Militia's answer to my argument. If I understood him correctly, he endeavoured to argue that because Great Britain sent an expeditionary force of 100,000 men to France, therefore there was justification for Canada having a permanent force of 10,000 men. In 1914 the British Expeditionary Force was probably the finest-trained and best-equipped force in the world, and without doubt the part it played in the early stages of the war was most important in giving the Allies an opportunity of preparing for the subsequent warfare. But I fail to follow the logic of the minister in his argument,—if that was his endeavour—that because Great Britain maintained a permanent army of 100,000 men before the great war, that is a justification for Canada hereafter having a permanent force of 10,000 men. Great Britain has for more than a century been the policeman of the world. She has colonies in all parts of the world and protectorates in the Seven Seas. England to a great extent, if not altogether, finds it essential for the maintenance of the British Empire that there should be available at all times a disciplined force that can be sent, as occasion may require, to any part of the world.

I do not believe that the time has arrived when Canada, as a part of the British Empire, feels it incumbent to assume any part of the policing of the world, except in so far as our obligations under the Treaty of Peace, which embraces the League of Nations, may necessitate such duty. I am quite prepared to admit that probably by being a signatory to the Treaty of Peace Canada will assume obligations that will place her among the nations of the world—obligations that may, in time to come, necessitate our sending troops to any part of the world for the maintenance of the status quo of things in general. But I have greater hopes for the League of Nations than that we are immediately going to be required to maintain peace by the use of arms. There is no great mystical power in the term "League of Nations," and probably the covenant between the signatories to the Peace Treaty will, to a very great extent, depend for its true fulfilment upon the spirit in which it is entered into and the spirit manifested in the keeping of that League.

But I want again to reiterate what I said to the House this afternoon, that with the financial obligations Canada has to face in the near future, I do not think this is the time for us to assume what would probably be an obligation of $7,500,000 for years to come. If we add 5,000 men to our permanent force, at $1,000 per man for maintenance, that will represent $5,000,000 a year, and by the time you add to that the equipment and the additional remuneration that must be paid to the higher ranks, to say nothing of the other expenses incident to such an organization, I do not think I am outside the figure when I say that Canada's bill for the maintenance of her permanent force will amount, not to $7,500,000, but to $15,000,000 a year. For these reasons, Mr. Chairman, I am against the power that is asked for. I regret exceedingly that the minister has brought in the Bill, and as I am now inclined, I am sorry to say, I cannot support it.

Major-General MEWBURN: In reply to the hon. member for Kingston (Mr. Nickle), what made me refer to the permanent corps was that in his remarks the hon. gentleman, I think I am correct in saying, made the statement that the permanent forces did not win the war. I quite concur in that, but I do say that if it had not been for the standing or permanent army of Great Britain in 1914, which held the line between Mons and the Marne, I do not know where we would have been; and I think everybody will admit that in the early stages of the war the small permanent corps of Canada, which were called out immediately, made a record for themselves that will never be forgotten. That is what I had reference to as far as the permanent corps is concerned. I do not agree with my hon. friend's remarks as regards the necessity of having the permanent corps increased. All I am asking in this Bill is to give power to the Governor in Council to increase the permanent corps to such number, not exceeding 10,000 men, as they may determine. The hon. member well knows that the permanent corps cannot be increased until proper Estimates have been brought down and passed for their allowance and upkeep. But I do not think Canada to-day can

afford to be without a trained force of moderate size to meet any eventualities that may occur. I am a great believer in the maxim that it is better to be sure than sorry, and I think it is very poor policy to be penny wise and pound foolish. I felt it incumbent upon me to advise the Government that the permanent force should be increased in a small way, but at the present time not up to 10,000 men. I think, however, there should be provision in the statute that the force may be increased up to that point if the necessity arises. I think I have explained all the other matters referred to by my hon. friend, and I do not feel it necessary to continue the argument.

Mr. RICHARDSON: I would just like to point out in connection with this Bill an experience I had when in Winnipeg about ten days ago. I had an interview with General Ketchen, who is in charge of Military District No. 10, as to the troubles in Winnipeg. I asked him in reference to the military strength that might be available there should the conditions prove more serious. I discussed the matter with him and suggested that inasmuch as there were thousands of demobilized troops he would have no difficulty in securing all the men he might require. On the contrary, he said, he had extreme difficulty, that these men did not manifest any willingness to organize again,—they had been demobilized, were sick of the job, and did not wish to participate in military service again immediately. As a result an appeal was made to the citizens of Winnipeg, and some thousands of the business men organized and were sworn in to the militia. They repaired to the various barracks and went through the necessary drills, and performed all manner of menial work, during which time, they were, of course, obliged to absent themselves from business. I am prompted to make these remarks because of a statement by one of the hon. members on the other side of the House that we had a very large militia force in the country which would always be available.

I join with the hon. gentleman in paying tribute to the fine character of these men, and I concur in his remark about the stability of the Canadian people. But we are facing a condition, not a theory, and in view of the experience that the people of Winnipeg have had within the last few weeks, and of the advisability of providing for the taking of proper steps should similar incidents occur in any other part of the country, I am a strong believer in the idea that there ought to be a permanent force. The minister does not propose that the permanent force shall consist of 10,000 men; the Government is simply being given power to have a permanent force up to that number. I think that is only fair. The Government is charged with the responsibility of protecting the people and of preserving peace throughout the country. Our country is three or four thousand miles long, and if trouble should break out in two or three places at the same time the Government would be blamed, and properly so, if it had not taken precautions to deal with such a situation. After what has been said, I have no doubt that the Government will certainly not increase the force beyond what is reasonably necessary. Hon. members should bear in mind the heterogeneous nature of the population in the far western country, especially in British Columbia, Alberta and Saskatchewan. Hundreds of thousands of these people do not understand our constitution, many thousands of them are not even familiar with our language; and until they are assimilated with our own people it would be wise to have a very considerable permanent force. Until the present unrest subsides—and it exists throughout the country to a much greater extent than members who have not been in their constituencies lately would dream of—the Government should be on the alert to meet any possible emergency that may arise.

Mr. CRERAR: I cannot quite agree with the views expressed by the hon. gentleman who has just spoken (Mr. Richardson); nor am I by any means convinced of the wisdom of increasing our permanent military establishment by 100 per cent. If we look at the matter from the point of view of establishing the basis of a military organization to meet such an emergency as this country was called upon to meet in 1914, what we accomplished at that time clearly shows that we do not need any addition to the forces now. In other words, with a permanent force of 5,000 prior to 1914, we had the skeleton of an organization upon which, in a short time, we built up an army of 500,000—and the most efficient army that was engaged in the great war. Consequently, it does not appeal to me as necessary that for this purpose we should make provision to enlarge our permanent military establishment.

The only other consideration that could lead us to view favourably the suggestion contained in this Bill is the maintenance of law and order at home. I have faith in the law-abiding qualities of the Canadian people; I dislike even to contemplate an increase in the permanent military establishment to 10,000 with a view to maintaining law and order in this country. The hon. gentleman (Mr. Richardson) has stated that the citizens of Winnipeg, where there has been grave unrest for the past six or seven weeks, took upon themselves the obligation of maintaining law and order there. If it should be necessary in other parts of the country—all hon. gentlemen, I am sure, devoutly hope that it will not—to maintain law and order, the same means could be found as have been found in Winnipeg. I am profoundly convinced that the maintenance of law and order and the bringing of happiness to the people lies not so much in creating armed forces as it does in endeavouring to strike at the causes which lead to unrest. The creation of this force will mean an additional annual outlay, as the member for Kingston (Mr. Nickle) has pointed out, of from $5,000,000 to $7,500,000 a year. Having regard to the present state of our finances and to the revenue which this country has to raise, is it desirable to undertake the additional expenditure involved in this proposal? It does not commend itself to my judgment. I hope that the Government will direct all the attention it possibly can to removing the causes of the unrest which exists in the country today; that is the best possible remedy for present conditions and the most efficacious means of bringing back harmony and happiness to the Canadian people. I believe that the vast majority of the foreign element of our population—and by this I mean the elements in our population which are of European foreign extraction—are law-abiding. I doubt if any country in the world with so large a percentage of alien population has come through the war as successfully, from the point of view of the absence of internal disorder, as Canada has. That being the case, let us appeal to the good that is in our citizens rather than to the establishment of large armed forces to overawe them.

Mr. COCKSHUTT: I congratulate the minister on the step that he has taken. I cannot agree with my hon. friend (Mr. Crerar), for I know of no country which has so much to defend and so little to defend it as Canada has. Suppose we had a permanent force of 10,000 for the whole of Canada; that would be two and a half men for every mile of our four thousand miles of border. Surely an army of such a size and so disposed would not be very successful in the trenches against an ordinary enemy. But while we are not contemplating any trouble of that kind, it is only a matter of ordinary precaution that we should take out a certain amount of insurance in this connection—for I look upon this provision as a kind of insurance policy, and a very moderate one, indeed. Had the minister proposed the stablishment of a permanent force up to 25,000 men, a great many people would have held up both hands for it. Ten thousand men is the very minimum for a permanent force in this country. I do not know what our responsibilities will be under the League of Nations. Force will be used if the League of Nations is to amount to anything; even the member for Brome (Mr. McMaster) will admit that. The League of Nations is not going to bring about peace in the world simply by a fiat. It has not been able to do away with the trouble in Russia, though representatives of twenty or thirty of the nations of the world are assembled over there and are controlling many millions of men. Notwithstanding all this, Russia is still seething with revolt, bloodshed and destruction, and what applies to Russia applies to many other European countries. Not more than six or eight weeks ago it was announced in big head-lines in the press that the United States proposed, if necessary, to establish a permanent force of 500,000 men. Our force of 10,000 as compared with the force of 500,000 men to the south would be a very limited one, indeed. I trust the Committee will sustain the minister in no uncertain way if a vote is called for on this question, because it is a matter of serious consequence to the people of Canada. If, as the hon. member for Marquette (Mr. Crerar) has just said, there are causes for unrest in Canada, I do not think we are going to multiply them by having a kind of respectable police force. Even Toronto "the good," has never been able to abolish its police force, and I do not believe it will in our time.

Mr. SHEARD: Do not reflect on Toronto, please.

Mr. COCKSHUTT: There is a certain irresponsible element in the best of cities, and a police force is required. Even the

hon. member for Brome (Mr. McMaster) will acknowledge that that is an ordinary statement of fact that cannot be gainsaid. If that be the case in the most Christian cities of the world, surely it is not too much to say that 10,000 men for the whole Dominion of Canada—and it is not proposed to increase the force to that number at the present time—will be too great a force for Canada to embark on a little later on. I trust the minister will be very heartily supported.

Mr. ROBB: Does the hon. member (Mr. Cockshutt) know that the United States Congress rejected their war proposition?

Mr. EDWARDS: Can the minister say what is the attitude of the United States now as regards a permanent force for that country as compared with its permanent force before the war? Can the minister also state the attitude of Great Britain in that regard?

Major-General MEWBURN: The United States Secretary of State for War, and the War Council, determined that they were to have a standing army of 500,000 men, and I am not so clear that the Bill was rejected in its entirety. The chief dispute was in connection with the air force there, and I presume that is to be cut down. I have not seen any accurate figures, but 500,000 was the estimate. For years the United States had a National Guard throughout the States. They contemplated in some way changing that National Guard, and they felt that, with their draft law as they had it on their statute book they could get men in a hurry in case of war outside of the country, but their difficulty was in providing trained officers and instructors. While there was some talk of reducing that force below the 500,000, they intended to keep a very strong standing army and to increase very largely their personnel of officers. As regards Great Britain, a committee has been working for some time on the post bellum army of Great Britain, and I do not think any definite decision has yet been arrived at as to what the standing army will be, and I do not think one will be reached until after they get through with the difficulty on the continent, but I understand it will be considerably increased.

Mr. EDWARDS: Has the minister the figures of the United States permanent army before the war?

[Mr. Cockshutt.]

Major-General MEWBURN: Possibly a little over 100,000.

Mr. ROBB: The information I have here from a New York newspaper is that the United States War Department asked for 500,000 men and Congress has cut that down to 300,000.

Mr. PETER McGIBBON: The minister's proposition has my hearty endorsement. When a minister comes to this House at a time like this and asks for the privilege of fortifying himself, the least this House can do is to give him that privilege. I do not think we should ask the men who have come back to Canada after four years at the front, to go out and risk their lives again in defence of this country unless we are going to pay them adequately. There is something coming to those men. Many of them came back without any occupation to return to and many of them would like to enter military life as a profession. This country owes them something, and it can pay part of that by enlarging the permanent corps and giving a number of returned officers and men employment. We have all heard for many years past suggestions made like those of the hon. member for Marquette (Mr. Crerar). We know the result of them in the past; those arguments are not new, and they are as fallacious as they are old. If you want to be in a position to keep order and to enforce law in any country, you must have the necessary force. In this country, which is 4,000 miles in width, it is no use saying that you are going to enforce law and order unless you have something behind you. The minister is to be congratulated in bringing down this Bill, and the Committee should support him.

Mr. M. CLARK: This is a very serious matter. I find myself very much embarrassed by it. I am embarrassed on grounds of my relationship with and my opinion of the minister. I hold the opinion that he has been a most excellent minister and that he has brought to the discharge of his duties a combination of energy and courtesy which have been a very great national possession in the very serious time through which we have recently passed. I feel that so much that I am almost sure he would not have proposed this, however strongly he might have felt in favour of it, unless he had had very strong reasons to bear upon his mind. At the same time, the proposition is serious, and it is also somewhat peculiar.

I had occasion, at an earlier period of the day, to remind the House that I for one, defended in most unmistakable terms the Military Service Act on the ground that we were fighting militarism. There was no phrase so common on the lips of the statesmen of the Allies as the phrase "We are fighting militarism, and militarism must die." Was that all a dream? Did we not mean it? If we were fighting militarism, it seems rather a peculiar thing—

Mr. GRIESBACH: I would ask the hon. member to define the meaning of the word "militarism."

Mr. M. CLARK: There are some things that, in the matter of definition, afford a field in which a child can baffle a philosopher. There are some things so simple that it is impossible to define them, but if my hon. friend wants to know what I think is militarism, it is the tendency of a State to remain in that stage of human society which is characterized by warlike operations. It is the state, philosophers would tell him, which is opposed to the industrial state. I should speak much longer than I intended to on this question, if I am to have many questions like this addressed to me. If my hon. friend had spent as much time reading Herbert Spencer as I have, he would have learned that, in the opinion of that distinguished philosopher, human society passes, in the case of any given section of it, from the stage of primitive barbarism through a period of militarism into a state of industrialism.

Mr. GRIESBACH: Free trade later on.

Mr. M. CLARK: Free trade and militarism are sworn foes, and therefore, I am a sworn foe of militarism. In a state of perfect industrialism, we should, of course, have free trade. It is elementary that every country would then produce a superabundance of the things it was most calculated to produce and that the different countries would exchange their surpluses with one another.

I was saying, when I was tempted to go into this argumentative alleyway, that we fought militarism in this war. We understood that we were putting down militarism. Everybody said so. Then we fought the war under a delusion, if we are going in for militarism in this country. There is another peculiar aspect of this matter. My right hon. friend the Prime Minister (Sir Robert Borden) has just come from the Paris conference, at which the various statesmen recognized that militarism was a bad thing. There was militarism, if it was ever seen in the world, in Germany, and the statesmen at that conference have recognized it as so bad a thing that they have taken what many people regard as tremendously severe steps to cure Germany of it. Surrounded as she is by land, her existence threatened on the land as much as ever that of Britain, an island, could be by sea, she has had her standing army reduced to almost infinitesimal proportions. Surely there is food for thought in the fact that in this democratic country of Canada, at a time when we are destroying militarism in all the old autocratic countries in Europe with the apparent consent of the peoples of those countries, we should be increasing that very thing on this continent, where under the Monroe doctrine we thought we should never have to interfere in the wars of the world, and where at one time Canada's participation in such a war as that through which we have just passed would not have been thought of by any serious-minded person?

I have not had the good fortune to listen to the whole of this debate, but I gather that the reason for which we are being asked to increase the permanent military forces by one hundred per cent has been given as the unrest that prevails in the country. Well, in regard to that unrest, I should like to say that I personally have no apologies to offer for being a Canadian, in view of what has happened in Winnipeg, for this reason: That there probably never was in the history of the world a strike of such dimensions in a limited area, in which the peace-loving instincts of the people have preserved order in a manner so creditable to a whole country. I want to say, and I think that every Canadian will agree with me, that if that strike could happily be settled in the near or immediate future, instead of giving this country a black eye the way in which it has been conducted and the peace kept will be the best advertisement that Canada has ever received as a country to which peace-loving men may come to live without fear of being unduly molested in the pursuit of their daily avocations. So far from the unrest being an argument for increasing the military forces, the unrest in Winnipeg is exactly the other way. We have had the most acute state of feeling as between two sections of the community there. I do not want to

go into the merits of the case, but I say that what has happened in Winnipeg does not in any case afford very strong evidence that this is a country which needs a great body of soldiers to keep its people in order, even in times of great industrial division and strife. Now, if there is to be a vote on this matter—I understand my hon. friend from Marquette has spoken, and I am sorry I did not hear what he said—I think I shall be almost constrained, although our party is so small on the cross benches, to vote with my leader. If anything could prevent me from doing so it would be a very firm assurance from the minister that this is a very temporary matter. And even that assurance would not carry me very far, because militarism is like strife at the beginning, it is like the letting out of water; once you enter upon this business—and if my hon. friend from West Edmonton (Mr. Greisbach) or any one else doubts this, I would recommend to him a study of Cobden, not on free trade but on armaments—once you enter upon this business you create an appetite for it on the part of a certain class of the community, and it grows in spite of the best intentions of governments and their individual members. I cannot think that the step is a wise one. I do not think it is needed; I do not think that it is necessary to double the standing army in Canada; for I have supreme confidence in the common sense and sanity of the Canadian people. We have heard again and again the definition of Liberalism as "trust in the people, qualified by prudence." If that be a correct definition of Liberalism I think I am still a Liberal, and I think that prudence would take the form of keeping our standing army at its present figure. The opposite definition is that of Toryism, which I think is dead in the world to-day except for a very few specimens left in the Unionist party. Toryism has been defined as "distrust of the people qualified by fear." Well, we have not much to be afraid of in a country which at a moment's notice raised four or five hundred thousand of the best soldiers that were ever seen on the face of the earth—men who would go through anything and go anywhere. We did that almost at a moment's notice in this country, and I do think that we should cast fears to the wind and be guided by reasonable prudence. We should have in mind the enormous financial demands of the country, and the splendid history of Canada throughout its whole record as a peace-loving country, and should rightly consider the special record in Winnipeg to which I have referred and the way our people have kept the peace there in spite of temptation to go the contrary road. As I have said, if this question is put to the vote I shall stay with my leader unless he votes for it.

Mr. GRIESBACH: I should like to give the hon. member for Red Deer (Mr. Clark) a definition of militarism which I fancy has been prepared by lexicographers who have read Spencer, and which I think it is desirable should be more or less accepted if the discussion is going to proceed along the line which it has taken. Militarism is defined as a condition that prevails in a country which makes it the chief object of the state to prepare and wage war. If that definition of militarism is accepted it follows that Germany was given over to militarism.

But does it follow that if we raise our permanent police force from 5,000 to 10,000 men we are thereby going in for militarism to the ruin of our immortal souls? Following all great world conflicts there is necessarily a period of local and international unrest. It has always been, and I fancy it always will be, so; and while I quite agree with those who suggest that we should go to the sources of the unrest and deal with them, which I hope will be done, it is very desirable—and I think it will be a strong antidote to some portion of the unrest—if the Government of the country is able to guarantee protection to law-abiding people. That is the position in which I would put the government of this country: That those who do obey the law and desire to be law-abiding shall be protected, at all events against those who are not law-abiding.

The permanent corps played a very important part in preparing for the last war, and it is always bound to play an important part in our military preparations. No commander in the field, no man of any rank, could have qualified as he did in the Canadian army, had it not been for the instruction he received at the hands of the permanent corps. The hon. member for Red Deer pointed out how, in a moment, we raised an army. As a matter of fact, we raised, in six weeks, 33,000 men to proceed overseas, but six months passed before they got into the field. That fact should be known. If any hon. gentleman who is satisfied with the condition of affairs in which we stood in 1914, he is easily satisfied and he is dis-

tinctly a gentleman who did not place himself in a position to suffer for lack of preparation as some of us did. By reason of lack of training, lack of preparation, lack of equipment, lack of everything that we required, it cost this country a great deal more than it need have cost to put our army in the field. In our army, particularly in the American army, and in any army where there is no adequate preparation, the casualties must be higher. You must pay the price in life and money for your failure to make adequate provision for war which is almost inevitable. It may interest the Committee to have its attention drawn to these facts in the history of our own country. We have had a chance to go to war almost every fifteen years since this country began. There was 1914, 1900, 1885, 1870, 1866 —the Fenian raid,—1837, 1812-15, and the American Revolutionary War. Will anybody say that the history of the past will not repeat itself?

As far as the city of Winnipeg is concerned, the people of that city have conducted themselves in a highly creditable manner, but it ought not to be forgotten that it is probably, to some extent, due, in addition to the splendid character of the Canadian people, to the fact that there were under arms in that city a thousand cavalry and several thousand infantry. That seems to me to afford a somewhat better explanation of the good order that has been maintained in the city of Winnipeg than to say that it is due to the kindly disposition of the people of Winnipeg, excellent people as they are. I shall support this Bill.

Mr. D'ANJOU (Rimouski) (translation): Mr. Chairman, before the vote is taken, I think it is my duty to express my opinion upon this Bill.

I represent a county which is known for its anti-militarist principles, I am myself an out-and-out anti-militarist and I must immediately state that it is with the greatest pleasure I shall vote against this Bill and that I will vote as often as the opportunity to do so is offered me. This is not the proper time to attempt introducing militarism in Canada after the Canadian people, for the past four years, being asked to go and fight overseas in order to destroy Prussian militarism; it is not the proper time to establish a military caste in Canada, to create positions, not for the men who have fought, probably, for young officers, who sported themselves in this country during four years, being paid at the rate of $10 per diem.

Mr. Chairman, as several members have already stated in this House, the League of Nations has been formed and it is almost a certainty that we shall not have any more wars in the future. Besides, according to the hon. Minister of Militia, this Bill has been introduced to increase our establishment, not for the protection of our borders, but especially to restore peace in the country, to put down strikes and face all other troubles that might arise.

Mr. Chairman, I was anxious to declare that I am absolutely opposed to this Bill, without any reservation whatever, and that it will be with pleasure, I repeat it, that I shall give my vote against this measure.

Mr. JACQUES BUREAU (Three Rivers) (translation): Mr. Chairman, I think it is a very ill-chosen time to double this country's military forces. As the member for Red Dear (Mr. Clark) has just stated, we have a perfect trust in the people and we believe that the best police we can have to maintain order among the people is their own good sense and their love of peace.

A moment ago the hon. member for Edmonton (M. Griesbach) said that an increase of the police force of the country was desired by doubling the number—

Hon. Mr. LEMIEUX (translation): of the militia.

Mr. BUREAU (translation): Not of the militia, but of the military police. However, if the great conflict which took place, if the sacrifices the country made, if all the sacrifices of the allies have accomplished in order to establish and maintain democracy, to sustain liberty and set up a reign of universal peace are useless, it is also useless to say that, in a peaceful country like Canada, we shall gain anything in arming ten thousand men.

The stand taken by those who are opposing this increase for the time being is a wise one and, I think, the best means of ending the unrest now existing in the country would be to show the people that we have confidence in them. I do not think the words uttered by the hon. member for Edmonton very wise when, speaking about the Winnipeg strike and the general uneasiness caused by this large strike he says that if there was no blood shed, if there was relative calm—because in such times calmness must be considered relatively with the state of minds at the time—it is due to the fact that so many cavalrymen were ready to strike and that 9,000 men were under arms. Such

words are not calculated to bring peace or harmony to the country. We must not lead Canadian citizens to believe that if, for one reason or another, we must to-day increase the military strength, it is because we feel no confidence in their patriotism and their loyalty and because we think that they do not know how to appreciate this precious gift of sovereignty they enjoy in Canada.

Therefore, and following the wise advice handed to us by the hon. member for Red Deer we must place our confidence with the people, knowing that the mass of people are wise enough to keep peace and harmony in the country and I shall oppose the Bill doubling the military strength of Canada.

Mr. H. A. MACKIE: Mr. Chairman, if I speak on this question at all it is because the two last speakers have addressed the Committee in French, and I desire to have this section of the House know something about their ideas and their opinions.

Mr. BUREAU: I do not want the hon. member for Edmonton (Mr. H. A. Mackie) to translate what I say. If he has got any statement to make, let him make it.

Mr. H. A. MACKIE: I do not want to translate the hon. gentleman's observations. It is the first time he has used French in this House, although he is quite capable of expressing himself in English.

Mr. BUREAU: I beg to correct the hon. gentleman. This is not the first time I have used French in the House; I have done so repeatedly.

The CHAIRMAN: I think the point of order raised by the member for Three Rivers (Mr. Bureau) is well taken. There is a rule which says that an hon. member cannot repeat either his own arguments or the arguments used by other hon. gentlemen.

Mr. H. A. MACKIE: I would be pleased to bow to the ruling of the Chair if I had expressed any of the sentiments that have been uttered this evening by the member for Three Rivers, but so far I have not repeated anything that he has said. I hope I shall be permitted to go at least as far as to repeat something that he did say. If I do rise to speak at all, Mr. Chairman, it is that I in the main agree with that hon. gentleman. I do not agree, however, that you should not increase the military force in Canada because there are military individuals in the city of Winnipeg who incited, by their presence, the civil population to acts such as have characterized the condition of things that exists in that city at the present time. The statement is not a correct statement of fact, because those who are in Winnipeg of a military tendency of mind are the men who have given every possible help in preserving quietness and order.

I would like the Prime Minister of Canada to give us some information on this subject. The speech from the Throne told us that the League of Nations was to keep peace on earth for all time to come. I expressed some doubt on that point when I spoke in the debate on the Address. If it is possible that there should be peace on earth owing to the creation of the League of Nations, then perhaps it is best that we should have only that number of men in Canada which is necessary for the purpose of keeping order, peace and quietness. On the other hand, if the League of Nations is not going to bring us to that state of happiness which has been forecasted in the speech from the Throne, I think it is quite right we should have the preparedness which has been spoken of by my hon. friend from West Edmonton (Mr. Griesbach) this evening. The unrest in Canada to-day is not due either to a lack of preparation, or to preparation, in military matters; it relates to the question of economics. The labour man in the Dominion has a grievance, and I am prepared to say that I believe his grievance is just and reasonable. Before any appeal

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was made to capital in this country there was an appeal made by the Mother Country, and subsequently an appeal made by this Dominion, to the labour classes of Canada, that they should make every sacrifice possible, and that they should work to the utmost of their capacity and power, for the purpose of winning the war, and for the purpose of doing away with tyranny, oppression, and dictatorship. There was unquestionably a promise made to the labour class in the Dominion that if they stuck to the ship and the ship reached port in safety, they would not only get a full reward for their sacrifice and loyalty to leadership but, as we were then fighting for principle and for democracy, they should have a full share in the erection of the destinies of Canada, and the profits that would follow, and in the benefits of democratic rule. In Winnipeg to-day you find unrest not by reason of any

question of militarism, but owing to the fact that this Dominion is not bringing capital and labour closer together. In Winnipeg there are only a few industries and labour is endeavouring to wring from these industries the maximum of its demands. It seems to me therefore that the Dominion Government is remiss in bringing to bear the necessary pressure upon these large centres of industry so as to give an example to the balance of the people of Canada of what they should contribute for labour. Those are the reasons for unrest in the western provinces to-day, and I believe the Dominion Government has not done everything it should do to bring these people to a right frame of mind.

I do not believe that we are going to have peace on earth through the League of Nations, and I am quite satisfied we ought to increase our military force in Canada. I am quite satisfied the permanent force should be stronger than it is, so that if we are called upon in future to do the things we have been called upon to do in the past, we shall be better prepared than we have been in the past, and therefore I shall support the measure.

Mr. G. A. ALLAN (Winnipeg South): I have no fault to find with the reference made by the hon. gentleman (Mr. Michael Clark) to the city of Winnipeg and the way in which the law-abiding citizens of that community have carried on since the commencement of the strike. But I do feel that one may just as well get down to what are the plain facts of the case incidental to the very serious conditions which have prevailed there now for some weeks, and briefly they are these. The law-abiding people of Winnipeg feel, and feel in the strongest possible way, that they are entitled under conditions such as prevail at the moment, and which have prevailed for some time past, to the protection of life and property by an adequate military force. It is all very well to say that if emergencies arise in other cities of the Dominion like the emergency which arose in Winnipeg some few weeks ago, the loyal citizens of each city in turn will rise to the occasion as those in Winnipeg have done, but is it reasonable, is it fair, is it desirable, if it is going to be recurrent in other cities—and it may be recurrent—that there should be such a condition as exists at the moment in that city, and that hundreds of citizens should be wearing khaki, and under arms and in barracks, and responsible for any extraordinary emergency which may spring into existence at any time—although my hope and expectation is that no such emergency will arise? I have a very large measure of the confidence, which has been expressed by the hon. member for Red Deer, but not such a full measure as the hon. member for Marquette (Mr. Crerar) has expressed. I doubt very much whether the speech made to-night by the latter hon. gentleman would be satisfactory to his fellow-citizens, and those with whom he has mingled in business and in his daily life in the city of Winnipeg, or whether it would voice their sentiments. I very much doubt it. I believe it is not a fair or proper thing, it is not a normal but a wholly abnormal condition, that the lawyer, the doctor, the bank manager, and all those who are conducting ordinarily, when times are normal and when business is possible, the affairs of a population of 200,000 people should be in khaki and in barracks and ready for any emergency which might occur until this unfortunate condition of affairs in Winnipeg is brought to an end. Nobody believes more thoroughly than I do in the soundness of heart and the loyalty of the great big percentage of labour. I believe most thoroughly and absolutely in the great big percentage of labour in my own home city. I believe that the heart of Winnipeg and of the great majority of its population is loyal, sweet, and clean; but we have had a condition which came suddenly like a bolt from the blue and has created a situation which has affected not only those who are on strike but the entire population to their prejudice. Without wishing in any way to make an extreme statement, or to indulge in any quibbling, I say, and I say it advisedly, that the workers of a population of 200,000 people located at the junction of the Red River and the Assiniboine, have not been able to earn in their various avocations of life support for themselves and their families for a period now of over four weeks.

That may be recurrent in other cities of Canada—other cities of Canada, are, I take it, measurably and substantially in the same condition as Winnipeg was in when this strike occurred. I have the firmest belief that this unfortunate strike, which every man and woman in that city must and does deplore, will be brought to an end without, I believe, any serious loss of life or any serious rioting, and I think that will be due to just that spirit which was so aptly stated by the hon. member for

Red Deer, and which was also stated, I think, much more as an idealist, by the member for Marquette. But the condition is wrong, absolutely wrong, and any one who suggests to me that there is any militarism in an enormous country extending from Cape Breton to Vancouver—

Mr. BUTTS: Do not say Cape Breton, now.

Mr. ALLAN: All right,—with a population scattered from the Maritime Provinces to the provinces of Quebec and Ontario, to the Prairie Provinces and so to the province of British Columbia—that any one who suggests to me that a force of anything within the maximum which the hon. Minister of Militia has mentioned to-night savours of militarism—such a suggestion I cannot follow. To my mind it is only a force which is reasonable and adequate for our enormous territory and scattered population. We all deplore the present condition of unrest; we all feel we have to face it from day to day and overcome it; and we all believe that we can, having the force provided for by the Bill successfully deal with any emergency which may hereafter confront us. Therefore I shall vote for the Bill.

Mr. LEMIEUX: I had expected that my hon. friend from Edmonton East (Mr. Mackie) would have made strange revelations about the speech delivered by my good friend from Three Rivers (Mr. Bureau); but after this address to the committee this evening, I have yet to learn that the hon. member for Three Rivers has uttered any words in French which he could not repeat in English. As a matter of fact, I take exactly the same attitude as my hon. friend from Three Rivers. That hon. member—

Mr. H. A. MACKIE: I rise to a point of order, Mr. Chairman. Is the hon. member for Maisonneuve at liberty to repeat anything that has been said by the hon. member for Three Rivers?

Mr. LEMIEUX: I am not repeating at all. I am stating, Mr. Chairman, that I am taking exactly the same attitude on this Bill as my hon. friend from Three Rivers. To show those of the committee who do not understand French that there is nothing sinister in the language used or in the attitude taken by my hon. friend from Three Rivers, it is this: The member for Three Rivers, the member for Maisonneuve, and many other members on both sides of the House, trust implicitly the common sense of the Canadian people. That is all that was embodied in the remarks made by the hon. member. I have for my hon. friend the Minister of Militia the highest regard, and I think I may oppose his measure without impairing that regard.

It seems to me that in the great economic crisis which one section of the country is passing through to-day, if the Government had shown some moral courage it would have accomplished much more than has been accomplished by the shots that were fired on the people of Winnipeg the other day. Remember, Mr. Chairman, I do not take sides with the strikers or against them; I am not familiar with the conditions. The press has been absolutely silent on the causes of this strike and on the attitude of the strikers. But I admire the spirit of the citizens of Winnipeg who decided that law and order should be maintained, and they have to a large degree succeeded in accomplishing their purpose. I wish to say, however, that there are other examples in other countries of economic troubles such as those we have at Winnipeg and in other centres of our Dominion, and in those countries the heads of the Government have thought it their duty to interfere personally. Let me give an example to my right hon. friend the Prime Minister. Mr. Lloyd George, the Prime Minister of England, not more than a few weeks ago, was summoned from Paris—where the right hon. gentleman was—to attend a conference with the miners in England. On several occasions during the war, but certainly on two or three decisive occasions, Mr. Lloyd George, the Prime Minister of England, went to the strikers' homes and discussed with them their troubles, and won his point, whilst the miners and the strikers were also winning theirs. Through conciliation, through parleying, and through mutual trust the labour troubles, which were of great magnitude, were overcome by the great moral strength of Mr. Lloyd George.

Let me give another example to the right hon. gentleman. I was reading last night the latest book—and it is an admirable book, the life of M. Clemenceau, "The Old Tiger"—by M. Lecomte, one of the leading French writers. During M. Clemenceau's first tenure of office as Premier of France there were two great strikes, involving not one city but two or three departments.

The men were splendidly organized, and we know that Frenchmen are warm-blooded. There were some people who said, like my hon. friend from Edmonton (Mr. Griesbach) —who served so gallantly during the war— that the only thing which would prevent trouble would be the calling out of the troops. M. Clemenceau resisted that proposal and himself went amongst the strikers and discussed with them their grievances, and settled both strikes. The writer says that it was due to his common sense, to his moral courage, and also to his great character, that on those two historic occasions he was able to curb the militaristic spirit which, even in France, was displaying itself against the labour element. I say to the right hon. gentleman,—and I say it with all due respect, because he knows that I have the highest regard for him—that even to-day it is not too late for him, the first citizen of Canada, to go to Winnipeg, and by means of conciliation to settle the strike there. Let it not be said that the Parliament of Canada on this first explosion in the West has answered by doubling our militia force, when I believe that the right hon. gentleman, having the whole nation at his back, could by speaking words of truth and wisdom bring the parties together.

The member for Marquette (Mr. Crerar) spoke words of wisdom a moment ago when he said that you must strike at the root of the trouble; that you must not attempt to overcome these difficulties by force of arms. If the Government should to-morrow announce that they will introduce legislation providing for the nationalization of the cold storage establishments of this country, it would allay the bad feeling which prevails as against the monopolists. If the Government should to-morrow take steps to prevent some of these companies from corralling the money of the people to the extent of 72 per cent of profits on the necessaries of life, they would be taking steps to allay the bitter feelings which are spreading throughout the land. I agree with the member for Red Deer that it is regrettable that on the eve of the signing of the Peace Treaty it should become known that Canada is acting contrary to the decisions arrived at at Versailles. This war is the last war, this war was meant to end all wars in the future; and it is not by doubling the military forces of Canada that you will instil into the minds of coming generations a recognition of the fact that we are a British country; that we have no love for militaristic enterprises, that the affairs of the country should be run on a common sense, business basis.

I do not like, Mr. Chairman, certain expressions which were used by my gallant friend from West Edmonton (Mr. Griesbach). Speaking of the necessity of having a strong military force in Canada, he delved into history and said that every fifteen years we had " a chance " to go to war. I do not like that expression; it smacks of militarism. It would seem that my hon. friend is happy because this evening we are having the thin edge of the wedge—

Mr. GRIESBACH: When I said that every fifteen years we had a chance of going to war, I meant that those who went to war had a chance to go to war every fifteen years. I went because I believed it to be my duty to go.

Mr. LEMIEUX: My hon. friend did not go alone; fortunately, he came back alive. I accept his explanation, but the whole tenor of his speech indicates that he is in favour of the establishment and maintenance of a strong military force in Canada. The member for Muskoka (Mr. McGibbon) went a little further; he said that it was the intention to give employment to returned soldiers. Is it good policy to give soldiers who went to war to end all wars further employment as soldiers on their return? I am in favour of a moderately strong military force in Canada; I advocated not long ago the training of our young boys at college in case of an emergency in the future. But let us not have militarism in Canada at a time when there is a general desire to cut the frills of militarism; at a time when we must do away with waste in the Militia Department. I do not say that the minister is wasting money, but I do say that, having regard to the period of unrest through which we are passing, to the huge national debt which is staring us in the face, and to the economic problems which confront us in the West, this is not the time to weld such a costly weapon. Again I ask the minister to consider this matter seriously; I ask him not to excite the prejudices of labour at this particular juncture.

Mr. BUTTS: Mr. Chairman, it is an old saying that after the storm generally comes a calm; so I am going to try and be calm. I am going to support, in all fulness, the measure of the minister, on this particular

principle: that down in my country, when strikes come on, the employer and the employee are generally able to get together and settle their difficulties. So that to my part of the country this is a matter of indifference. The Dominion Iron and Steel Company and the Dominion Coal Company met with their employees in the court house in Sydney last January, talked over the questions at issue in a sane and complacent manner, and arrived at a settlement of their difficulties. If you boisterous people in the West deserve to have a doubling of the military forces, why then, we will give it to you.

My hon. friend (Mr. Lemieux) does not seem to be as familiar with strike conditions as he is with military conditions. You talk of the big strikes of the world; did governments intervene? Who intervened in the case of the Homestead strike in the United States, perhaps the biggest strike that ever occurred there? Did the British Government interfere in the London dock strikes? Was it not Cardinal Manning who settled the London dock strikes when your great Gladstone was in power? Now you call upon the Prime Minister to go to the West. Have we not had strikes in this country? Did the then Prime Minister, the late Sir Wilfrid Laurier, go to Glace Bay a few years ago to settle the strike down there? Now, be reasonable in this matter. Gladstone did not settle the London dock strikes; neither did the late Sir Wilfrid Laurier settle the big Glace Bay strike, which lasted for months. We had to come to terms ourselves, and we did it, by a sanity peculiar to our own Cape Breton people.

To-day there is no dispute between capital and labour in that part of the country. The only dispute we have, I might in a friendly way remind the Government, is that they are not getting back our shipping. If in the western country you have difficulties of your own, do you know of any statute that you people who were in charge of the affairs of this country put on the statute book that would settle such disputes? Do you know of any law that you ever put upon the statute book that would allow any of your members of Government, or officials of your departments, to go out to Winnipeg and take conditions in your own hands and settle that strike? Is there anything? You were in power for fifteen years. This is the first dispute that has occurred since you left office. Have you provided for it? If you have not, then why do you quarrel?

Mr. MOWAT: This subject is so important, and I take and have for many years taken such an interest in it, that I should like to say a word or two. This is not a party question. In the capable hands of the hon. member for Maisonneuve (Mr. Lemieux), it seems to have been given a turn that was an appeal to those who are prejudiced against the defence of their country.

Some hon. MEMBERS: Order.

Mr. MOWAT: The defence of the country is a matter which is absolutely divorced from party; it applies to both parties. I do not know the necessity for this increase in the permanent force, but I have a trust in the Minister of Militia (Major-General Mewburn), because I have noticed since I have been in this House, his sanity and his want of impetuosity in dealing with the affairs of his office. If he says that it is essential that power should be given to call up another 5,000 men, I am going to follow him. The Bill does not say that they must be called up; it simply gives the power. I have not heard the whole of the debate, but I was here this afternoon when the hon. member for Brome (Mr. McMaster), where the bromide comes from, was speaking.

Mr. BUREAU: Give him a dose, for Heaven's sake.

Mr. MOWAT: He made a speech, not in his usual jovial style; it was a serious speech coming from a pacifist. My hon. friend is a pacifist; he believes in always opposing anything which the men who really understand the affairs of the country and its defence are urging. He always wants to be a little behind hand, and he is only typical of a number of persons in the country. If the militia force at this time had been one hundred, and it was proposed to increase that to two hundred, we would have had the same protest from the hon. member. With that class of mind that causes trouble, this generally accounts for a very large increase in expenditure when we do have trouble, and generally brings us into a highly nervous state of excitement when the war comes on. Lord Jellicoe said that he was not prepared in the Jutland fight, the reason being that his flashlights were defective and his destroyers inadequate and insufficient. The reason for that was that the Parliament of Great

Britain could not force itself to pass sufficient appropriations because of the constant bickerings of the pacifists in that country. When the war came on, the pacifist subsided; he knew he was wrong; he knew all his efforts had been rather to the discredit of his party and to the disadvantage of the country. But now that the war is over, we shall have them again, and every time that any measure is proposed for either the defence or the quietude of the country, we shall have the pacifist rising to protest.

I said I was disappointed that this Bill was necessary, and I am disappointed, because I do not believe in a permanent force. The permanent force in Canada should in my opinion, be abolished just as soon as possible, because as long as you have a permanent force, you have men taken from industry and put into a certain class, privileged men who are looked upon as the persons who will be called upon to engage in quelling industrial disputes and strikes. That begets for them the hatred of the labour class, and all that is improper and unfortunate. I would have no permanent force at all, and while I support this Bill because I believe in the information that the minister has in support of it, yet I hope that as soon as possible the permanent force will be dissolved and dissipated. We want to have in this country what I have advocated before on the floor of this House, namely, a universally trained militia. Then every man of from sixteen to twenty years of age will, with pleasure, after he gets accustomed to the work, take part in the annual training for the defence of his country. Then you have all the labour men, business men, aristocrats and democrats in the one common democratic army, so that you have at least 400,000 men, who are not wholly trained, but who, when the time comes, when the country calls, have learned at least their A, B, C of training. I do not believe in a permanent force, and I trust that we shall soon follow the example of our sister nations, the Commonwealth of Australia and the Dominion of New Zealand and the Union of South Africa, in having universal training for our young men instead of a permanent militia; that we shall follow Switzerland which, on the outbreak of war, was able to mobilize nearly 500,000 men fully equipped with artillery and all the latest guns, and was able—in that little republic, absolutely unwarlike and democratic—to keep from her borders the bloody fangs of her northern neighbour who would have liked to cross her territory in order to attack France. We must keep up with the State of New York which last year passed an Act for the universal training of her young men. We must keep up with the efforts of the United States' Congress at present which has before a committee the Bill of Senator Harry New providing for universal military training. If the United States pass this Universal Training Bill, and make all their citizens for a short period of their lives liable for military training, what will Canada have to say if she is behindhand and has simply to be an adjunct of her powerful neighbour in case of serious dispute? The very people who are going to take hold enthusiastically of a universal scheme when it comes in—and I am sure the minister will see in a very short time the necessity of such a scheme—will be my friends from Quebec, because they are the descendants of men who knew how to defend their country. Their ancestors were not military men, and when they came to this country they had no permanent force. But they trained themselves on their own farms under men who understood military matters, and the result was that although there were larger populations in Connecticut and Massachusetts the victory almost invariably rested with the men from Lower Canada. When I was a boy the best soldiers I knew were from Lower Canada, such men as Duchesnay, Hébert, Montizambert Pelletier and Labelle. And although there are some who for certain reasons do not now seem to be enthusiastic in military matters, I believe that if universal military training were established the most enthusiastic province would be Quebec. My hon. friend from Gaspé (Mr. Lemieux) speaks about the training of young men in the schools, and I think you will find, if you look over the militia list, that the schools, seminaries and colleges in Quebec have been training to a greater extent than in any other province of Canada. That is the sort of thing I want to see in Canada, and I venture to say that there would be no feeling against proper military training if this were the case.

Mr. TOBIN: Mr. Chairman, I should like to make a few remarks—

The CHAIRMAN: Before the hon. member begins his remarks, and in order that I shall not be obliged to call any other hon. member to order, I must remind the

committee that the second reading of this Bill took place this afternoon when the principle of the Bill was adopted. We have been discussing the principle of the Bill since eight o'clock and the discussion has certainly not been in order. Whether or not it would have been in order on the second reading is a question I am not now called upon to decide and I would therefore ask any hon. member who has remarks to make to confine them to the clause under discussion.

Mr. TOBIN: Mr. Chairman, I will follow the rules as closely as I possibly can, but I must say that I am surprised that the Government should bring in a Bill at the present time having as its object the increasing of our standing military force by 5,000 men. The war is over and we have now entered upon the period of reconstruction. The country is faced with an expenditure this year of $620,000,000, and the total revenue that is in sight, after taxing everything that can possibly be taxed, is only $280,000,000, so that $340,000,000 more will have to be raised. The Minister of Finance will have to go before the country this coming fall and borrow this money. Whether he borrows the money in Canada or in the United States, he will have to find it, and in view of the figures which I have quoted, is it reasonable to embark on any undertaking that will create a further deficit? I for one would rather see the Government pay the returned men a bonus of $1,000 each. This would represent paying that sum to each of 300,000 to 500,000 men, a million dollars.

Mr. A. K. MACLEAN: One hundred million.

Mr. TOBIN: Well, one hundred million. I beg your pardon, Mr. Chairman, I think my hon. friend is wrong. Three hundred million dollars divided among 300,000 men would be $1,000 apiece.

Mr. A. K. MACLEAN: It would be $2 apiece.

Mr. TOBIN: I have the figures here, although I have not looked at them very closely. Now, Mr. Chairman, I want to say to the hon. minister that if you give a bonus to these men who have given their all in the service of the country you will do more to satisfy the people than if you increase the standing military forces of the country, for such a step would only tend to excite public indignation. The prime cause of public dissatisfaction at the present time is directly attributable to this Government, which, though allowing profiteers to make from seventy to one hundred per cent, and even as high as three hundred per cent, has helped to increase the cost of living. These soldiers who fought so nobly for the cause of the Empire are returning out of work and will find it exceedingly difficult indeed to live on the small wages which will be available unless some substantial assistance is given them. I have every respect for my hon. friend the Minister of Militia, but I would seriously urge on him the necessity of abandoning this Bill.

If he dropped this measure the country would commend him. In any event, the present is no time to increase expenditures unnecessarily when we are faced already with $600,000,000 for the current year. When we consider that a small country like Canada has a debt of $220 per capita it is high time that we should think of taking some sane steps to reduce the expenses of the country.

Mr. EDWARDS: Where does my hon. friend propose to get this billion dollars which he suggests that the Government should spend in the way of bonuses to the soldiers?

Mr. TOBIN: It would be easier to pay these men bonuses of $1,000 a piece than to increase the militia force by 5,000 or 6,000, which would mean an expenditure of five or six million dollars a year and which might increase to seven or eight or ten million, for you do not know where you will stop. If you give these men $1,000 or $2,000 apiece it will be finished forever and the people will be satisfied.

Mr. EDWARDS: If the proposition of the hon. member were carried out and you gave $2,000 apiece to each man, that would mean one billion dollars. If you gave them $1,000 apiece it would be five hundred million dollars. Has the hon. member calculated the interest on this sum?

Mr. TOBIN: I have my figures and will show them to you.

Section agreed to.

On section 2—Rates of pay of permanent force to be fixed by Governor in Council instead of by statute:

Mr. NICKLE: Will the minister give an explanation of what the Government intends to do in this regard?

Major-General MEWBURN: I said this afternoon that my immediate concern is to recommend to the Governor in Council a very small increase in the permanent force. I made it very clear then that I did not intend to increase the force immediately to 10,000. With regard to the second subsection, we will have to increase the pay of the permanent force, and I have not determined the actual figures. For instance, in the Northwest Mounted Police the pay for a staff-sergeant per day is $3.25 including allowances; that of a warrant officer in the permanent forces is only $2.30, and the private in the permanent force, including field allowance receives $1.10. The constable receives, the first year, $2 a day.

My idea is that it might be put on the same scale as that upon which the Mounted Police now are. I had a letter from Calgary to-day, in which it is stated that the men of the permanent force are complaining that they cannot live on their pay and that it ought to be made equal to that of the Northwest Mounted Police. That is my recommendation to the Governor in Council.

Mr. NICKLE: Mr. Chairman, I quite agree with what the minister has said in relation to the necessity of something being done to increase the pay of the permanent force, if the men who are to be on that force are to be the class of men that the minister would desire to have. I come from a city which is the headquarters of Military District No. 3, and I should like very much to see the members of the new force of such a class as the minister would like them to be. To that end he will have to give some consideration to the question of the improvement of the barrack accommodation of the permanent force. The greater part of the life of these men is spent in barracks. Their remuneration is made up not only of the money that they receive, but of certain allowances, quarters and accommodation. The accommodation in Kingston for the use of the permanent force has been very poor, and I would like to urge upon the minister that he take some steps to secure some of the beautiful sites situated around Kingston for barrack purposes and that he turn over for commercial purposes the present barracks in the city. While I am on the subject of remuneration, let me say that I would like to see a new scale of pay adopted for the entire permanent force. New Zealand has taken up the whole question of the permanent force and has done away with a great many of the allowances and perquisites that have for so many years been considered necessary. I would like to see a scheme of remuneration adopted by which a definite amount for the services of officers and a definite amount for the services of the men would be paid in dollars and cents, that the public could measure and understand. I would also like to see such a change made in the permanent force as would abolish the system by which the superior ranks are entitled to the services of the rank and file in such occupations as cleaning furnaces, shovelling walks, waiting on table, and, in some cases looking after children. The civilian population resent that sort of thing. It is far from dignified, it has had an unfortunate effect on the rank and file, and it lends itself to abuse. I would like to urge upon the minister that he give consideration to this point. But, I want to urge especially upon him to see if something cannot be done to improve the quarters which for a century or so have been occupied by the permanent force at Kingston, because the present barracks are the successors of a certain establishment founded by Frontenac when he landed in what is now Kingston something over two centuries ago.

Mr. EDWARDS: Mr. Chairman, I want to say a word about what has been suggested by some of the remarks of the hon. member (Mr. Nickle). If the Minister of Militia followed the suggestion of the hon. member and built new barracks in the city of Kingston on any one of the beautiful sites which, I confess, are numerous, he would be wasting money. There has been enough money wasted in Kingston by the Department of Public Works. We have at Barriefield a great many buildings which were erected, some of them even after the armistice was signed, and which are to-day absolutely useless. It is true that the barracks in Kingston are no better than a rathole. They have been a disgrace to the militia of Canada for as long as my memory can carry me. They should be torn down and thrown into the lake, there is no doubt in my mind as to that. If the city of Kingston had had any enterprise about it some years ago when the hon. member for Victoria (Sir Sam Hughes) was Minister of Militia, it would have accepted the suggestion made by him, torn those buildings down and thrown them into the lake. But Kingston is proverbially slow when it comes to anything along progressive lines. The people there have been content to look

at the old rotten barracks they have there, and pride themselves on the fact that the buildings were erected years and years ago by some person who was connected with the early history of the country. They would rather continue to look at the old rathole of a barracks which has an inscription on a stone over the arch than have it interfered with in any way, because that would be laying profane hands upon a sacred piece of history. What I would suggest as a counter proposal to what has been suggested by the hon. member for Kingston is this: You have at Barriefield Commons a number of buildings which have been erected at enormous cost to this country and which are useless. These buildings can be made useful for barracks purposes. You have not to go very far from where these buildings are to get solid rock. If you will merely place a wall under these buildings and then veneer them with brick, you will have good buildings at a minimum of cost and you will be relieved of the worry of knowing what to do with the buildings which you have there now, which have cost hundreds of thousands of dollars and which are absolutely useless at the present time. There is where your barracks ought to be. Get rid of the rathole barracks in Kingston just as quickly as you can.

Mr. NICKLE: The hon. member for Frontenac——

The CHAIRMAN: Order; I must interrupt this discussion. I am sorry, but it has nothing at all to do with the clause under discussion.

Mr. NICKLE: We are discussing the remuneration of the member of the Canadian Permanent Force and that remuneration is made up of housing accommodation, food and pecuniary compensation. Can we not discuss the entire situation?

The CHAIRMAN: My ruling is that housing accommodation of soldiers, and especially the construction of new barracks at Kingston, has absolutely nothing to do with the clause under discussion. My ruling is entirely in the hands of the committee.

Mr. J. H. SINCLAIR: I understand that we are dealing with the pay of the permanent force, and that it is proposed that the pay shall be settled by Order in Council. I think that is a mistake.

[Mr. Edwards.]

Major-General MEWBURN: It is to be approved by the Governor in Council.

Mr. J. H. SINCLAIR: Yes; Parliament is not to fix the scale. I think the minister will be doing the wise thing if he puts down a scale for Parliament to adopt, because there will be constant friction and trouble with the Militia Department in regard to the question of pay if that is not done. If the scale is fixed by Parliament, every soldier who enlisted in the permanent force will know what his pay is and he will know that the Governor in Council has no power to change it. It will make him more contented and it will be more satisfactory all round. Under this system you may have a strike among the members of your permanent force, as we had in the Post Office Department, and to avoid anything of that kind I think it would be better that the minister should make the pay of the soldiers statutory. It formerly was statutory and that system worked very well. If the minister is prepared to say how much he intends to pay them, it would be better to put it in the Act and make it a part of the law of the land.

Major-General MEWBURN: There is a good deal in what my hon. friend says, but I think it is perfectly safe to leave the matter in the hands of the Governor in Council. Everybody will admit that the old statutory provision of 75 cents a day is entirely out of the question. I do not anticipate that there will be any particular increase this year, but provision will have to be made in the Estimates probably at another session. At the present time we are paying the men $1.10 per diem, the same as the Canadian Expeditionary Force, and I feel we will have to continue that, probably to the end of this year. I am endeavouring to get the rates paid in the United States, Great Britain, New Zealand and Australia. At present we do not anticipate that the pay will be increased beyond that of the Royal Northwest Mounted Police—the rates paid to the two forces will probably run together. I think the Committee can rest assured that the Governor in Council will not establish any very extravagant rates of pay, but merely what is essential to carry on the force in a satisfactory manner.

Section agreed to.

On section 3—rates of pay of active militia to be fixed by Governor in Council instead of by statute.

Major-General MEWBURN:: This is a provision similar to the one which has been already carried.

Mr ERNEST LAPOINTE: Does the minister intend to distribute the permanent force among the various military districts?

Major-General MEWBURN: Yes, most decidedly. We intend to distribute them among the various military districts in Canada, viz.: Halifax, St. John, Quebec, Montreal, Kingston, London, Toronto, Winnipeg, Regina, Calgary, and Victoria, B.C. For instance, I hope that the Royal Canadian Horse Artillery and the Garrison Artillery will be partly distributed in the province of Quebec and partly at Halifax and Esquimalt, also some infantry regiments. Of the cavalry units one portion will be stationed in Toronto and another portion in St. Johns, Quebec. There will be another portion in Winnipeg, another in Calgary, and so on.

Section agreed to.

Bill reported.

On the motion of Major-General Mewburn for the third reading of the Bill:

Mr. ERNEST LAPOINTE: I suggest that the third reading be postponed to another day.

Mr. SPEAKER: It is perfectly competent for the minister to proceed if he chooses.

Sir THOMAS WHITE: Is there any objection to the Bill being now read a third time?

Mr. ERNEST LAPOINTE: We object to the third reading at this sitting.

Mr. SPEAKER: The Bill will be read a third time at the next sitting of the House.

INSURANCE ACT (1917) AMENDMENT.

On the motion of Sir Thomas White the House went into Committee on Bill No. 54 (from the Senate) to amend the Insurance Act, 1917, Mr. Boivin in the Chair.

On section 116—"actuary" defined.

Mr. J. A. STEWART: This section as it appears in the Bill and as it passed the Senate, was found to operate harshly upon a number of societies that were being served by actuaries who were not able to measure up to the standard set out therein. When the Bill was before the Committee on Banking and Commerce the position of matters was explained by the member for St. Hyacinthe-Rouville (Mr. Gauthier). There were originally four societies affected by the legislation as it appeared before the Senate —the Maccabees, the Artisans, the Canadian Order of Foresters, and I think the Alliance Nationale. I do not know whether there were any others, but these four at least were affected, and the section as it stood deprived them of the services of the actuaries who had been serving them for a number of years. It was intended by the amendment made by the Committee on Banking and Commerce to relieve the condition with respect to all these societies, but the section as it passed that committee failed to give relief in any instance except that of the Artisans. I would therefore suggest to the Minister of Finance that an amended section be adopted which would give the relief which I believe it was the intention of the Committee on Banking and Commerce to afford. I would therefore propose to strike out section 116 as amended by the Banking and Commerce Committee and substitute the following:

10 p.m.

116. The term "actuary" in this part means a Fellow of the Institute of Actuaries of Great Britain, the Faculty of Actuaries in Scotland, or the Actuarial Society of America; Provided, however, that an actuary who for a period of not less than five years preceding the date of the passing of this Act has been serving any fraternal benefit society transacting business in Canada on the said date as its actuary, and who has been in active practice as an actuary for a period of not less than twenty-five years prior to the said date, may, for the purposes of this Act, with the consent of the superintendent, be continued as the actuary of any fraternal benefit society by which at the said date he is employed as actuary.

The changes which this amendment would cover are principally the reduction of the period of service from thirty to twenty-five years; and, also, it would give to any actuary who has been serving a society doing business in Canada for five years, the right to continue to serve not only that society, but any other society that he is at present serving. That is an important change from the amendment made by the Committee on Banking and Commerce, for the reason that some societies are being served by actuaries of more than twenty-

five years' experience who have not been serving them for five years, but who have been serving other societies doing business in Canada for a longer period than five years. It will be admitted that a service of twenty-five years is just as safe a guarantee of ability as a service of thirty years. If an actuary has not developed in twenty-five years the qualifications which would entitle him to be considered a satisfactory officer under the provisions of this Act, it is extremely unlikely that five years' additional service would make him any more efficient or trustworthy for the business that would devolve upon him under the Act.

Sir THOMAS WHITE: I will be very glad to accept the amendment. It meets with the approval of the Superintendent of Insurance.

Mr. PEDLOW: Before you declare that amendment carried, Mr. Chairman, I wish to express approval of and to endorse the remarks made by the hon. member for Lanark (Mr. Stewart) in regard to it. There is also an additional reason for the amendment of this clause as it came to the Banking and Commerce Committee from the Senate, and that is the implied suggestion as the clause reads, that Canadians were not eligible for the position of actuary. Members of that Committee rather resented the form in which this clause was presented to them for their approval, and they wished to give expression to their feelings by amending the clause. It was contended at the time by those experienced in the matter that although there was no actuarial association at present in Canada, by making this amendment, possibly before very long an actuarial association would be formed, so that we would not give expression to the fact that Canadians were not eligible for a position of this kind.

Amendment agreed to, and section as amended agreed to.

Bill as amended reported.

Sir THOMAS WHITE moved the third reading of the Bill. He said: Is there any objection to the third reading now?

Mr. SPEAKER: This motion must be by unanimous consent.

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

[Mr. J. A. Stewart.]

THE CUSTOMS TARIFF AMENDMENT.

On motion of Sir Thomas White for the second reading of Bill 142, to amend the Customs Tariff, 1907:

Mr. ROBB: Mr. Speaker, this may be a somewhat contentious measure, and as some of us were here until two o'clock this morning, I would suggest to the hon. minister that we might now adjourn.

Sir THOMAS WHITE: I think it is a little early to adjourn. We are very anxious to bring the session to an end—I think that is common ground on both sides—and possibly my hon. friend would be willing to take up the next Bill, No. 25.

Motion stands.

THE BUSINESS PROFITS WAR TAX AMENDMENT.

On motion of Sir Thomas White, Bill No. 143, to amend the Business Profits War Tax Act, 1916, was read the second time, and the House went into Committee thereon, Mr. Boivin in the Chair.

Bill reported without amendment.

INCOME WAR TAX ACT, 1917, AMENDMENT.

On motion of Sir Thomas White (Minister of Finance), Bill No. 144, to amend The Income War Tax Act, 1917, was read the second time and the House went into committee thereon, Mr. Boivin in the chair.

On section 2—income.

Sir THOMAS WHITE: I promised the committee, when the resolution preceding the Bill was under consideration, that I would increase the age limit of each child in respect of which the taxpayer is granted exemption of $200. To that end I move that the word "eighteen" be substituted for the word "sixteen" in the second line of paragraph (b), subsection 2 of this section.

Mr. J. H. SINCLAIR: This will be in addition to the statutory exemption?

Sir THOMAS WHITE: Yes.

Amendment agreed to.

Mr. McMASTER: I find it somewhat difficult to understand the meaning of paragraph (e). It reads:

(e) In determining the income no deduction shall be allowed in respect of personal and living expenses, and in cases in which personal and living expenses form part of the profit, gain or remuneration of the taxpayer, the same shall be assessed as income for the purposes of this Act.

It seems to me that there is a lack of clearness in the first part of that paragraph. It is quite evident that no one has the right to deduct his personal and living expenses from income before he declares it for the purposes of this Act.

Sir THOMAS WHITE: It is just to make it clear that that deduction must not be made. All kinds of representations are put forward with a view to securing a reduction of the income assessment, and we want to make it perfectly clear that the full net income must be assessed. As to the second part of the paragraph, with reference to cases in which personal and living expenses form part of the profit, gain, or remuneration of the taxpayer, there are many who derive as a substantial part of their income the benefits of house or living expenses, and it would not be fair that these should not be taken into account.

Mr. McMASTER: Let us say that a Presbyterian minister gets $4,000 a year and his manse, would he be expected to pay income tax on the rental of the manse?

Sir THOMAS WHITE: Unless he was specially exempted, I think that he would. But not very many Presbyterian ministers receive $4,000.

Mr. McMASTER: There are six, Mr. Chairman. A man does not have to pay income tax on the rental of his house when he lives in his own house?

Sir THOMAS WHITE: No.

Mr. McMASTER: There is an anomaly there.

Sir THOMAS WHITE: I agree with my hon. friend. The man who rents a house has to pay rental; the man who owns his house has the benefit of that ownership so far as income tax is concerned. That is something to which I shall give attention at the next session if possible. It raises a very difficult question, because allowance would have to be made on some basis for the capital invested in the house. All kinds of anomalies would arise in the administration of any such provision; that is one reason why, generally speaking, it is not in income taxation measures.

Mr. McMASTER: Suppose a commercial traveller gets $5,000 a year and hotel and personal expenses. Under paragraph (e) he should pay income tax on those living expenses, which are really part of his remuneration. I suggest that there should be something in the Act to indicate the way in which that should be collected.

Sir THOMAS WHITE: It would be exceedingly difficult, if not impossible, to lay down regulations; we have to deal with individual cases as they occur. It has been brought to my attention by men who have certain living allowances that when they travel they are out of pocket; their allowances are not adequate, and they are put to other expense. Of course, they have the inconvenience of being away from home.

Mr. BUREAU: So have we.

Sir THOMAS WHITE: I know, but a great deal is expected of us; we cannot put our services on a money basis. The department, in the case of commercial travellers, has not added anything to the income by reason of the living expenses allowed. Whether right or not, that is the policy we have adopted.

Mr. McMASTER: If I may interject, the living expenses of a traveller certainly come under this clause of the Bill.

Sir THOMAS WHITE: They do, and this was intended to cover cases of which that is an example, but whether we would be able to add on the full amount they are allowed, I am unable to say in advance. We would have to take all the facts into consideration. A man might prove that he was out of pocket; that his expenses were much more than he was allowed, and you would have to deal with each case on its merits. My experience is that income tax assessment is by no means as exact a science as algebra.

Mr. McMASTER: May I make this suggestion with all respect to the minister?—that if he is going to go at this income tax in this empiric sort of way, taking merely cases as they arise, it will be a very long and unsatisfactory business. Some general principle should be laid down, say, that a commercial traveller should be assessed on say two-thirds of the living allowance given him. I quite understand that you

cannot approximate it very closely, but you can get some idea, and the Government should have some regulation, so that the scrupulous man who charges himself with all the living allowance which he gets from his house and pays income tax upon it, should not be under a disadvantage as compared with the other man with a more elastic conscience who says: "Well, I get $50, or $100, or $250 a month as living allowance from my house, but after all I have to spend considerably more than that," and so does not return it at all. Unless the minister and his hard-working commissioner are prepared to take up the case of every single traveller who pays income tax, which procedure would cause an immense amount of work, it would be wise to lay down some general principle which would roughly deal with the situation.

Mr. MORPHY: I should like to call the attention of the minister to a complaint from the constituency which I have the honour to represent, and particularly from a large number of railway trainmen in the city of Stratford. They complain that, in case of an engineer, conductor, fireman and brakeman, they are forced, by virtue of their occupation, to take long runs, say to the city of Buffalo, where they are compelled to remain over, probably a whole day or more until the return train is made up They are all forced from their homes, and they have to stay at rather expensive hotels. These men are out of the class that one would call the wealthy class, and although they are men of small means, they are bound to pay a tax under the schedule that is laid down now. They complain that while they have to keep up their own homes in Stratford where they live, with all attendant expenses, they are practically compelled to keep up a home in a hotel while they are away for probably two days in the week, or even three. This amounts to a very severe penalty upon these men, because they do not really get the income that would become taxable if you allowed them anything for the extra expenses to which they are put. I have been asked to draw this matter to the attention of the Minister of Finance and I do so in the hope—because I appreciate that the same may be true of commercial travellers—that some equitable principle may be arrived at, if not now, at some time in the future, by which a deserving case of this kind will be exempted from a taxation which bears rather heavily under the circumstances.

Sir THOMAS WHITE: We shall be glad to take under consideration what has been said and will see if some regulation can be made to meet the circumstances. A commercial traveller receives his railway fare and hotel bills, and his hotel bill might reasonably be added to his income unless something exceptional can be set up, and I do not at the moment know what could be so set up. With regard to engineers and conductors, my hon. friend will see at once the difficulty that would arise there, in the different standards of living. One man might go to an expensive hotel and another to a less expensive one, and it is exceedingly difficult to lay down a regulation to meet a case of that kind. The Commissioner of Taxation has not been able up to date to see his way clear to make any allowance. This discussion all goes to show the difficulty of administering with scrupulous fairness an income taxation measure, but notwithstanding that difficulty every effort should be made to carry out the law.

Mr. PEDLOW: I was just about to call attention to the same matter as has been referred to by the hon. member for Perth (Mr. Morphy) and the hon. member for Brome (Mr. McMaster), but there is another aspect of the situation I should like the minister to bear in mind at the same time. There are commercial travellers who travel on a commission basis only, and those men will pay their living and travelling expenses out of their commissions, and they will be discriminated against if the basis for their taxation is on their income in that respect as against those who are paid on a salary and travelling expense basis. I know, as a matter of fact, that the latter are paid liberal money for expenses by the firms they do business for, and in very rare cases is it required of them to expend money beyond amounts allowed to them. But there are others besides commercial travellers. There are employees of the income tax department who are sent out to make investigations at different points, and who are given liberal allowances to cover their expenses. How does the minister treat them in regard to the matter? The question is broad; it covers many besides those who come under the heading of commercial travellers.

Sir THOMAS WHITE: I agree with my hon. friend. The reason why we referred to commercial travellers was because it was an obvious case, because they do travel and are allowed expenses. The hon. member says precisely what I had in mind, namely, that it was very difficult to lay down rules, because as I pointed out, the expense allowances might really not be adequate. My experience has been that, whenever I have been travelling where I have had a certain allowance, I have been out of pocket, but others may be more fortunate.

Mr. PEDLOW: The minister should also bear in mind the case of the man who works on a commission basis and whose entire income will be rated for income tax purposes.

Mr. MORPHY: I should like to fix in the minister's mind the distinction between a railway man and a commercial traveller.

Sir THOMAS WHITE: Their cases are entirely opposite.

Mr. MORPHY: The railwayman has to pay this expense out of his own pocket always.

Sir THOMAS WHITE: I understand that.

Mr. J. H. SINCLAIR: I understand we are at section 2, and I want to draw the attention of the minister to paragraph (f) which says:

> (f) Deficits or losses sustained in transactions entered into for profit but not connected with the chief business, trade, profession or occupation of the taxpayer shall not be deducted from income derived from the chief business, trade, profession or occupation of the taxpayer in determining his taxable income.

It will be very difficult to determine what the chief business of some firms is. I know a firm that is engaged in the investment business, lumber business and grocery business. I know their business very intimately, but it would be difficult for me to tell which is their chief business. I know another firm engaged in the shipping business and also in a machine shop business. I do not see much use in the word " chief." Why not eliminate it?

Sir THOMAS WHITE: I think the word "chief" is necessary to emphasize the intention. The difficulty we encounter is this: A man has an income from his occupation of say, $10,000, and he engages in stock speculation and loses two or three thousand dollars and desires to deduct that. We will not allow him to do so. If a firm engages in half a dozen different businesses and takes a flyer on the side, we will not allow them to set up any loss in respect of that. It is surprising how often the contention is set up that something should be allowed for losses on the side. The department will administer the section in the sense that "chief occupation" means the occupation which is actually and bona fide engaged in from day to day, and no deduction will be allowed for losses incurred in transactions. not connected therewith, such as stock transactions. Not long ago it was brought to my attention that a man who had a large income took it into his head that he could become a successful farmer. They say when a man does fancy farming he is an "agriculturist," as distinguished a "farmer" who does real farming and makes money. The "agriculturist" nearly always loses money, and we do not propose to let him set up any loss in this enterprise. We will assess him on his income. We do not desire to discourage him from going into farming, but do not think he should set up such losses against a substantial income he derives in the city.

Mr. BUREAU: I desire to call the minister's attention to a matter which it seems there is a general fear to touch upon. Members of Parliament pay a tax on $2,500, and I know of cases where members find a deficit in the personal budget when they return home. The living expenses in Ottawa take the whole of the indemnity and sometimes more, according to the length of the session. I know that this is a delicate matter, but I am not afraid to touch it. People ought to know that not only do we not receive anything for our services here, but that while we are here we have to pay a tax, for the pleasure of being here, on money that most of us do not receive any real benefit from. I think there ought to be an allowance for living expenses. It cannot be argued that there is a great saving in the individual home, for our families have to be provided for at home while we pay separate expenses here, and we are actually out of pocket in the final result. It is not right, and whatever the country may think of my statement I speak my mind about the matter. I think, that as a matter of principle, we ought not to be called upon to pay taxes on money that does not benefit us as a matter of fact, because we would not spend that much at home.

Sir THOMAS WHITE: I should like very much to meet the views of my hon. friend because I realize that there is a great deal of justice in what he says. The sessional allowance is in the nature of an indemnity; it is not intended to be in the nature of income but to indemnify the member against his expenses in attending Parliament and also against demands that might be made upon him from day to day as a public man. When I had to do with assessments in Toronto I recall that the parliamentary allowance was looked upon as indemnity. I think one of the members of this House, the late Mr. Lancaster, brought the matter up—I am speaking now about municipal income assessment—and my recollection is that it was held by a county judge to be an indemnity and not a part of salary. On the other hand, I think it would be the view of the majority of members of Parliament that, notwithstanding the force of my hon. friend's contentions, at a time like this the public would not be likely to approve of members of Parliament escaping taxation upon their sessional indemnity. If the public could be made to realize all that is involved, they would not object so strongly, but it is almost impossible to make them realize it, and members will have to look upon this as one of the necessary sacrifices they make in connection with the public position. However, there is a great deal of weight in what my hon. friend puts forward.

Mr. BUREAU: I do not want the indemnity to be exempt, but I think a certain amount should be allowed for living expenses.

Sir THOMAS WHITE: That would give rise to difficulties also. The living expenses of one member would differ from those of another, and that is a matter that might be misunderstood by the public. The amount involved is not large, and I think that members on the whole would rather be assessed than not. But if there is any widespread opinion on the matter, I should like to have an expression of it.

Mr. BUREAU: There will not be. People are afraid to talk.

Mr. CAHILL: In the event of a speculator making, say $10,000 on a transaction, how will that be treated?

Sir THOMAS WHITE: Gains or losses in transactions on the side are disregarded, because the losses usually offset the gains. I am told that in stock transactions ninety per cent are usually losses.

[Mr. Bureau.]

Mr. McMASTER: Does not a man pay income tax on a successful stock transaction?

Sir THOMAS WHITE: It works both ways. He pays on his dividend, of course. But if he takes a flyer and makes something, next week he might take another flyer and lose it.

Mr. J. H. SINCLAIR: In subsection 5 on page 3, "dividends and shareholders' bonuses," the Act provides that dividends or bonuses paid to shareholders by a corporation on or after the first of January, 1917, shall be taxable as income. The Bank of Nova Scotia has a surplus twice as large as its capital. If they decided to distribute that surplus or any part of it at any time, it having been accumulated prior to 1917, would it be taxable against the shareholders?

Sir THOMAS WHITE: My hon. friend will observe a date, the purpose of which is to give the Act a start. A reserve prior to the date mentioned, 1st January, 1917, is treated as capital, and if there was a distribution of that it would be regarded as capital distribution rather than income. If they have added to that reserve since and made a distribution, the dividend derived from that would be assessable.

On section 3, subsection (a)—Normal tax.

Sir THOMAS WHITE: It has been drawn to our attention that there are some unmarried people who have dependent fathers or mothers, or both. Take the case of a young woman earning $1,600 a year and having to maintain an invalid father or mother.

We have thought it well to classify such a person with married persons, widows and widowers with dependent children. We exempt up to the extent of $2,000 married persons and widows or widowers having dependent children. We want to put into that class unmarried people who have a father or mother depending upon them for support. To accomplish that I beg to move that:

> The section—page 4, line 1, be amended by inserting after word "children" the words "and persons who are not supporting dependent brothers or sisters under the age of eighteen years or a dependent parent or parents."

I think that is just. It was drawn to my attention by some one.

Mr. J. H. SINCLAIR: I have been asked to draw the minister's attention to the case of unmarried women. Why should an unmarried woman have to pay a larger tax than a married woman? Take the case of two sisters, one of whom is unmarried. They both get the same income; we will say that it is $4,000 a year. The married one has her husband to support her and she has her $4,000 for pin or pocket money. The unmarried one has no husband to support her. She gets the same amount but she has to pay on $3,000, whereas the married one only has to pay on $2,000 simply because she is married. What is the reason of that? It is regarded as an inequality, a discrimination against the unmarried women, and some women have asked me to draw the matter to the attention of the minister. I am quite in sympathy with taxing the unmarried man, but I am not in favour of taxing the unmarried woman to a greater extent than the married woman.

Sir THOMAS WHITE: The reason underlying the distinction is that married people are supposed to have greater responsibilities towards children and the upkeep of the home. That is the only reason I can give my hon. friend. There may be some anomalies in the administration of the Act, but the principle is sound.

Mr. J. H. SINCLAIR: The husband is responsible.

Sir THOMAS WHITE: The wife may have to keep the house.

Mr. McMASTER: It is not so ordinarily. The husband may be a trial to the wife, but usually he is a means of financial gain, and it is ridiculous, as my hon. friend from Guysborough (Mr. Sinclair) so well pointed out, that Miss B. with an income of $3,000, let us say, has to pay on $2,000, while her sister, Mrs. C., with exactly the same income, and with a husband to rely upon, has to pay on only $1,000. That is an anomaly that the minister should correct. It is not reasonable, it is unjust, and the idea that the minister gives that children are to be supported, does not hold water. As a rule the husband maintains the family; the wife has, as a rule, the income for herself unless she wishes to join forces with her husband to live in a style more luxurious than they would be living in had the family to depend entirely upon the earnings of the husband. Under these conditions it is unjust to tax an unmarried woman more heavily than a married woman.

Sir THOMAS WHITE: To give effect to what is suggested would mean that the unmarried woman with no responsibility would have to be exempt up to $2,000, whereas the man without responsibility is exempt to the amount of $1,000. I think that a woman without responsibility and having an income of $2,000 might very well be assessed. The real question is as to whether there should be one exemption only in the case of husband and wife.

Mr. McMASTER: I think there should.

Sir THOMAS WHITE: There is a good deal to be said for that, and it has been discussed pro and con. But we would not be justified in stating that a man should be exempt to the extent of $1,000 while a woman with no responsibility should be exempt up to $2,000, because a man usually has more responsibilities than a woman has.

Mr. McMASTER: Instead of bringing the unmarried woman's exemption up to $2,000 it might be proper to bring the married woman's exemption down to $1,000; or you might do what the hon. member for Kingston (Mr. Nickle) has been urging the Minister of Finance to do for some years—regard the husband's and wife's income as a joint income and give one exemption in relation to it. That would possibly do away with this difficulty, because the present situation is not fair, and, I think, rather works to the disadvantage of the revenue.

Mr. BUREAU: Let her marry.

Mr. McMASTER: The hon. member (Mr. Bureau) suggests: Let the girl marry. That may not be within the power of the young lady herself.

Mr. PEDLOW: Should that exemption not be extended to the case of unmarried persons having grandparents to support? There are many such cases.

Mr. J. H. SINCLAIR: I think grandparents ought to be put in.

Sir THOMAS WHITE: I have a good deal of sympathy with the grandparents. How would it do to add, after the word " parents," " grandparent or grandparents?"

Mr. McMASTER: Or make it " ascendants in the direct line."

Sir THOMAS WHITE: Oh, no. I beg to move:

That the words " grandparent or grandparents " be added.

Amendment agreed to, and section as amended agreed to.

Mr. PEDLOW: Before taking up the next clause I would like to call attention to another class of people who are escaping taxation and I think it is unfortunate that they should do so.

There is a large class of people, more particularly in the large centres of Toronto and Montreal, employed as operators in garment factories. They are foreigners, and their incomes are very large. Those unacquainted with the business have no idea of the large sums these people earn from week to week, from month to month, and from year to year. They are a wandering class of people, and I am told by those who know, that their incomes range from $50 to $90 or $100 per week. I realize the difficulty in reaching that class, and therefore I would suggest to the Minister of Finance that the employers of these people collect from them a certain amount each week to be retained and paid over to the income tax department, making the employers responsible for the collection. I am morally certain it would secure a large addition to the revenue of the country if these people could be reached in any way.

Sir THOMAS WHITE: We call for returns from the employer in all these cases where over $1,000 a year is paid in wages. I know that what my hon. friend says as to the amount these people receive is correct, or substantially so. The fact was incidentally drawn to my attention not very long ago that some of these garment makers made very high rates of pay. I do not say that they do not earn that pay, no doubt they do. They must be very expert, and earnings of $60 or $70 a week may not be out of the way, although they may appear large for the work that is done. At any rate we do get returns from all these merchant tailors and others.

Mr. PEDLOW: These people cannot be assessed under their yearly income, they work from day to day, and week to week, and they change around from place to place. In spite of that they are a class of people who earn very high remuneration for the work they do. If the department simply accepts the statement of the employers as to the yearly income it will not reach these people at all. You will have to get at them in another way, obtain returns of their weekly income, and see that their employers secure the taxes that these workers should be called upon to pay.

Sir THOMAS WHITE: I am glad to have the matter drawn to the attention of the Commissioner of Taxation.

I now wish to move an amendment, by inserting the following clause immediately before clause 4:

> 4. Section five of the said Act is amended by adding thereto the following paragraph:—
>
> "(i) Income derived from any pension granted to any member of His Majesty's military, naval or air forces for any disability suffered by the pensioner while serving in any of His Majesty's forces during the war that began in August, one thousand nine hundred and fourteen, and the income derived from any pension granted to any dependent relative of any person who was killed or suffered any disability while serving in the said forces in the said war."

I think that meets the suggestion put forward by the hon. member for St. Antoine (Sir Herbert Ames) and concurred in by the hon. member for Maisonneuve (Mr. Lemieux).

Amendment agreed to.

On section 5—books of account must be kept:

Mr. CAHILL: Will the minister explain what kind of books he will require for the farming community?

Sir THOMAS WHITE: The hon. gentleman will observe that "adequate" books are called for.

Mr. BUREAU: That is pretty broad.

Sir THOMAS WHITE: The provision has some flexibility and it is in the discretion of the minister whether he will call for books or not. It would seem to me impossible to require the farming community to keep books, although I think many farmers do so. I have pointed out some difficulties in assessing the farming community, but nevertheless we will have to do the best we can.

Mr. J. H. SINCLAIR: The minister told us that in a previous section which has been concurred in a penalty has been provided for not making the required return. Is it the purpose of the department to take any steps to deal with defaulters?

Sir THOMAS WHITE: The amended provision will enable us to do so. Under the Act as it stands the only thing we can do is to summon the delinquent party before a magistrate, and that is not a very satisfactory way of dealing with the matter. I

think the experience of governments in administering the income tax is that nothing brings payment so promptly as a penalty. That principle is observed in the case of municipal taxation; if you do not pay your taxes promptly a certain percentage is added. The income tax law being on the statute books we must enforce it, and there must be a penalty to enable the department to do so. It is very much better not to have such a law in operation if we do not assess in full. As far as we are concerned we are going to give the Act a very strict interpretation.

Mr. PEDLOW: If the department will grant a discount I think it will be more effective in securing prompt payment than a penalty. I have in mind the experience of the municipality of the town of Renfrew.

Mr. LEMIEUX: And the city of Ottawa.

Mr. PEDLOW: The town of Renfrew gets on the specified date almost the entire amount of taxation due, by allowing discount for prompt payment.

Section agreed to.

Bill reported, and amendments read the first and second time, and concurred in.

On the motion of Sir Thomas White the House adjourned at 11.07 p.m.

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