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DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FIRST (SPECIAL) SESSION—SEVENTEENTH PARLIAMENT

---

21 GEORGE V, 1930

IN ONE VOLUME (WITH INDEX)

VOLUME CLXXXVI

Comprising the period from the eighth day of September, 1930, to the twenty-second day of September, 1930, inclusive.

OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1930

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1930

MEMBERS OF THE GOVERNMENT

OF THE

RIGHT HON. RICHARD BEDFORD BENNETT,

LL.D., K.C.

1930

Prime Minister, President of the Privy Council, Secretary of State for External Affairs and Minister of Finance	Right Hon. RICHARD BEDFORD BENNETT, LL.D., K.C.
Minister without Portfolio	[1]Hon. SIR GEORGE HALSEY PERLEY, K.C.M.G., B.A.
Minister of Labour	Hon. GIDEON DECKER ROBERTSON, LL.D.
Minister of Justice and Attorney General	[1] Hon. HUGH GUTHRIE, K.C.
Minister of Fisheries	[2] Hon. EDGAR NELSON RHODES, K.C., B.A., LL.B., D.C.L.
Minister of Trade and Commerce	[3] Hon. HENRY HERBERT STEVENS.
Minister of Railways and Canals	[1] Hon. ROBERT JAMES MANION, M.C., M.D., C.M., L.R.C.P.
Minister of National Revenue	[1] Hon. EDMOND BAIRD RYCKMAN, M.R., LL.B., K.C.
Minister without portfolio	[1] Hon. JOHN ALEXANDER MACDONALD.
Postmaster General	[1] Hon. ARTHUR SAUVÉ.
Minister of Pensions and National Health	[1] Colonel the Hon. MURRAY MACLAREN, C.A. M.C., C.M.G., B.A., LL.D., M.D., C.M., M.R.C.S.
Minister of Public Works	[1] Hon. HUGH ALEXANDER STEWART, K.C.
Secretary of State	[1] Hon. CHARLES HAZLITT CAHAN, B.A., LL.D. K.C.
Minister of National Defence	[1] Lieut.-Colonel the Hon. DONALD MATHESON SUTHERLAND, M.B., D.S.O.
Minister of Marine	[1] Hon. ALFRED DURANLEAU, K.C.
Minister of the Interior and Superintendent General of Indian Affairs	[1] Hon. THOMAS GEROW MURPHY.
Solicitor General	[1] Hon. MAURICE DUPRÉ, K.C., LL.D.
Minister of Immigration and Colonization and Minister of Mines	[1] Hon. WESLEY ASHTON GORDON, K.C.
Minister of Agriculture	[4] Major the Hon. ROBERT WEIR.

[1] Re-elected in by-election, August 7, 1930.
[2] Elected in by-election, September 2, 1930.
[3] Elected in by-election, August 25, 1930.
[4] Re-elected in by-election, August 8, 1930.

HOUSE OF COMMONS

Speaker ..... Hon. GEORGE BLACK.

Deputy Speaker ..... ARMAND RENAUD LAVERGNE, B.L.

Clerk of the House ..... ARTHUR BEAUCHESNE, K.C., M.A., F.R.S.C.

Clerk Assistant..... THOMAS MUNRO FRASER, LL.B.

Sergeant-at-Arms ..... Lieut-Colonel H. J. COGHILL.

Deputy Sergeant-at-Arms .....

Editor of Debates ..... GEORGE SIMPSON.

Associate Editor of Debates ..... EARL C. YOUNG.

Editor of French Debates ..... MARCEL GABARD.

Official Reporters of Debates:—

English: F. W. S. Galbraith, H. E. Oliver, F. Berryman, T. S. Hubbard, M. F. Johnston, W. W. Buskard, E. L. Featherston.

French: J. H. Mackay.

ALPHABETICAL LIST

OF THE

Members of the House of Commons

First Session, Seventeenth Parliament

AHEARN, T. FRANKLIN—Ottawa.

ANDERSON, ALEXANDER JAMES—Toronto-High Park.

ANDERSON, ROBERT KING—Halton.

ARSENAULT, TELESPHORE—Kent (N.B.).

ARTHURS, JAMES—Parry Sound.

BAKER, RICHARD LANGTON—Toronto North-east.

BARBER, HARRY JAMES—Fraser Valley.

BARIBEAU, JEAN LOUIS—Champlain.

BARRETTE, JOSEPH ARTHUR—Berthier-Maskinongé.

BEAUBIEN, ARTHUR LUCIEN—Provencher.

BEAUBIER, DAVID WILSON—Brandon.

BELEC, CHARLES—Pontiac.

BELL, CHARLES WILLIAM—Hamilton West.

BELL, LESLIE GORDON—St. Antoine.

BELL, THOMAS—St. John-Albert.

BENNETT, RIGHT. HON. RICHARD BEDFORD—Calgary West.

BERTRAND, ELIE OSCAR—Prescott.

BETTEZ, ARTHUR—Three Rivers-St. Maurice.

BEYNON, WILLIAM ADDISON—Moose Jaw.

BLACK, HON. GEORGE—Yukon.

BLACK, HON. WILLIAM ANDERSON—Halifax.

BLAIR, JOHN KNOX—Wellington North.

BOTHWELL, CHARLES EDWARD—Swift Current.

BOUCHARD, GEORGES—Kamouraska.

BOUCHER, AIMÉ—Yamaska.

BOULANGER, OSCAR L.—Bellechasse.

BOURASSA, HENRI—Labelle.

BOWEN, FRED WELLINGTON—Durham.

BOWMAN, JAMES LANGSTAFF—Dauphin.

BOYES, FRANK—Middlesex East.

BRADETTE, JOSEPH A.—Timiskaming North.

BRASSETT, MAURICE—Gaspé.

BROWN, JOHN LIVINGSTONE—Lisgar.

BUCKLEY, JOHN FRANCIS—Athabaska.

BURNS, WILLIAM HERBERT—Portage la Prairie.

BURY, AMBROSE UPTON GLEDSTANES—Edmonton East.

BUTCHER, HARRY—Last Mountain.

CAHAN, HON. CHARLES HAZLITT—St. Lawrence-St. George.

CAMPBELL, MILTON NEIL—Mackenzie.

CANTLEY, THOMAS—Pictou.

CARDIN, HON. PIERRE J. A.—Richelieu.

CARMICHAEL, ARCHIBALD M.—Kindersley.

CASGRAIN, PIERRE FRANCOIS—Charlevoix-Saguenay.

CASSELMAN, ARZA CLAIR—Grenville-Dundas.

CAYLEY, THOMAS MERRITT—Oxford South.

CHAPLIN, HON. JAMES DEW—Lincoln.

CHARTERS, SAMUEL—Peel.

CHEVRIER, EDGAR RODOLPHE EUGENE—Ottawa.

COOTE, GEORGE GIBSON—Macleod.

CORMIER, MAXIME D.—Restigouche-Madawaska.

COTNAM, IRA DELBERT—Renfrew North.

COWAN, DONALD JAMES—Port Arthur-Thunder Bay.

COWAN, WALTER DAVY—Long Lake.

DENIS, JOSEPH ARTHUR—St. Denis.

DESLAURIERS, HERMAS—St. Mary.

DESROCHERS, JOSEPH—Portneuf.

DICKIE, CHARLES HUBERT—Nanaimo.

DONNELLY, THOMAS F.—Willow Bunch.

DORION, CHARLES NAPOLEON—Quebec Montmorency.

DUBOIS, LUCIEN—Nicolet.

DUBUC, JULIEN EDOUARD ALFRED—Chicoutimi.

DUFF, WILLIAM—Antigonish-Guysborough.

DUGUAY, JOSEPH LEONARD—Lake St. John.

DUMAINE, CYRILLE—Bagot.

DUPRE, HON. MAURICE—Quebec West.

DUPUIS, VINCENT—Laprairie-Napierville.

DURANLEAU, HON. ALFRED—Chambly-Vercheres.

EDWARDS, ALEXANDER MCKAY—Waterloo South.

ELLIOTT. HON. JOHN CAMPBELL—Middlesex West.

EMBURY, ALEXANDER THOMAS—Hastings-Peterborough.

ERNST, WILLIAM GORDON—Queens-Lunenburg.
ESLING, WILLIAM KEMBLE—Kootenay West.
EULER, HON. WILLIAM DAUM—Waterloo North.

FACTOR, SAMUEL—Toronto West Centre.
FAFARD, J. FERNAND—L'Islet.
FERLAND, CHARLES EDOUARD—Joliette.
FISET, SIR EUGENE, KT—Rimouski.
FONTAINE, T. ADELARD—St. Hyacinthe-Rouville.
FORTIN, EMILE—Levis.
FOURNIER, ALPHONSE—Hull.
FRASER, JOHN ANDERSON—Cariboo.
FRASER, WILLIAM ALEXANDER—Northumberland.

GAGNON, ONÉSIME—Dorchester.
GANONG, ARTHUR DEINSTADT—Charlotte.
GARDINER, ROBERT—Acadia.
GARLAND, EDWARD JOSEPH—Bow River.
GARLAND, WILLIAM FOSTER—Carleton.
GEARY, GEORGE REGINALD—Toronto South.
GERSHAW, FREDERICK WILLIAM—Medicine Hat.
GIROUARD, WILFRID—Drummond-Arthabaska.
GOBEIL, SAMUEL—Compton.
GORDON, HON. WESLEY ASHTON—Timiskaming South.
GOTT, ECCLES JAMES—Essex South.
GRAY, ROSS WILFRED—Lambton West.
GOULET, ALFRED—Russell.
GUTHRIE, HON. HUGH—Wellington South.

HACKETT, JOHN THOMAS—Stanstead.
HALL, WALTER ALLAN—Bruce South
HANBURY, WILFRED—Vancouver-Burrard.
HANSON, OLOF—Skeena.
HANSON, RICHARD B.—York-Sunbury.
HARRIS, JOSEPH HENRY—Toronto-Scarborough.
HAY, THOMAS—Springfield.
HEAPS, ABRAHAM ALBERT—Winnipeg North.
HEENAN, HON. PETER—Kenora-Rainy River.
HEPBURN, MITCHELL FREDERICK—Elgin West.
HOWARD, CHARLES B.—Sherbrooke.
HOWDEN, JOHN POWER—St. Boniface.
HURTUBISE, JOSEPH RAOUL—Nipissing.

ILSLEY, JAMES LORIMIER—Hants-Kings.
IRVINE, WILLIAM—Wetaskiwin.

JACOBS, SAMUEL WILLIAM—Cartier.
JOHNSTONE, LEWIS WILKIESON—Cape Breton North-Victoria.
JONES, HON. GEORGE BURPEE—Royal

KENNEDY, DONALD M.—Peace River.
KENNEDY, WILLIAM WALKER—Winnipeg South Centre.
KING, RT. HON. W. L. MACKENZIE—Prince Albert.

LACROIX, EDOUARD—Beauce.
LAFLECHE, FRANCOIS JOSEPH—Richmond-Wolfe.
LAPOINTE, HON. ERNEST—Quebec East.
LARUE, JOSEPH ERNEST HENRI—Matane.
LAURIN, GEORGE P.—Jacques Cartier.
LAVERGNE, ARMAND RENAUD—Montmagny.
LAWSON, JAMES EARL—York West.
LENNOX, T. HERBERT—York North.
LOUCKS, WILLIAM JOHN—Rosetown.
LUCAS, WILLIAM THOMAS—Camrose.
LUCHKOVICH, MICHAEL—Vegreville.

MACDONALD, FINLAY—Cape Breton South.
MACDONALD, HON. JOHN A.—Kings.
[1] MACDONALD, JOHN A.—Richmond-West Cape Breton.
MACDOUGALL, ISAAC DUNCAN—Inverness.
MACINNIS, ANGUS—Vancouver South.
MACKENZIE, HON. IAN ALASTAIR—Vancouver Centre.
MACLAREN, HON. MURRAY—St. John-Albert.
MACLEAN, ALFRED EDGAR—Prince.
MACMILLAN, FRANK ROLAND—Saskatoon.
MACNICOL, JOHN RITCHIE—Toronto Northwest.
MACPHAIL, AGNES CAMPBELL—Grey Southeast.
MCDADE, GEORGE MANNING—Northumberland.
MCGIBBON, PETER—Muskoka-Ontario.
MCGILLIS, ANGUS—Glengarry.
MCGREGOR, ROBERT HENRY—York South.
MCINTOSH, CAMERON ROSS—North Battleford.
MCKENZIE, ROBERT—Assiniboia.
[2]MCLEAN, MICHAEL DALTON—Kootenay East.
MCLURE, W. CHESTER S.—Queens.
MCMILLAN, THOMAS—Huron South.
MCPHEE, GEORGE W.—Yorkton.
MALCOLM, HON. JAMES—Bruce North.
MALONEY, MARTIN J.—Renfrew South.
MANION, HON. ROBERT JAMES—Fort. William.
MARCIL, HON. CHARLES—Bonaventure.
MATTHEWS, ROBERT CHARLES—Toronto East Centre.
MERCIER, JOSEPH ALEXANDRE—Laurier-Outremont.
MERCIER, PAUL—St. Henri.

1 Resigned seat, August 22, 1930. Hon. E. N. Rhodes elected in by-election, September 2, 1930.
2 Resigned seat, August 7, 1930. Hon. H. H. Stevens elected in by-election, August 25, 1930.

MOORE, JOHN CLARKE—Chateauguay-Huntingdon.
MOORE, WILLIAM HENRY—Ontario.
MORAND, HON. RAYMOND D.—Essex East.
MOTHERWELL, HON. WILLIAM R.—Melville.
MULLINS, HENRY ALFRED—Marquette.
MUNN, ALBERT EDWARD—Vancouver North.
MURPHY, HON. THOMAS GEROW—Neepawa.
MYERS, JOHN HOWARD—Queens.

NEILL, ALAN WEBSTER—Comox-Alberni.
NICHOLSON, GEORGE BRECKEN—Algoma East.

PARENT, LOUIS ETIENNE—Terrebonne.
PECK, EDWARD ARMOUR—Peterborough West.
PERLEY, HON. SIR GEORGE HALSEY, K.C.M.G.—Argenteuil.
PERLEY, ERNEST EDWARD—Qu'Appelle.
PERRAS, F. WILLIAM—Wright.
PETTIT, GEORGE HAMILTON—Welland.
PICKEL, FOLLIN HORACE—Brome-Mississquoi.
PLUNKETT, D'ARCY BRITTON—Victoria.
PORTEOUS, VICTOR CLARENCE—Grey North
POULIOT, JEAN FRANCOIS—Temiscouata
POWER, CHARLES GAVAN—Quebec South.
PRICE, OTTO BAIRD—Westmorland.

QUINN, FELIX PATRICK—Halifax.

RALSTON, HON. JAMES LAYTON—Shelburne-Yarmouth.
RAYMOND, MAXIME—Beauharnois.
REID, THOMAS—New Westminster.
[1] RENNIE, GEORGE SEPTIMUS—Hamilton East.
RHEAUME, MARTIAL—St. Johns-Iberville.
RHODES, HON. EDGAR NELSON—Richmond-West Cape Breton.
RINFRET, HON. FERNAND—St. James.
ROBERGE, EUSEBE—Megantic.
ROBINSON, SIDNEY CECIL—Essex West.
ROBITAILLE, CLEMENT—Maisonneuve.
ROGERS, HON. ROBERT—Winnipeg South.
ROSS, ARTHUR EDWARD—Kingston City.
ROWE, WILLIAM EARL—Dufferin-Simcoe.
RUTHERFORD, JAMES WARREN—Kent (Ont.).
RYCKMAN, HON. EDMOND BAIRD—Toronto East.
RYERSON, ROBERT EDWY—Brantford City.
ST. PÈRE, EDOUARD CHARLES—Hochelaga.
SANDERSON, FREDERICK GEORGE—Perth South.
SAUVÉ, HON. ARTHUR—Laval-Two Mountains.
SEGUIN, PAUL ARTHUR—L'Assomption-Montcalm.
SENN, MARK CECIL—Haldimand.
SHAVER, FRANK THOMAS—Stormont.
SHORT, HARRY B.—Digby-Annapolis.
SIMPSON, JOHN THOMAS—Simcoe North.
SIMPSON, THOMAS EDWARD—Algoma West.
SMITH, BENJAMIN FRANKLIN—Victoria-Carleton.
SMITH, ROBERT KNOWLTON—Cumberland.
SMOKE, FRANKLIN—Brant.
SPANKIE, WILLIAM—Frontenac-Addington.
SPEAKMAN, ALFRED—Red Deer.
SPENCE, DAVID—Parkdale.
SPENCER, HENRY ELVINS—Battle River.
SPOTTON, GEORGE—Huron North.
SPROULE, JOHN T.—Lambton East.
STANLEY, GEORGE DOUGLASS—Calgary East.
STEVENS, HON. HENRY HERBERT—KOOTENAY East.
STEWART, HON. CHARLES—Edmonton West.
STEWART, HON. HUGH ALEXANDER—Leeds.
STEWART, JOHN SMITH—Lethbridge.
STINSON, THOMAS HUBERT—Victoria (Ont.).
STIRLING, GROTE—Yale.
STITT, BERNARD MONROE—Nelson.
STITT, JAMES HERBERT—Selkirk.
SULLIVAN, JOHN ALEXANDER—St. Ann.
SUTHERLAND, HON. DONALD M.—Oxford North.
SWANSTON, JAMES BECK—Maple Creek.

TAYLOR, WILLIAM HORACE—Norfolk-Elgin.
TETRAULT, J. EUGENE—Shefford.
THAUVETTE, JOSEPH—Vaudreuil-Soulanges.
THOMPSON, ALFRED BURKE—Simcoe East.
THOMPSON, THOMAS ALFRED—Lanark.
TOTZKE, ALBERT FREDERICK—Humboldt.
TUMMON, WILLIAM ERNEST.—Hastings South.
TURNBULL, FRANKLIN WHITE—Regina.

URQUHART, MARTIN LUTHER—Colchester.

VALLANCE, JOHN—South Battleford.
VENIOT, HON. PETER JOHN—Gloucester.
VERVILLE, J. ACHILLE—Lotbinière.

WEESE, JOHN AARON—Prince Edward-Lennox.
WEIR, HON. ROBERT—Melfort.
WEIR, WILLIAM GILBERT—Macdonald.
WHITE, JOHN FRANKLIN—London.
WHITE, ROBERT SMEATON—Mount Royal.
WILLIS, ERRICK FRENCH—Souris.
WILSON, GORDON CROOKS—Wentworth.
WOODSWORTH, JAMES SHAVER—Winnipeg North Centre.
WRIGHT, DAVID MCKENZIE—Perth North.

YOUNG, EDWARD JAMES—Weyburn.

[1] Died, October 13, 1930.

ALPHABETICAL LIST

OF THE

Constituencies of the House of Commons

WITH THE NAMES OF THE MEMBERS

First Session, Seventeenth Parliament

ACADIA—Gardiner, Robert.
ALGOMA EAST—Nicholson, George Brecken.
ALGOMA WEST—Simpson, Thomas Edward.
ANTIGONISH-GUYSBOROUGH—Duff. William.
ARGENTEUIL—Perley, Hon. Sir George Halsey, K.C.M.G.
ASSINIBOIA—McKenzie, Robert.
ATHABASKA—Buckley, John Franklin.

BAGOT—Dumaine, Cyrille.
BATTLE RIVER—Spencer, Henry Elvins.
BEAUCE—Lacroix, Edouard.
BEAUHARNOIS—Raymond, Maxime.
BELLECHASSE—Boulanger, Oscar L.
BERTHIER-MASKINONGÉ—Barrette, Joseph Arthur.
BONAVENTURE—Marcil, Hon. Charles.
BOW RIVER—Garland, Edward J.
BRANDON—Beaubier, David Wilson.
BRANT—Smoke, Franklin.
BRANTFORD CITY—Ryerson, Robert Edwy.
BROME-MISSISQUOI—Pickel, Follin Horace.
BRUCE NORTH—Malcolm, Hon. James.
BRUCE SOUTH—Hall, Walter Allan.

CALGARY EAST—Stanley, George Douglass.
CALGARY WEST—Bennett, Right Hon. Richard Bedford.
CAMROSE—Lucas, William Thomas.
CAPE BRETON NORTH-VICTORIA—Johnstone, Lewis Wilkieson.
CAPE BRETON SOUTH—MacDonald, Finlay.
CARIBOO—Fraser, John Anderson.
CARLETON—Garland, William Foster.
CARTIER—Jacobs, Samuel William.
CHAMBLY-VERCHÈRES—Duranleau, Hon. Alfred.
CHAMPLAIN—Baribeau, Jean Louis.
CHARLEVOIX-SAGUENAY—Casgrain, Pierre François.
CHARLOTTE—Ganong, Arthur Deinstadt.
CHÂTEAUGUAY-HUNTINGDON — Moore, John Clarke.
CHICOUTIMI—Dubuc, Julien Edouard Alfred.
COLCHESTER—Urquhart, Martin Luther.
COMOX-ALBERNI—Neill, Alan Webster.
COMPTON—Gobeil, Samuel.
CUMBERLAND—Smith, Robert Knowlton.

DAUPHIN—Bowman, James Langstaff.
DIGBY-ANNAPOLIS—Short, Harry B.
DORCHESTER—Gagnon, Onésime.
DRUMMOND-ARTHABASKA—Girouard, Wilfrid.
DUFFERIN-SIMCOE—Rowe, William Earl.
DURHAM—Bowen, Fred Wellington.

EDMONTON EAST—Bury Ambrose Upton Gledstanes.
EDMONTON WEST—Stewart, Hon. Charles.
ELGIN WEST—Hepburn, Mitchell Frederick.
ESSEX EAST—Morand, Hon. Raymond D.
ESSEX SOUTH—Gott, Eccles James.
ESSEX WEST—Robinson, Sidney Cecil.

FORT WILLIAM—Manion, Hon. Robert James.
FRASER VALLEY—Barber, Harry James.
FRONTENAC-ADDINGTON—Spankie, William.

GASPÉ—Brassett, Maurice.
GLENGARRY—McGillis, Angus.
GLOUCESTER—Veniot, Hon. Peter John.
GRENVILLE-DUNDAS—Casselman, Arza Clair.
GREY NORTH—Porteous, Victor Clarence.
GREY SOUTHEAST—Macphail, Agnes Campbell.

HALDIMAND—Senn, Mark Cecil.
HALIFAX—Black, Hon. William Anderson.
Quinn, Felix Patrick.
HALTON—Anderson, Robert King.
HAMILTON EAST—[1] Rennie, George Septimus.
HAMILTON WEST—Bell, Charles William.
HANTS-KINGS—Ilsley, James Lorimer.
HASTINGS-PETERBOROUGH—Embury, Alexander Thomas.
HASTINGS SOUTH—Tummon, William Ernest.

[1] Died, October 13, 1930.

HOCHELAGA—St-Père, Edouard Charles.
HULL—Fournier, Alphonse.
HUMBOLDT—Totske, Albert Frederick.
HURON NORTH—Spotton, George.
HURON SOUTH—McMillan, Thomas.

INVERNESS—Macdougall, Isaac Duncan.

JACQUES CARTIER—Laurin, Georges P.
JOLIETTE—Ferland, Charles Edouard.

KAMOURASKA—Bouchard, Georges.
KENORA-RAINY RIVER—Heenan, Hon. Peter.
KENT (N.B.)—Arsenault, Telesphore.
KENT (Ont.)—Rutherford, James Warren.
KINDERSLEY—Carmichael, Archibald M.
KINGS—Macdonald, Hon. Jonh A.
KINGSTON CITY—Ross, Arthur Edward.
KOOTENAY EAST—[1] McLean, Michael Dalton.
[2] Stevens, Hon. Henry Herbert.
KOOTENAY WEST—Esling, William Kemble.

LABELLE—Bourassa, Henri.
LAKE ST. JOHN—Duguay, Joseph Leonard.
LAMBTON EAST—Sproule, John T.
LAMBTON WEST—Gray, Ross Wilfred.
LANARK—Thompson, Thomas Alfred.
LAPRAIRIE-NAPIERVILLE—Dupuis, Vincent.
L'ASSOMPTION-MONTCALM—Séguin, Paul Arthur.
LAST MOUNTAIN—Butcher, Harry.
LAURIER-OUTREMONT—Mercier, Joseph Alexandre.
LAVAL-TWO MOUNTAINS—Sauvé, Hon. Arthur
LEEDS—Stewart, Hon. Hugh Alexander.
LETHBRIDGE—Stewart, John Smith.
LEVIS—Fortin, Emile.
LINCOLN—Chaplin, Hon. James Dew.
LISGAR—Brown, John Livingstone.
L'ISLET—Fafard, J. Fernand.
LONDON—White, John Franklin.
LONG LAKE—Cowan, Walter Davy.
LOTBINIERE—Verville, J. Achille.

MACDONALD—Weir, William Gilbert.
MACKENZIE—Campbell, Milton Neil.
MACLEOD—Coote, George Gibson.
MAISONNEUVE—Robitaille, Clement.
MAPLE CREEK—Swanston, James Beck.
MARQUETTE—Mullins, Henry Alfred.
MATANE—Larue, Joseph Ernest Henry.
MEDICINE HAT—Gershaw, Frederick William.
MÉGANTIC—Roberge, Eusèbe.
MELFORT—Weir, Hon. Robert.
MELVILLE—Motherwell, Hon. William Richard.
MIDDLESEX EAST—Boyes, Frank.
MIDDLESEX WEST—Elliott, Hon. John Campbell.
MONTMAGNY—LaVergne, Armand Renaud.
MOOSE JAW—Beynon, William Addison.
MOUNT ROYAL—White, Robert Smeaton.
MUSKOKA-ONTARIO—McGibbon, Peter.

NANAIMO—Dickie, Charles Herbert.
NEEPAWA—Murphy, Hon. Thomas Gerow.
NELSON—Stitt, Bernard Munroe.
NEW WESTMINSTER—Reid, Thomas.
NICOLET—Dubois, Lucien.
NIPISSING—Hurtubise, J. R.
NORFOLK-ELGIN—Taylor, William Horace.
NORTH BATTLEFORD—McIntosh, Cameron Ross.
NORTHUMBERLAND (N.B.)—McDade, George Manning.
NORTHUMBERLAND (ONT.)—Fraser, William Alexander.

ONTARIO—Moore, William Henry.
OTTAWA—Ahearn, T. Franklin.
Chevrier, Edgar Rodolphe Eugène.
OXFORD NORTH—Sutherland, Hon. Donald M.
OXFORD SOUTH—Cayley, Thomas Merritt.

PARKDALE—Spence, David.
PARRY SOUND—Arthurs, James.
PEACE RIVER—Kennedy, Donald M.
PEEL—Charters, Samuel.
PERTH NORTH—Wright, David McKay.
PERTH SOUTH—Sanderson, Frederick George.
PETERBOROUGH WEST—Peck, Edward Armour.
PICTOU—Cantley, Thomas.
PONTIAC—Belec, Charles.
PORTAGE LA PRAIRIE—Burns, William Herbert.
PORT ARTHUR-THUNDER BAY—Cowan, Donald James.
PORTNEUF—Desrochers, Jules.
PRESCOTT—Bertrand, Elie Oscar.
PRINCE ALBERT—King, Rt. Hon. W. L. Mackenzie.
PRINCE EDWARD-LENNOX—Weese, John Aaron.
PRINCE—MacLean, Alfred Edgar.
PROVENCHER—Beaubien, Arthur Lucien

[1] Resigned seat, August 7, 1930.
[2] Elected in by-election, August 25, 1930.

Qu'Appelle—Perley, Ernest Edward.
Quebec-Montmorency—Dorion, Charles, Napoleon.
Quebec East—Lapointe, Hon. Ernest.
Quebec South—Power, Charles Gavan.
Quebec West—Dupré, Hon. Maurice.
Queens-Lunenburg—Ernst, William Gordon.
Queens—McLure, W. Chester S.
Myers, John H.

Red Deer—Speakman, Alfred.
Regina—Turnbull, Franklin White.
Renfrew North—Cotnam, Ira Delbert.
Renfrew South—Maloney, Martin J.
Restigouche-Madawaska—Cormier, Maxime D.
Richelieu—Cardin, Hon. Pierre J. A.
Richmond-West Cape Breton—[1] Macdonald, John Alexander.
[2]Rhodes, Hon. Edgar Nelson.
Richmond-Wolfe—Lafleche, Francois Joseph.
Rimouski—Fiset, Sir Eugène, Kt.
Rosetown—Loucks, William John.
Royal—Jones, Hon. George Burpee.
Russell—Goulet, Alfred.

St. Ann—Sullivan John Alexander.
St. Antoine—Bell Leslie Gordon.
St. Boniface—Howden, John Power.
St. Denis—Denis, J. Arthur.
St. Henri—Mercier, Paul.
St. Hyacinthe-Rouville—Fontaine, T. Adelard.
St. James—Rinfret, Hon. Fernand.
St. John-Albert—MacLaren, Hon. Murray.
Bell, Thomas.
St. Johns-Iberville—Rheaume, Martial.
St. Lawrence-St. George—Cahan, Hon. Charles Hazlitt.
St. Mary—Deslauriers, Hermas.
Saskatoon—MacMillan, Frank Roland.
Selkirk—Stitt, James Herbert.
Shefford—Tetrault, J. Eugene.
Shelburne-Yarmouth—Ralston, Hon. James Layton.
Sherbrooke—Howard, Charles B.
Simcoe East—Thompson, Alfred Burke.
Simcoe North—Simpson, John Thomas.
Skeena—Hanson, Olof.
Souris—Willis, Errick French.
South Battleford—Vallance, John.
Springfield—Hay, Thomas.
Stanstead—Hackett, John Thomas.
Stormont—Shaver, Frank Thomas.
Swift Current—Bothwell, Charles Edward.

Temiscouata—Pouliot, Jean Francois.
Terrebonne—Parent, Louis Etienne.
Three Rivers-St. Maurice—Bettez Arthur.
Timiskaming North—Bradette, Joseph A.
Timiskaming South—Gordon, Hon. Wesley Ashton.
Toronto East—Ryckman, Hon. Edmond Baird.
Toronto East Centre—Matthews, Robert Charles.
Toronto-High Park—Anderson, Alexander James.
Toronto Northeast—Baker, Richard Langton.
Toronto Northwest—MacNicol, John Ritchie.
Toronto-Scarborough—Harris, Joseph Henry.
Toronto South—Geary, George Reginald.
Toronto West Centre—Factor, Samuel.

Vancouver-Burrard—Hanbury, Wilfred.
Vancouver Centre—Mackenzie, Hon. Ian Alastair.
Vancouver North—Munn, Albert Edward.
Vancouver South—MacInnis, Angus.
Vaudreuil-Soulanges—Thauvette, Joseph.
Vegreville—Luchkovich, Michael.
Victoria (B.C.)—Plunkett, D'Arcy Britton.
Victoria (Ont.)—Stinson, Thomas Hubert.
Victoria-Carleton (N.B.)—Smith, Benjamin Franklin.

Waterloo North—Euler, Hon. William Daum.
Waterloo South—Edwards, Alexander McKay.
Welland—Pettit, George Hamilton.
Wellington North—Blair, John Knox.
Wellington South—Guthrie, Hon. Hugh.
Wentworth—Wilson, Gordon Crooks.
Westmoreland—Price, Otto Baird.
Wetaskiwin—Irvine, William.
Weyburn—Young, Edward James.
Willow Bunch—Donnelly, Thomas F.
Winnipeg North—Heaps, Abraham Albert.
Winnipeg North Centre — Woodsworth, James Shaver.
Winnipeg South—Rogers, Hon. Robert.
Winnipeg South Centre—Kennedy, William Walker.
Wright—Perras, F. William.

Yale—Stirling, Grote.
Yamaska—Boucher, Aimé.
York North—Lennox, T. Herbert.
York South—McGregor, Robert Henry.
York West—Lawson, James Earl.
York-Sunbury—Hanson, Richard B.
Yorkton—McPhee, George W.
Yukon—Black, Hon. George.

1 Resigned seat, August 22, 1930.
2 Elected in by-election, September 2, 1930.

CANADA

House of Commons Debates

OFFICIAL REPORT

FIRST SESSION—SEVENTEENTH PARLIAMENT

The sixteenth parliament having been prorogued on the thirtieth day of May, 1930, and dissolved by proclamation on the same day, and writs having been issued and returned, a new parliament was summoned to meet for the despatch of business on Monday, September 8, 1930, and did accordingly meet on that day.

Monday, September 8, 1930

This being the day on which parliament is convoked by proclamation of the Governor General for the despatch of business, and the members of the house being assembled:

Arthur Beauchesne, Esquire, M.A., K.C., the Clerk of the House, read to the house a letter from the Governor General's secretary informing him that the Chief Justice of Canada, in his capacity as Deputy Governor General, would proceed to the Senate chamber on Monday, the 8th of September, at 12 noon, to open the session.

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

Gentlemen of the House of Commons:

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

Accordingly the house went up to the Senate chamber, when the Speaker of the Senate said:

Honourable Gentlemen of the Senate:

Gentlemen of the House of Commons:

I have it in command to let you know that His Excellency the Governor General does not see fit to declare the causes of the summoning the present Parliament of Canada until the Speaker of the House of Commons shall have been chosen according to law; but to-day, at the hour of three o'clock in the afternoon, His Excellency will declare the causes of calling this parliament.

And the members being returned to the Commons chamber.

ELECTION OF SPEAKER

Hon. R. B. BENNETT (Prime Minister): Mr. Beauchesne, we have just been advised on behalf of the representative of our gracious sovereign to organize this house by electing a Speaker.

For upwards of six hundred years we have a record of the presiding officers in the mother of parliaments. The practice and procedure of that great assembly we have made the basis of our own. The 245 members of this house and of our democratic institutions are chosen to represent and speak for the millions of electors throughout the Dominion. We are now about to choose a Speaker to represent, and, as the name implies, speak for this assembly as one branch of the parliament of Canada. In the early days of parliamentary institutions such speaking was often very much to the point and did not always give pleasure to the king.

In addition to being Speaker of and for this house, the member about to be elected will be its presiding officer. It is his duty to maintain order in debate, to put the question to the house, to declare the vote on motions and direct the orderly conduct of the public business in accordance with the rules and procedure which we have adopted for that purpose. Such an officer exercises great authority. He must possess certain qualities that in the main are fairly well understood. Lord Palmerston asked Mr. Delaine for his opinion of the relative merits

of several gentlemen who were mentioned for the office of Speaker, and that great editor of the Times mentioned the five different qualifications which, in his opinion, a Speaker should possess. One of these was imperturbability, good temper, tact, patience and urbanity, and another, a previous legal training if possible. That was in the middle of the nineteenth century. In my own judgment, a Speaker should, by training, experience and character, command the confidence and esteem of his fellow members, for he is the Speaker both of and for the members of this house collectively and not of the government. He must be impartial as befits a judge who applies the rules of procedure to each case as it may arise, without regard to party or the position of the member concerned. While deliberate, he must be firm. While having due regard to the position of ministers of state, he must be possessed of courage to apply the rules to the members on terms of their absolute equality. In that regard we may recall the example of Lenthall, a Speaker of the mother of parliaments, who, in 1640, when Charles took his chair and demanded the whereabouts of the five members, replied: "Your Majesty, I have neither eyes to see nor tongue to speak in this place but as the house is pleased to direct me, whose servant I am here, and I humbly beg Your Majesty's pardon that I cannot give any other answer than this to what Your Majesty is pleased to demand of me." The Speaker must be jealous of the reputation of this house, maintaining its great traditions and the dignity of his office.

It is difficult, indeed impossible, to find among our members one possessed of all these qualifications, but in the member for the Yukon (Mr. Black) we have a gentleman who has the experience of nearly a decade of service as a member of our chamber, where he has acquired an extensive knowledge of our rules and the practice and procedure of this house. His career at the bar has been creditable, ensuring knowledge of the law and custom of our constitution. He has served with distinction as administrator of the federal power in the unorganized territory of the Yukon and thus acquired knowledge of the conduct of the business of government. For several years he knew the vicissitudes and hardships of war and learned the value of discipline, and attention to detail.

In the confidence that he will discharge the onerous duties and responsibilities of the high office and worthily maintain its great traditions with honour and distinction to himself and to the increasing satisfaction of the members of this house, I do now move, seconded by Mr. Guthrie:

That George Black, Esquire, member for the electoral district of Yukon, do take the chair as Speaker of this Commons House of the seventeenth parliament of Canada.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Beauchesne, to the name which the Prime Minister (Mr. Bennett) has just placed in nomination as that of the person to be chosen as Speaker of this house, I have no exception whatever to take. Indeed, I wish to join with him in my expression of appreciation of the many splendid personal qualities as well as professional abilities of the gentleman whom he has just nominated as Speaker.

I should like also to associate myself in cordial agreement with all that the Prime Minister has said in reference to the great importance of the office of Speaker of the House of Commons.

As the Prime Minister has said, in olden times the office had a twofold function which made it in at least one particular different from what it is to-day. The relation between the commons and the sovereign was not always what it happily is at the present time in all parts of the British Empire, and particularly what it is between the commons and His Majesty's representative in Canada. The function of being the link between the commons and the crown calls for little in the way of comment at the present time. However, as presiding officer of this house, as the custodian of its honour, of its rights and privileges, the Speaker's position does place a very great responsibility upon whoever occupies that office, and it also does demand much in the way of high character and ability. As the Prime Minister has just said, the Speaker must be possessed of calm judgment, discretion, the power of quick decision, tact and patience, and, I might add, possibly also of a sense of humour, and an understanding in large measure of human nature. These are many virtues to be possessed by one man. I believe that the hon. member from the Yukon (Mr. Black) does possess these qualities in large measure.

There is, above all others, one quality which is demanded of the hon. gentleman who occupies the position of Speaker, and that is the quality of impartiality. The position of Speaker is in many respects identical with that of a judge. Indeed, in the old country the Speaker's office is regarded more or less as a judicial position. There the Speaker is paid a salary equal to that paid to the highest judges in the realm. Under

British custom he continues in office during the time he is in parliament. He is given a pension when he retires, and sometimes is elevated to the peerage. Some of these rewards, perhaps fortunately, we are not in a position to bestow in this country. But as to the position being made a secure one, I believe all will agree that the certainty of tenure the British system affords is an important consideration and factor in the position of one who is to discharge the responsibilities to which I have referred.

Neither I nor any who sit on this side have any exception to take to the name which has been proposed. But we do not forget that our hon. friend from the Yukon has been in his day a strong partisan, and I hope he will not mind if I say to him that we trust and believe that when he takes the office of Speaker he will accept it in the spirit in which members of the bar, promoted to the bench in our country, have so generally accepted office, leaving partisanship behind them and regarding themselves as guardians of the rights of those not on one side only but on both.

I can assure my hon. friend that if he is as careful of the rights of those to the left of the chair as of those to the right, if he will have the same regard for the rights and privileges of the minority as of the majority, he will always receive from those of us who sit to his left the respect and deference which are due to his high position. I congratulate him upon being nominated to this position and I wish him well in the office so long as he may continue to occupy it.

While I have no exception to take to the nomination which has been made, I recall that, in 1921 when I was sitting opposite, where my hon. friend is at the moment, his predecessor in the leadership of the Conservative party took very strong exception at that time to the fact that the name of the Speaker had been announced prior to the time at which parliament was in session. My hon. friend will see on Hansard that Mr. Meighen took the view that the government have not any right as such to name a speaker, that the Speaker is essentially an officer of the House of Commons; he is an appointee of the House of Commons and is in no sense an appointee of the government. Of course, one would expect that a government, and especially a government with the majority such as hon. gentlemen opposite have, would be expected to name the person who was to occupy the position of Speaker, but my hon. friend has laid stress on British custom, and I think he will agree that I am right when I say that at Westminster it is usually left to a private member on the government side of the house to make the nomination albeit in accord with the wishes of the government.

I have no desire to be critical in a small way regarding a matter of this kind. I think much can be said for letting the public know in advance of the assembling of parliament who in all probability is likely to receive the appointment. However, I feel that something should be said against the zeal which hon. gentlemen opposite have displayed not only in filling the office immediately but in installing its occupant in office before the House of Commons itself has appointed him to the position. Section 15 of chapter 145, the statute in respect to the House of Commons, reads as follows:

> The person who fills the office of Speaker at the time of any dissolution of parliament, shall, for the purpose of the following provisions of this act, be deemed to be the Speaker until a Speaker is chosen by the new parliament.

I submit that my hon. friend as Prime Minister, with respect to the appointment of one who is to be custodian of the rights and privileges of parliament, might have given additional thought to the importance of conserving in form, appearance and even in reality those customs upon which he has laid so great emphasis, the customs which come to us from long tradition and practice in the British parliament.

While I have that one discordant note to sound, which I feel this action calls for, may I say again that in no way is it intended to reflect upon the gentleman whose name has been put in nomination, and I once more congratulate him on behalf of those who are sitting in opposition and, as I have said, wish him well during the time he may be in office.

Mr. ROBERT GARDINER (Acadia): Mr. Beauchesne, on behalf of the group in this corner of the house I have very much pleasure in supporting the motion of the Prime Minister. We have had the privilege of knowing the hon. member for the Yukon (Mr. Black) since 1922 and while he has been a party man we have found him to be always very fair and impartial. Let me assure the hon. gentleman that when he becomes the first officer of this house he will always secure the support of the hon. members in this corner of the house provided he continues in that spirit of impartiality.

The Clerk of the House declared the motion carried in the affirmative, nemine contradicente, and Honourable George Black, member for the electoral district of Yukon, duly elected to the chair of the House.

Honourable Mr. Black was conducted from his seat in the House to the Speaker's chair by Hon. R. B. Bennett and Hon. Hugh Guthrie.

Mr. SPEAKER-ELECT said: It is with sincere gratitude that I thank my fellow members for the great honour they have conferred upon me by electing me to the exalted office of Speaker of the House of Commons. Fully appreciating my unworthiness of such a mark of distinction, its bestowal is the more gratefully acknowledged. As a member of this house for nearly a decade I have had the pleasure and privilege of forming personal friendships with the great majority of the members of that period. I look forward to the same happy experience in meeting the new members. There are among the members of the House of Commons many having a profound knowledge of the established rules and usages of this institution and I am confident that in my endeavour to maintain and uphold the traditions, privileges, liberties and customs of the house they will extend to me the benefit of that knowledge and experience and that thereby those rights, privileges and complete freedom of speech with due decorum may be preserved. It is my desire, as presiding officer, to conduct myself with such impartiality that when the time comes for me to vacate this office the members will retain for me the same measure of respect, regard and good will that has been so graciously expressed to-day.

Mr. BENNETT moved:

That when this house adjourns it stand adjourned until three o'clock this afternoon.

Motion agreed to.

On motion of Mr. Bennett the house adjourned at 12.40 p.m.

The house met at three o'clock.

OPENING OF THE SESSION

Mr. Speaker read a communication from the Governor General's secretary announcing that His Excellency would proceed to the Senate chamber at 3 p.m. on this day for the purpose of formally opening the session of the Dominion parliament.

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

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

[Mr. Gardiner.]

Accordingly the house went up to the Senate chamber. Then the Hon. George Black, Speaker-elect, said:

May it please Your Excellency,

The House of Commons have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned to me. If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons whose servant I am.

The honourable the Speaker of the Senate, addressing the honourable the Speaker of the House, then said:

Mr. Speaker, I am commanded by His Excellency the Governor General to assure you that your words and actions will constantly receive from him the most favourable construction.

Then His Excellency the Governor General was pleased to open parliament by a speech from the throne.

And the house being returned to the Commons chamber:

Mr. SPEAKER: I have the honour to state that the house having attended on His Excellency the Governor General in the Senate chamber, I informed His Excellency that the choice of Speaker had fallen upon me, and, in your names, and on your behalf, I made the usual claim for your privileges, which His Excellency was pleased to confirm to you.

OATHS OF OFFICE

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

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

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

Honourable Members of the Senate:

Members of the House of Commons:

It affords me great satisfaction to be associated with you in the important duties upon which you are about to enter at this the first session of the seventeenth parliament of Canada.

The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff which it is anticipated will do much to meet the unusual conditions which now prevail.

Honourable Members of the Senate:
Members of the House of Commons:
In inviting your careful consideration of the important matters which will engage your attention, I pray that Divine Providence may guide and bless your deliberations.

INTERNAL ECONOMY COMMISSION

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

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable Edmond Baird Ryckman, Minister of National Revenue, the Honourable Alfred Duranleau, Minister of Marine, the Honourable Thomas Gerow Murphy, Minister of the Interior and Superintendent General of Indian Affairs, and the Honourable Edgar Nelson Rhodes, Minister of Fisheries, to act with the Speaker of the House of Commons as Commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act respecting the House of Commons.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT MOTIONS AND ORDERS

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

That on and after this day, the 8th of September, and all subsequent Mondays, Wednesdays and Thursdays, until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

Some hon. MEMBERS: Explain.

Mr. BENNETT: I apprehend it is unnecessary to do more than say that this will have the effect of giving government business precedence over private members' motions, and I assume, having regard to the fact that the house is called for a specific purpose that there will be no objection on the part of my right hon. friend (Mr. Mackenzie King), and those associated with him, to this action being taken.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): So long as it is understood that this will not be considered a precedent for waiving notices.

Motion agreed to.

SUSPENSION OF CERTAIN STANDING ORDERS DURING THE PRESENT SESSION

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

That standing orders 63, 80, 84, 94 and 122 be suspended during the present session.

He said: These orders relate to the appointment of committees, the laying of reports on the table, the distribution of lists of documents, and the standing orders respecting the publication of the rules of the library of parliament. Under similar circumstances it has been customary to move the suspension of these rules.

Motion agreed to.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY MOVED BY MR. TURNBULL AND SECONDED BY MR. GAGNON

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

Mr. F. W. TURNBULL (Regina) moved:

That an address be forwarded to His Excellency the Governor General to thank him for the speech which he so graciously delivered to both houses of parliament.

He said: Mr. Speaker, my remarks on the present occasion necessarily will be brief, but before proceeding to the discussion of the motion which I propose I wish to be the first to congratulate you, sir, upon your elevation to the high office of the speakership, which places you in charge of the deliberations of this assembly, a position for which your long service in parliament and your good judgment have very well fitted you. May I say that your appointment reflects credit upon yourself as well as upon the good judgment of parliament, and I trust that you may be long spared to preside over the deliberations of the House of Commons of Canada.

I wish also to thank the Prime Minister (Mr. Bennett) and his colleagues for the honour they have done my constituency and myself in selecting me for my present honourable duty. My sense of duty and responsibility on this occasion is increased because of the fact that this new parliament has been specially called at this early date to deal with serious problems arising out of the economic conditions existing in this Dominion.

Realizing as I do that service is a privilege as well as a responsibility, I wish also to congratulate the Prime Minister and his colleagues upon their having been entrusted with the duty of presiding over the affairs of this country, and the further duty of re-establishing confidence in the government among the people of our country. Once again, as in days gone by, the people have turned in their hour of trial and difficulty to the Conservative party, in the firm belief that the policies of that party will bring order out of chaos and

start Canada once more on the upward path of progress and prosperity. This may be also a fitting moment to congratulate those who survived the recent conflict and condole with those who have fallen. We "rejoice with those that do rejoice, and weep with those that weep."

Before parliament meets again the imperial conference and the imperial economic conference will have written their records upon the pages of history. May the deliberations of these imperial assemblies form yet another invisible link of empire and further cement the bonds of affection and of mutual interest which strongly unite the far-flung peoples who proudly declare their allegiance to our sovereign lord His Majesty the King.

It will be the privilege of the new government in the near future formally to deliver to the province of Saskatchewan almost upon its twenty-fifth birthday what remains of the great natural heritage of lands, mines and minerals withheld from that province since its formation in 1905. It is a matter of congratulation that the conflict of opinion which has existed with regard to this question is now at an end and that time has vindicated the stand taken by Hon. Sir Frederick W. G. Haultain and his followers during the twenty-five years which have elapsed since the formation of this province. In this connection I should like to suggest to the Minister of the Interior that he take up with the province the idea of establishing a small national park in the Moose mountain area in the south-eastern part of the province. The district is not particularly suitable for farming; it includes a lake, forest and hilly area which would be particularly adapted to a park. This also would be a very fine location for a big game preserve. The tourist trade of Canada has become a very great industry, but for various reasons Saskatchewan has not been receiving its proportion of that trade. This park would be close to the United States boundary, and with the aid of the good roads now being rapidly constructed in the province of Saskatchewan it would form a wonderful playground for our own people. In addition, these beautiful lakes and forests would attract a large volume of traffic from the south which, by means of the national highways, would reach the other beauty spots of Canada. The tourist traffic is of very great value because, in addition to the money which these tourists leave in the country as they pass through, it is a great influence for international good will and an unequalled advertisement of the greatness of the Dominion of Canada.

This session parliament has been especially summoned to deal with unemployment, and we address ourselves to that task with the knowledge that our people, being self-reliant and vigorous, desire an opportunity to work rather than the giving of charity. In my own province of Saskatchewan and in my own constituency, in spite of the strenuous efforts of the municipal and provincial authorities, these problems are very acute. The demand for harvest labour at the present time has afforded some temporary relief, but in the near future with the approach of winter, the situation will become more difficult. Unfortunately seasonal unemployment in Saskatchewan has not been an extraordinary condition, due to the nature of the climate and also because of the preponderance of wheat growing in our agricultural industry, but this year, following some indications which arose last year, a special condition has been brought about and we found that a large portion of our people, through no fault of their own, were out of work during the summer months when their labour should have been in demand. This condition existed in spite of the fact that the provincial government expedited its program of public construction as far as possible under the circumstances. These people now find themselves confronted with the approach of winter and have nothing in reserve from their summer employment with which to provide food and clothing for their families.

The situation undoubtedly was sufficiently critical to warrant the calling of a session of parliament to deal with the measures necessary to afford these people a chance to secure employment. The farming population of Saskatchewan is not in the best of circumstances. The short crop of 1929, the partial failure of Canada to find a market for its surplus wheat, the increasing importation of certain farm products and the almost complete loss of export markets for agricultural products other than wheat all have had their repercussions on the farms of Saskatchewan, and there is no doubt that the diminished buying power of a large section of our people has had an adverse effect upon the prosperity of the whole country.

There is no occasion, however, for pessimism; difficulties only arouse a vigorous people to new heights of endeavour. We have credits on the other side of the ledger, not the least of which is the sterling quality of our people. It is true that we have lost markets, but others can and will be found. There is a great and growing market for Canadian goods in the orient. A very large portion of the population of the world lives in countries bordering the Pacific ocean, and these people are gradually acquiring a taste for Canadian goods. China annually imports, to the value of millions of dollars, goods of a kind which

Canada can furnish, but we have barely touched that great market. Other markets are equally available, but our western farmer must be put on a basis which will enable him to meet world competition.

With improved transportation facilities made available by the construction of such works as the Welland canal, the St. Lawrence ship canal system and the Hudson Bay railway; with lower transportation charges, especially westward and through Hudson bay; with cheaper methods of production and an aggressive trade policy, these vast markets can be secured for Canada and in particular for those Canadian products grown upon our western plains.

I wish to congratulate the hon. Minister of Agriculture (Mr. Weir) upon his efforts on behalf of the live stock industry, and upon the fact that at this moment Canadian live stock is beginning once more to move into the markets of Great Britain.

In my opinion greater expenditure could profitably be made upon research to assist the farmer to increase his acreage production and to combat the diseases and insect enemies which prey so heavily upon his crops.

I say again that there is every justification for confidence and optimism. Canada is a going concern, fundamentally sound. We are blessed beyond imagination in potential wealth awaiting development within our own borders, and we are wonderfully endowed with the means of realizing that wealth. Situated as we are between the rich markets of Europe on the one hand and those of Asia on the other, adjacent to a population of 120,000,000 to the south, with convenient access to the countries of Mexico, South America, Australia and Africa, we occupy a strategic trade position. We possess in abundance the varied resources of forest, field, water and mine, with almost a monopoly of some of the world's most essential requirements. We have unequalled natural inland waterways. We have a vast transportation system by sea and by land, splendid harbours, unlimited power resources based on both coal and water, available capital for investment purposes, and a people unequalled for industry, intelligence and resource. We have a new government enjoying the confidence of the people with a following sufficient to ensure stable, wise and progressive administration along definite and continuous lines. For these reasons Canada's future is one to inspire confidence and hope.

The late lamented Sir Wilfrid Laurier, with prophetic vision, declared that the nineteenth century belonged to the United States but that the twentieth century belonged to Canada. Although almost one-third of that century has passed and our progress has fallen short of Sir Wilfrid's anticipation, there is every reason to believe that under the new administration that great vision will soon be well upon its way to fulfilment. Canada is well prepared for another great forward movement.

Mr. O. GAGNON (Dorchester): Mr. Speaker, it is indeed quite an unexpected privilege for me to be the first from my native province to convey to you, whom we all esteem, the heartfelt congratulations of the French speaking members upon your appointment.

The first commoner in the land derives from the most noble tradition of the mother of parliaments an unequalled prestige among those of his kin. You are, sir, the custodian by law established of the rights and privileges of the British subject in this country of ours. And when, as exemplified by your personal career, your efforts in so many directions have led to the goal of success, it is a matter of common pride and altogether fitting that your merits should be recognized and commended.

And now, with your kind permission, I shall comply gladly with a long established precedent of this house and add a few words in my mother tongue to what has been so ably said by the mover of the address, the hon. member for Regina (Mr. Turnbull) whom I am pleased to congratulate upon his splendid victory.

(Translation): Mr. Speaker, nineteen years ago, in the wake of a great Conservative victory, November 15, 1911, the twelfth parliament of Canada assembled. The man whom the Prime Minister of the day, Sir Robert Borden, had chosen to move the address in reply to the speech from the throne, had already attained an enviable reputation in the eastern provinces as well as beyond the great lakes. He was a fluent speaker, a brilliant barrister and a powerful debater who had won great success in the Alberta legislative assembly: the Hon. Richard Bedford Bennett, elected September 21, 1911, as member for Calgary in the Canadian House of Commons. An interesting coincidence in this connection is that the member who was chosen to second the address was exceptionally endowed and had just won back the riding of Dorchester to the traditional Conservative fold, and who, later on, distinguished himself both in this Parliament and on the bench: The Hon. Albert Sévigny.

Years have gone by. The fortunes of political life have greatly enhanced the

prestige of the Hon. R. B. Bennett whom we welcome to-day as the Prime Minister of Canada.

As in 1911, the representative of the riding of Dorchester had the honour of seconding the address in reply to the speech from the throne, likewise in 1930 the member for Dorchester is so privileged. When so many names may have suggested themselves to the mind of the hon. Prime Minister, it pleased him, sir, to bestow this honour upon the constituency of Dorchester and the district of Quebec, by confiding to my humble talents the care of fulfilling this task.

Indeed, although I feel unworthy of such a privilege, nevertheless I greatly prize the opportunity offered to me of speaking French from a side of the house whence it is seldom heard. If politics be an art and science according to the viewpoint which strikes most forcibly the individual mind, it is also to some extent as regards its moods, dependent on chance. I find the most striking proof of this statement in the fact, that it is possible for me, to-day, to address you Mr. Speaker. Events without precedent and which surely will not repeat themselves again, had deprived one of our political parties of an adequate representation. Contrary to the principle and spirit of the confederation pact, a "bloc" was formed to the greatest detriment of the two parties and national harmony. This "bloc" has crumbled. The country has returned to its normal state. We have come back to the sound political traditions of calm and sound judgment, peaceful and the harmonious working of parliamentary usages. Thank God, since the working of subordinate causes form part of the design of his Divine Providence. Is not, after all, what we designate as chance, the unforeseen working of these causes that our mind too slow or too superficial does not seem to grasp?

The province of Quebec, sir, is traditionally conservative. Might I be so bold as to add that it is so by calling. It certainly is by inclination. Some detected in this an omen of weakness, a sure sign of a spirit refractory to progress. A great error. Progress is no more the frenzy of innovation than it is the fever of instability. Well ordained evolution characterizes true progress, it is born from cautiousness, a preeminent virtue, and cautiousness, if I be not mistaken, is by definition conservative. Our people are cautious. They dislike adventure, the uncertain. They wish to remain what they are. They remember.

This stability, this force for peace and respect of the law, which men have so often acknowledged as an asset of the people of my province, constitute truly their conservative formation. They have accomplished this miracle of remaining true to themselves, in spite of conditions and men. Our people were able to preserve their faith, their language, their customs, their soul and spirit. If they have followed and at times preceded the ascent of progress which has so rapidly taken place in our wonderful country, they did so in their own way, harmoniously with their idiosyncracies and common ideals, which make them somewhat different to the other constitutive elements of the nation, something ideally conservative.

In keeping faith to the extent of one third of its political allegiance, our province remembered. I do not wish, sir, to remind the house of the learned dissertations which, preceding the negotiations of 1867, prepared and facilitated them. These are subjects that the historian can usefully discourse upon to the benefit of those who take an interest in political philosophy.

Confining my remarks therefore, if you will permit me, sir, to the events which immediately preceded the recent appeal to the people, I shall lay stress on certain facts which, among all have forcibly drawn my attention. The hon. Prime Minister travelled through our provinces from the lower part of the St. Lawrence to the United States border, advocating a policy of action which has already borne its first fruit. He neither spared his time nor his energy. Our people courteously listened to him; they greeted him with many of these demonstrations which are seldom seen except in our province. However, all this is not, in my opinion, what impressed them most.

The foremost reason of the great success achieved by the members sitting to your right, sir, consists greatly, it is true, but not altogether in the impression of earnestness and seriousness, of realism might we say, left upon the French Canadian population of my province by the personality, the attitude and eloquence of the hon. Prime Minister. That which drew it and won it over, was the return of the Conservative party to the past, to the traditional policy of Macdonald and Cartier, a policy of common sense, of stability in the order of things, of harmony and mutual respect of the two great races which on the soil of America, were given the mission of maintaining civilization and liberty.

That is why the sense of conservatism of our race has once more asserted itself; that is why the traditional spirit was restored; that is why we are here. It is because the hon. Prime Minister and his candidates sought

their inspiration in the old-time policy of Macdonald and Cartier, that the country has returned to the normal state from which it had been diverted by the war and the re-adjustment following it.

Men's actions are governed by circumstances, as also are the actions of groups of men, political parties do not escape their influence. They upset, as they please, states of minds, institutions and established customs. Can a more striking instance be found than present happening, in the house? What was but yesterday, the power and influence of those who sit on your right, sir, and who hail from the province of Quebec! What part did they play in the destinies of their party and what influence had they in the councils of the nation!

And look what has happened within a few hours. Quebec now holds in its hands the balance of power. Whether it casts its weight on one side or the other or whether it holds aloof, the fate of the nation depends on its attitude. It is my province which gives to the hon. Prime Minister the power and the means of governing. Had she turned a deaf ear to his voice, things would have remained as they were.

It is, to my viewpoint, altogether in keeping with the spirit of confederation that the old province of Quebec should fulfil this regulating function. The unit of representation for all the provinces of the Dominion is based on Quebec's population as well, its quota of representatives as laid down in the Confederation Act. In the Senate it forms an impressive background with its representation as defined by the confederation pact. That is why the views of Quebec became through force of circumstances, the views of the Canadian people. Should Quebec grant its support to one of the parties, that party can maintain itself in power. Should it withdraw its support the reverse happens. This is precisely what we have just witnessed to the astonishment and joy of the whole country.

The part assigned to Quebec as the bulwark of tradition, as the regulator of conflicting forces in the political arena, Quebec is proud to vindicate. It is the moral factor, the almost immeasurable force which makes up for the deficiency of numbers. In a country like ours, where two highly civilized races must live side by side, unavoidably there arises conflicts, because all that pertains to man, all that is human, is liable to err, is liable to improve, subject to criticism. Physical or numerical superiority, if you choose, may inexpediently go counter to moral influences having on their side nothing but absolute justice, relative equity or the authority of the law. It behooves the statesman to poise and counterpoise in such a way these two forces, one idealistic if you wish, the other decidedly matter of fact, with a view to harmonizing them and rounding off their differences. The Fathers of Confederation, who were statesmen in the full meaning of the word foresaw and realized such a thing. They laid the foundations of their constitutional edifice on sound bases and far-seeing justice. They coated this structure with the only material substance which could endure the inclemency of time; I mean mutual respect.

Our people, sir, have inborn in them the love of respect. Notwithstanding the easygoing familiarity which we borrow from the Americans and which is congenial neither to our tastes nor to our turn of mind we have remained considerate of others. Respectful of established order, of institutions which govern us, of religious traditions both local and national. Respectful especially of natural or acquired rights of other races with whom we live. This broad measure of justice which is but the outward mark of acknowledged strength, we never have bargained over it. We have in return, but asked for reciprocal treatment. Our people are more and more imbued with a legitimate pride. They see their Quebec and Canadian ideals awakening under a warmer sun, the motive of their attitude and strength of their arms.

Upon this basis of mutual respect in the full acknowledgment of reciprocal rights and duties which she demands, the province of Quebec will continue to offer to the sister provinces the meed of her stability, her thorough Canadianism and strict orderliness imparted by her unshakable faith and inherited from her forebears.

These last days, weighing these few thoughts and the present political situation, I had the curiosity to look over old documents and to read again, among others, the debates of the session of 1879.

The Conservative party under the leadership of Sir John A. Macdonald had, in October, 1878, just won a marked victory over the party led by the Hon. Alexander Mackenzie who, during his four years in power, had reverted to free trade.

Mr. Joseph Tassé, member for Ottawa, who had been chosen to second the Address in reply to the speech from the throne, on the 13th of February, 1879, at the opening of the fourth parliament, summing up the balance-sheet for the four years of Liberal administration, said: "Our trade is paralyzed, our industries are tottering, our working classes

are without work, property has greatly depreciated; briefly, everybody is suffering from a crisis unparalleled in our history, both owing to its intensity and duration."

However, in 1879, Sir John A. Macdonald, the Hon. Samuel Leonard Tilley, the Hon. John Henry Pope, Sir Hector Langevin, Sir Charles Tupper, the Hon. L. F. R. Masson, if I be allowed to mention only these, had assumed the task of bringing back our country to its traditional path. Is it possible for me to recall the great statesmen of that day without mentioning the hon. Joseph Goderick Blanchet, the grandfather of my friend, the Hon. Maurice Dupré, Solicitor General for Canada, and who was unanimously elected Speaker of the House of Commons at the opening of the session of 1879. He was the first French Canadian Speaker chosen to preside over the House of Commons after confederation, and the only one, who was at the same time Speaker of the Dominion house, at Ottawa, and Speaker of the Legislative Assembly, at Quebec.

These illustrious men of the Conservative party whose rallying cry: "Canada for the Canadians," synthetised the doctrines of protection, brought back stability to our financial affairs and prosperity to the country, by reviving agriculture and industry.

In the course of the strenuous campaign of 1878, Sir John A. Macdonald, exactly like the Hon. R. B. Bennett, in 1930, had advocated the return to the national policy of protection, and in the Canadian Senate, on February 17, 1879, the Hon. Charles Boucher de Boucherville who had just vacated the post of Prime Minister of the province of Quebec to enter the senate, following events which you are familiar with, and to whom fell the dreaded honour of being the mouthpiece of his province and race, in seconding the address in reply to the speech from the throne, said while proclaiming the necessity of fulfilling the pledges made by the Conservative party to the Canadian people: "I believe that nations like individuals have not the right to disregard their pledges."

Does it not strike you, sir, that, in spite of the political changes and the contingencies of things, history repeats itself. The Liberal party in 1878 and in 1930, advocated the same doctrines. And a similar crisis swept over the whole country, in 1878 as in 1930, endangering agriculture and our industries.

In 1930 as in 1878, throughout the rural districts, agriculture is depressed and the fatal treaty of New Zealand came near ruining, in our province, the dairy industry, which we owe to the far-sighted policy of Chapleau and Beaubien.

In our cities industries are ebbing low as in 1878, and more than 100,000 unemployed are begging for bread.

Thank God, the Conservative party will not fail in their task. The leaders of our great party, worthy heirs of Macdonald, Cartier, Pope, Langevin and Blanchet, are imbued with the same doctrines which inspired their illustrious predecessors. Our party rejuvenated by days of trial and struggle, gathers its strength from the traditions and principles the continuity of which can alone safeguard the greatness of our country.

On November 20, 1911, when the hon. Prime Minister moved the Address in reply to the speech from the throne, he said: "We must protect our country. . . . .we must protect our artisans, our manufacturers and our farmers by affording them markets at home for the products of land and sea. . . ."

These principles, sir, our distinguished leader often proclaimed them since 1911. In the hour of crisis, when Canada is threatened in its very foundation through the effects of a disastrous policy, our party is able to find leaders to save it.

In 1878, in 1911 and in 1930, our leaders did not bear the same name. They however taught the same doctrine. They unfurled the same flag.

I still hear the hon. Prime Minister, at the outset of the 1930 campaign at Winnipeg, propounding the necessary remedies to the ills of the present hour.

"We pledge ourselves to a policy of protection for Canada in the development of our national resources, our agricultural and industrial life and our consumers from exploitation."

You will recall the impressive conclusion of this memorable speech:

"We ask you to choose some leaders who will hold before your eyes the vision that is drawing near, a vision built out of a common purpose, with tools forged in the workshops of steadfastness and faith, a vision of Canada soon to be. Men and women, fellow Canadians, give Canada a chance."

The Canadian people from every province, from east to west, generously responded to this stirring appeal. This is why, Mr. Speaker, we are here, from every part of the country, so as to carry out all the pledges that we have made.

In the last campaign the hon. Prime Minister, as well as his lieutenants repudiated the immigration policy. Hardly had 48 hours

elapsed after the swearing in of the new ministers of the crown that, by an order in council, immigration was stopped.

In the course of this campaign, our opponents ironically questioned whether we had in the Conservative party men capable of representing, in a worthy manner, the Canadian people at the great European conferences. The population of my province especially rejoices, extends its congratulations and is thankful to the Prime Minister and his colleagues for having appointed to represent Canada at the Leage of Nations, the Hon. Mrs. Mary Irene Parlby, as well as the statesman who recently worked most efficiently so as to ensure the autonomy of Canada, Sir Robert Borden; and one of our most eminent and highly respected historians, the Hon. Thomas Chapais.

It is again to fulfil a sacred pledge made to this country "to give Canada a chance" that the hon. Prime Minister has called this special emergency session of parliament so as to enact the efficient measures which are needed to relieve unemployment, bring back prosperity to agriculture and industry, and promote the sale of Canadian products on our markets as well as abroad.

In 1879—forgive me, sir, if I persist in seeking in the past a lesson for the present—at the very outset of the session, the Hon. Alexander Mackenzie, then leader of the opposition, allowed the house to accept the address without amendment. Might I express the hope that the right hon. leader of the opposition, who certainly has added lustre to the name of Mackenzie, may follow the example of his distinguished predecessor in order that this special session be short, fruitful and profitable.

This is not the time for empty thoughts but for action. Let us make haste to bring back joy to the farmers as well as to the artisan's home. Let us rise above the contingencies of politics and let our thoughts be directed solely towards prosperity and the welfare of the country. If through our humble efforts we can bring back happiness in the homes and assure the glorious ascendancy of our country towards higher spheres of activity, we shall have accomplished a necessary and lasting task, we shall have proved our worth to our noble dead, and, to borrow from Poincaré one of those striking phrases, we, who are passing "in the flight of time and instability of things, we shall have brightened our fragile life by a gleam of immortality."

Mr. MACKENZIE KING moved the adjournment of the debate.

Mr. BENNETT: Mr. Speaker, I had hoped that we would have been able to proceed with the debate this afternoon, but the right hon. gentleman leading the opposition has indicated that he desires to communicate with his associates. Under the circumstances of course I cannot do otherwise than accede to his request. At the first session of the new parliament in England they certainly proceeded at once with the debate on the address, and the former Prime Minister, Mr. Baldwin, followed the mover and the seconder. He in turn was followed by the Prime Minister. It may be, however, that conditions are somewhat different in the present case. This is a new parliament in a country where distances are very great, and I therefore have great pleasure in acceding to the request of the right hon. gentleman. We hope that to-morrow we shall be able to proceed rapidly with the disposition of the speech from the throne. There is a limited time in which to dispose of the business for which this session of parliament has been called, if members of the government are to attend the imperial and economic conferences at London. Whatever may be said about other matters the right hon. gentleman made that point an issue in the past contest; he thought it very important that the electors should be given a chance to choose their representatives. Apparently the electors have concluded that the right hon. gentleman shall not attend on their behalf. Under those circumstances it is entirely in the hands of the opposition as to whether or not this country is to be represented at that conference. For my part it is my purpose to remain at my post to dispose of the business for which this parliament has been called.

Motion agreed to and debate adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT moved the adjournment of the house.

Mr. MACKENZIE KING: My hon. friend has just referred to the desire of the government to expedite as much as possible the work of the session. We of the opposition have every desire to cooperate in that regard. I think all of us feel that it is desirable to get through the business of the special session as rapidly as may be possible, and we wish to further all reasonable efforts directed towards that end. There is some information however which we on this side of the house would like to have, and if possible we would like to have it before the continuation of

the debate. Much of it could be laid on the table to-morrow afternoon: could be given to the house immediately after it reassembles. With that in mind I shall give to hon. gentlemen opposite a list of the documents and correspondence we would like to have. If we have to wait formally to move for papers, matters will be delayed. The information which I now ask the hon. leader of the government to lay before us at the earliest possible moment consists of the following:

Orders in council passed on the recommendation of the Minister of National Revenue (Mr. Ryckman), and copies of any regulations issued by the Department of National Revenue on or after August 7.

Any orders in council or regulations respecting the export of liquor.

Orders in council or copies of regulations passed or annulled with respect to immigration.

Orders in council or other communications respecting the abolition of the Advisory Board on Tariff and Taxation.

Correspondence by or on behalf of or with any ministers of the crown and governments of provinces, municipalities and individuals respecting unemployment.

A statement of amounts of moneys, if any, paid out of the federal treasury since August 7 to relieve or to aid in the relief of unemployment.

Correspondence by or on behalf of or with any minister of the crown respecting the Montreal terminals, and the holding up of any work there.

The agenda of the imperial conference and the imperial economic conference, and a statement of any matters proposed by the government of Canada for discussion or consideration.

Correspondence, if any, respecting the position of High Commissioner for Canada in London, and any appointment or cancellation of appointment with respect thereto.

Correspondence by or on behalf of or with any ministers of the crown and members of provincial governments, or the wheat pool or any persons, respecting financial assistance in marketing the 1930 wheat crop.

Also we would like to know if there have been any appointments made to the pension tribunals. If so, we would like to have a list of such appointments, also a list of any appointments which have been made or cancelled since the present administration has come into office. In addition we would like to have a list of any contracts entered into or cancelled since the present administration assumed office.

Mr. BENNETT: Is that all?

Mr. MACKENZIE KING: I agree that the list is rather lengthy, but I think my hon. friend will realize that the information desired is information which we should have for the purpose of discussion, and I can assure him that the more promptly the information is supplied the more we will be enabled to expedite the business of the session.

Mr. BENNETT: Mr. Speaker, the answer to many of the questions of course is that there is no correspondence, and those matters may be very easily dealt with. On the other hand the correspondence in connection with unemployment is quite voluminous and copies of it cannot be prepared within a few hours. My memory is that with respect to all the other matters mentioned by my right hon. friend, the information is easily supplied, and we will endeavour to meet his wishes when we learn from Hansard the exact information desired. I think it will be found that between the date of the election and the date of its resignation the late government left nothing to be desired with respect to contracts. At any rate we will endeavour to satisfy the very laudable curiosity in that regard. I assure my right hon. friend that some of the orders in council which were submitted were fearfully and wonderfully made.

Motion agreed to and the house adjourned at 4.32 p.m.

Tuesday, September 9, 1930

The house met at three o'clock.

PRODUCTION OF PAPERS

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, this might be an opportune time to answer the question submitted yesterday by the right hon. leader of the opposition (Mr. Mackenzie King). Reading from Hansard, I find he asked for:

> Orders in council passed on the recommendation of the Minister of National Revenue (Mr. Ryckman), and copies of any regulations issued by the Department of National Revenue on or after August 7.

I now table a list of those and will hand a copy to my right hon. friend.

> Any orders in council or regulations respecting the export of liquor.

The answer is: There are none.

Orders in council or copies of regulations passed or annulled with respect to immigration.

The forms are in the hands of the printer. They have been published and a copy will be laid on the table just as soon as they come from the printer. My right hon. friend, I think, is familiar with what has been done.

Orders in council or other communications respecting the abolition of the Advisory Board on Tariff and Taxation.

The only document is the order in council itself which cancels the previous order in council, for which there was no statutory authority.

Correspondence by or on behalf of or with any ministers of the crown and governments of provinces, municipalities and individuals respecting unemployment.

I think I told the right hon. gentleman yesterday that that correspondence is rather voluminous. Copies are being prepared and the work may take some little time because all our cities with a population in excess of ten thousand, as well as many individuals, have been communicating with the government here, as they did in fact before the advent of the present administration.

A statement of amounts of moneys, if any, paid out of the federal treasury since August 7 to relieve or to aid in the relief of unemployment.

No payments have been made.

Correspondence by or on behalf of or with any minister of the crown respecting the Montreal terminals, and the holding up of any work there.

I know of no "holding up of any work there" by the government or any member thereof. The only communication is a letter addressed to the Prime Minister by the mayor of Montreal, which was printed in the public press and a copy of which is now in course of preparation for the right hon. gentleman.

The agenda of the imperial conference and the imperial economic conference, and a statement of any matters proposed by the government of Canada for discussion or consideration.

As the right hon. gentleman knows, the communications by cables have been marked "secret", and I have no authority to lay them upon the table of the house. But I can say this, that no suggestions have been made of any changes to the agenda since the last communication sent by the right hon. gentleman himself. I think that covers it.

Correspondence, if any, respecting the position of High Commissioner for Canada in London, and any appointment or cancellation of appointment with respect thereto.

The Hon. Vincent Massey, who was appointed to that position, has resigned his post. The correspondence is tabled.

Correspondence by or on behalf of or with any ministers of the crown and members of provincial governments, or the wheat pool or any persons, respecting financial assistance in marketing the 1930 wheat crop.

So far as I have been able to ascertain up to this moment there is no correspondence of any kind.

Also we would like to know if there have been any appointments made to the pension tribunals. If so, we would like to have a list of such appointments.

I am advised that prior to the resignation of the late administration and after the last session of parliament some communications took place with the head of the legion, but that no appointments were made by the outgoing government for the act did not come into force for that purpose until after the first of September. The appointments are under consideration but no appointments have been made.

The remaining question is:

Also a list of any appointments which have been made or cancelled since the present administration has come into office.

An hon. MEMBER: Contracts.

Mr. BENNETT: The question reads:

Also a list of any appointments which have been made or cancelled since the present administration has come into office.

There were some changes made in connection with harbour boards; some resignations were received and appointments made, and in one case an order in council was passed dispensing with the services of the then board in accordance with the terms of the act, but I have not a complete list. I am getting a statement from the various departments as to whether there have been any other changes or not.

In addition we would like to have a list of any contracts entered into or cancelled since the present administration assumed office.

That is being checked up in the various departments of the public service. Any contracts that have been entered into, I am advised, are in the ordinary course of the transaction of the routine business of the country. There were some contracts cancelled, I am advised—two or three possibly. I will have those checked up in due course, and lay a list on the table and furnish my right hon. friend with copies.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I notice that my hon. friend in referring to the request for information respecting assistance given to relieve unemployment mentioned that there were a number of com-

munications from municipalities and individuals, but he made no reference whatever to communications from governments. Could he tell me now whether there have been any communications from any of the provinces, and if so, whether we may get copies of those communications at an early moment?

Mr. BENNETT: My memory is that the Minister of Labour (Senator Robertson) did advise the several provinces that a meeting was being held of a statutory body created by order in council to consider the question of unemployment, and that one, if not three, of the governments sent representatives to that conference. I am only speaking from memory; I will look up the correspondence which I have not before me.

PENSION TRIBUNAL APPOINTMENTS

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): I notice that the hon. Prime Minister says that no appointments have been made to the pensions tribunals. The Pensions Appeal Court, I presume, covers that as well?

Mr. BENNETT: Yes.

Mr. RALSTON: I might ask the hon. Minister of Pensions and National Health (Mr. MacLaren) whether in order to carry out the non-partisan attitude of the committee which recommended these pension tribunals and the appointment of a Pensions Appeal Court, the government would consider consulting some such similar committee with regard to the selection of the personnel?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I am not clear what other committee the hon. gentleman refers to. Would he make his question a little clearer?

Mr. RALSTON: I said a committee composed of representatives of all parties in this house similar to that which was appointed last session.

Mr. BENNETT: The government makes the appointments and accepts the responsibility in doing so.

Mr. LAPOINTE: That is what Mussolini says.

Mr. BENNETT: That is what we say.

Mr. MANION: That is what the act says, and you framed the act.

[Mr. King.]

IMPERIAL ECONOMIC CONFERENCE

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I desire to ask the leader of the government (Mr. Bennett) whether he has any proposals to submit to the imperial economic conference; and will those proposals be discussed by this house before the conference takes place?

Hon. R. B. BENNETT (Prime Minister): I have already answered the question which the right hon. gentleman asked as to whether or not any suggestions had been made by this administration. I said that there had not been any and that up to the moment any communications received, so far as I know from looking through the files, are marked "secret and confidential," and that without the permission of the ministers who sent the communications I had no authority to lay them on the table.

Mr. GARLAND (Bow River): I am afraid the hon. gentleman did not understand my question. My question is: Has the government at the present time any proposals to submit to the coming imperial economic conference, and will the government, before going to the conference, allow this house to discuss those proposals?

Mr. BENNETT: The usual practice will be followed in that regard.

RADIO LICENCES

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I wish to direct a question to the Minister of Marine (Mr. Duranleau). Under the last administration, owing to the fact that no action was taken on the Aird report, assurances were given that no new licences would be issued. I should like to know whether licences are to be issued in the future, or whether the former policy of the department will be adhered to.

Hon. ALFRED DURANLEAU (Minister of Marine): Since the report of the commission was submitted I understand that the policy has been to leave in abeyance any requests for licences. So far the government has taken no steps with reference to the issuing of licences. We hope to have the matter discussed very shortly, and, if we deem it advisable, to have licences issued with the proviso that if the state should take possession of all stations, incurring expenses in connection therewith, it will do so at its own expense. However, I can assure the house that no steps have been taken yet in the direction of issuing licences.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, September 8, consideration of the motion of Mr. F. W. Turnbull for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, it is the custom for the leader of the opposition in beginning his remarks in the debate on the address to extend his compliments to the mover and seconder of the address to be presented to His Excellency the Governor General. I have pleasure in following that custom to-day. I confess that my task is neither so agreeable nor so pleasant as was that of the mover and seconder of the address. They have just come into the house and are still elated by the jubilance of victory. They are not expected, perhaps, to look too closely into the means by which that victory has been achieved, nor are they supposed—

Some hon. MEMBERS: Oh, oh.

An hon. MEMBER: Sour grapes.

Mr. MACKENZIE KING: I hope hon. gentlemen opposite will give me the same opportunity to speak that I have given to their leader. I was about to say, they may not be supposed to have to consider the serious responsibility which lies on the shoulders of the ministry in consequence of the many promises made by its members in the course of the campaign, and in virtue of which it has been returned to power, nor have they yet, being more or less new to public life, experienced, as not a few of the older members of parliament have done, some of those disillusionments which come sooner or later to members of parliament and, on occasion, to electorates. Notwithstanding these facts, however, and without endorsing in any way opinions they have expressed, I can say quite sincerely that the manner in which my hon. friends have discharged the obligation imposed upon them, in my opinion, calls for commendation, and I am pleased therefore to extend my congratulations to them. May I also say, inasmuch as they are new members, that I extend to them a welcome to this House of Commons.

As one who perhaps is too rapidly coming to be numbered among the older members of parliament may I be permitted to add at this moment a word of welcome and that irrespective of the side of the house on which they may be sitting, to those who have come for the first time into parliament, I have one real personal regret in the fact—and here again I would not confine my remarks to one side only—that absent from the present parliament are a number of those who during the last parliament took a very prominent part in debate and other proceedings in this house. We who were here shall miss many of those familiar figures; some I trust will return in the not too distant future.

I am afraid that at this point what I have to say by way of welcome and congratulation is about exhausted. I should like indeed to be able to congratulate my hon. friend the Prime Minister (Mr. Bennett) and his colleagues upon their assumption of office. I would be the first to do so not only on my own behalf but on behalf of those who sit on this side of the house, if I felt they were entitled to rejoice at the manner in which they have achieved their victory. Having in mind what I have to say this afternoon, having in mind the grave responsibilities which hon. gentlemen have now placed upon their shoulders, I cannot extend congratulations to them or to the country, though I do extend a large measure of sympathy to both.

May I say at once that the victory which my hon. friends have achieved is much more apparent than real. They sit opposite in numbers considerably greater than those who are sitting on this side of the house. Nevertheless, when the vote is analyzed, when we look into the figures of the official returns of the votes cast on July 28, it will be seen that the number of those who voted for hon. members sitting on this side of the house was considerably in excess of the number who voted for hon. gentlemen opposite.

The total vote cast on July 28, according to the official figures, was 3,898,995. Of this vote the Conservative party received 1,909,955, which leaves a total vote opposed to the government of 1,989,040.

Mr. HANSON (York-Sunbury): How do you get that stuff?

Mr. MACKENZIE KING: I get it from the official returns, from the office of the Chief Electoral Officer. To this number should be added some votes which would otherwise have been cast had there not been two acclamations. There was an acclamation in the case of the hon. member for Acadia (Mr. Gardiner) and of the hon. member for Labelle (Mr. Bourassa). The number of votes received by the hon. member for Acadia at the previous election was 6,940, while the hon. member for Labelle then received 7,569. If these were added to the total number I have given as opposed to the government the total vote opposed to the government candidates would be 2,003,549.

Mr. BOURASSA: How do you know I am opposed to the government?

Mr. MACKENZIE KING: I think I know my hon. friend well enough to know where he will be at all events throughout this session. Making the analysis a little more in detail, the 1,909,955 Conservative votes returned 137 members, which is on a basis of 13,941 votes per member. On this basis the 1,989,040 votes would return 142 members opposed to the government, and the 1,714,860 Liberal votes, which do not include Liberal-Progressives, nor any Progressive, Labour, Independent, United Farmers or other class, would have returned 123 members, to which number might, I think, be added the hon. member for Labelle. Those are the figures, Mr. Speaker, with reference to the vote polled on July 28th.

May I say that though we are in opposition, I hope hon. gentlemen of the government side will not think for one moment that we have lost any faith in the principles and policies for which we have fought, or that our belief in the ultimate triumph of those policies and principles is in the least shaken. We believed when we went to the country on certain policies that we were in the right; we believe so at the moment, and we believe that the future will soon prove that we were in the right. We went to the country on great issues; we went down with our colours flying, and we have left a record with respect to the administration of the affairs of Canada which has not been equalled by any administration which has held office in this country. The record of the Liberal party during the nine years it was in office, as regards the increase in the country's prosperity, the administration of the finances of the country, the extension of the country's trade, with regard to transportation, with respect to those questions which concern the relations of the provinces and the Dominion; our inter-imperial relations; our relations with foreign nations; and as respects legislation on all important matters, will bear comparison with the record of any government which has held office in any British dominion at any time. I may say that hon. gentlemen opposite at least paid us this compliment in the course of the campaign, that after our being nearly nine years in office they were unable to level against the late administration a single charge of anything that was in the least discreditable or dishonourable. We have a fine record, and the country will remember that record at the appropriate time and in the appropriate way long after it has ceased to remember the representations and promises beneath which what was accomplished in that period of time was temporarily lost to view.

Now, Mr. Speaker, may I say to my hon. friend that, this being in the nature of a special session called for one single purpose, namely that of dealing with the problem of unemployment, we on this side do not intend to take up the time of parliament reviewing matters which pertain to the past. We are here at the present time to cooperate with the government in doing all that we possibly can, in as short a time as possible, to meet that special situation with which parliament has been assembled to deal. However, I want to make it perfectly clear that if we refrain at this moment from discussing many of the features of the recent campaign, including the means by which hon. gentlemen opposite have attained power—with the exception of one particular matter on which I intend to dwell at some length—I would not like it to be assumed that in any way we are unmindful of what those means were, or that we may not avail ourselves of other occasions to refer to them. Let me repeat, Mr. Speaker, that this session was called by the Prime Minister for the purpose of dealing with the problem of unemployment. Throughout the campaign he stated that if his party were returned to office he would immediately call parliament together for the purpose of ending unemployment. We wish to join in that effort to the extent of our ability. We intend to assist in every way possible; we intend to allow my hon. friend as much latitude as possible to fulfil the many promises which he made; failing to fulfil them, we shall expect him to carry out the pledge he has given in the event of failure.

May I say first of all, Mr. Speaker, having regard to the fact that this session is called specially for the purpose of dealing with labour matters, that it is a rather singular thing that the only minister missing from the treasury benches opposite happens to be the Minister of Labour. Whether or not this is by design, it is a little difficult to say. If my hon. friend has not found it possible, out of his large following in this house, to choose one hon. member who could fill the office of Minister of Labour, it does not say very much for the democratic sympathies of hon. gentlemen opposite or for their understanding of industrial problems. On the other hand, if he has purposely confined the selection of the minister to one holding a seat in another house, I think in that particular there is still stronger exception to be taken to his course. He must have known

that the country, as well as labour and this house would expect, at a session of parliament dealing with labour questions, that there should be in the House of Commons the minister who, above all other ministers, ought to be responsible for the policies which are to be brought down, the minister who would be in a position to answer all questions respecting these policies that might be addressed to him. Already this afternoon I have had occasion to ask the government an important question bearing on the very purpose for which this session has been called, and we have been told by the Prime Minister that he regrets that he has not the knowledge, but that he will try to give the information at some other time. I say that is not treating parliament fairly, and it is not treating the country fairly, that we should not have in this house at this time, when we are dealing with labour questions, a Minister of Labour sitting immediately opposite.

I take no exception to the fact that my hon. friend chooses some, or at least one, of his ministers from the other house; it is entirely within his right so to do, but I would draw his attention to the fact that the gentleman whom he selected to fill the position of Minister of Labour never has been elected by popular vote to any legislative assembly, and that being a member of the Senate he will not be expected to appear before the electorate to answer with respect to labour policies in the manner in which ministers of the crown who hold seats in this house will be expected to answer.

There is another omission, I must say, which is equally singular in connection with a session of parliament which has been called to deal with large expenditures of public moneys and especially with the tariff. I refer to the omission of a Minister of Finance, except as that minister is represented in the person of the Prime Minister himself. If there were need at any time for a minister of finance holding that portfolio on his own account, surely that moment is the present. My hon. friend has on his shoulders as Prime Minister and leader of the government just about as much as any man could wish to carry. I am not at all surprised that he evidently was taken by surprise at the time he was called upon to form an administration, but I do say that when he was asked by His Excellency the Governor General to form a government he owed it to those who were to be his colleagues, to this parliament and to the country to have selected someone other than himself for the position of Minister of Finance. As I have said, the portfolio of finance is an all-important position in the government at any and every time, but it is particularly important at this present time when in order to make good a deluge of promises showered like manna from the skies, we may expect a perfect orgy of expenditures and consequent depletion of the treasury.

My hon. friend holds at the present time the positions of Prime Minister, President of the Council, Secretary of State for External Affairs and Minister of Finance. He is the leader of the House of Commons, and as the leader of the government, he has as well other duties to perform. I say to him that he will find that any attempt at monopolizing the offices of the crown, or for that matter monopoly in any form, whether it relates to finance, business administration or affairs of state, is something which will not be congenial to the people of this country however congenial it may be to himself. May I say further that the Mussolini touch in matters of politics may be all very well, but even though our climate is a little more rigorous than that of Italy, he will discover it is neither good for his own health nor for the health of the people he represents.

If the matter were not serious, Mr. Speaker, there would be a Gilbertian element of comedy about it. It reminds one of the Mikado, where the great Pooh-Bah held all the offices of state and had his conscience continually torn between his duty as secretary to the Mikado, as to what he could do in a generous and elaborate way, and, on the other hand, his duty as chancellor of the exchequer, as to how he might guard the public treasury. May I say to my hon. friend, and I say it in all seriousness, that the business of cabinet government was devised as a means of giving to the country the benefit of many minds, of freeing it from the tyranny of a single mind; it was never intended that the business of government should be carried on by the help of the Almighty and the will of one other, but it was intended that safety was to be found only in a multitude of counsellors. I believe that to be very necessary at this moment, particularly when we have before us a speech from the throne which, if it signifies anything, signifies that we are to have as a consequence of this session more in the way of borrowing, more in the way of debt and more in the way of taxation. The sooner my hon. friend makes good that particular omission, especially as he and his colleagues should be concentrating

their attention upon the work of the imperial conference, especially as he is going to be absent from the country for probably two months, the better it will be both for himself and for the country.

I have said, Mr. Speaker, that I do not think that the conscience of my hon. friend or of those who sit about him can be any too easy at this time, especially when they consider the manner in which the victory which brought them into power was attained. I have also said that with one exception, I do not intend to review the general features of the campaign. I am going to speak of the promises which were made by my hon. friend as the leader of the Conservative party, promises which he said would be fulfilled if he were returned to power and promises which he said would be fulfilled at the first session which would be called for the purpose of getting through the necessary legislation. When in his present position my hon. friend hears the extent of the program which he has laid out for himself, he will I think be taken somewhat by surprise. It may be very easy to create fears in the minds of the people with respect to existing conditions and to make promises as to the way in which those conditions will be relieved, but if my hon. friend has read, as I think he probably has, that story by Mrs. Shelley of the Frankenstein monster, it may serve to recall that there have been persons who have created situations which ultimately have been their own undoing. He promised at a first session to end unemployment or "to perish in the attempt." Unless I am much mistaken there is something prophetic in the phrase. My hon. friend will discover before he is through with the electorate of this Dominion that they will hold him responsible to a degree which perhaps he has not anticipated for the obligations which he has assumed as a result of the office he now holds.

The promises made by the present Prime Minister during the course of the compaign fall broadly into two groups. The first will be found in what I shall call his magna charta of pledges. The particular document which he cited in full in opening the campaign at the first meeting held at Winnipeg, a document which he has quoted at different times in articles contributed to the press, contains a list of promises of the Conservative party in the nature of pledges which would be redeemed, if they were returned to power. There is a supplementary list—I am afraid it is much longer—of additional promises which were made to suit particular localities and occasions, this I shall call his cornucopia of promises. The magna charta of pledges was so drafted as to suit the country as a whole; it could be looked at in any part of the country and something would be found in the nature of a pledge which would appeal to that particular part of its immediate necessity. However, in travelling about, my hon. friend wished to particularize to a greater extent and he evidently exercised some care in discovering as he entered each locality what particular promise or pledge he could make which would best ensure votes for his supporters. So we have the two, the magna charta of pledges and the supplementary list, the cornucopia of promises.

Perhaps it would be better to read first the magna charta. It is dignified, not by the name of promises—these are pledges, each pledge being enumerated and beginning with the words "We pledge." The list is headed "The Party pledge." Without doubt these eight pledges were the guiding chart of hon. gentlemen opposite during the course of their discussions in this house at the last session. They were prepared for the purposes of debate here, in the first instance, and for use throughout the general campaign. Although the last general election was fought from the standpoint of hon. gentlemen opposite almost exclusively on the question of unemployment, these eight pledges which were announced at the first meeting in Winnipeg do not contain one single reference to unemployment. There was no pledge given with respect to unemployment and its relief in what was laid down as the eight pledges of the party. My hon. friend evidently discovered that he could make political capital out of unemployment and thereafter, while continuing to stress these pledges to some extent, he dealt more particularly with the question of unemployment.

Perhaps my hon. friend will recall the article by himself which appeared in the July 15 issue of MacLean's magazine. He and I were alike honoured by being asked to make a contribution regarding the election issues, and my hon. friend presented his article entitled "The Election Issues As I See Them" which appears at page 8 of the issue of that date. Although that article is dated July 15, it does not contain one single reference in the nature of any pledge respecting unemployment. Evidently the question of unemployment was not in his mind until he began to see the number of votes he was likely to get by making appeals along that particular line.

The party pledge, made on behalf of the party as a whole, reads as follows:

1. We pledge ourselves to a policy of protection for Canadians in the development of our

national resources, our agricultural and industrial life, and our consumers from exploitation.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I would remind hon. gentlemen opposite when they say "hear, hear" that these are pledges which the country will expect to see redeemed. The list of pledges continues:

2. We pledge ourselves to foster and develop agriculture and the live stock and dairy industries now so sadly neglected.

3. We pledge ourselves to the stabilization of economic conditions, and to continuity of trade and freedom from the manipulation of home and foreign tariffs.

4. We pledge ourselves to the development of interprovincial trade and of a Canadian fuel policy, and development of a foreign market.

5. We pledge ourselves to the improvement of the whole scheme of Canadian transportation northward by the completion of the Hudson Bay route, and the construction of such branches as may be necessary to render it most readily available to every part of Canada; to the Pacific slope by a Peace river outlet, and east and west by the development of the St. Lawrence waterways, and we pledge ourselves to aid existing traffic channels and to increase port facilities on the Great Lakes, Hudson Bay and the Atlantic and Pacific oceans, and to the establishment of a national highway system.

6. We pledge ourselves to foster and support a plan for greater empire trade to be based on mutual advantage.

7. We pledge ourselves to a national old age pension scheme.

8. We pledge ourselves to such compensation adjustment as will ensure the benefit of the above policies to every part of Canada.

Speaking at Renfrew on July 16th the present Prime Minister said, as reported in the Ottawa Journal the following day:

These pledges I have made, and by them I stand or fall. They are each one of them for the good of Canada as a whole. I have said that in my every action, that must be my guide. It is not my way to whisper in the east so that the west may not hear me, nor to promise in the west something of which I would keep the east in ignorance. I preach one policy and I will practise one and one alone, the upbuilding of Canada and the ever closer cooperation of its parts, so that through their mutual help and mutual advantage the whole will grow into a power which laughs at adversity and triumphs over all the evils that prey upon disunion.

Then I find the statement—quoting from the Ottawa Journal of July 17th:

When I made these pledges, I made them definite and plain, so that all might understand...

To appreciate the significance of the supplementary list it is necessary to have a view of the sort of picture of conditions which was painted by my hon. friend, in other words to see the background of conditions with respect to which these particular promises were made.

I have noticed that Mr. Tom Moore, the president of the Dominion Trades and Labour Congress, which body is now holding its annual meeting in one of these western cities, made the statement yesterday or the day before that the unemployment problem in Canada is largely psychological. When we get through reading what my hon. friend had to say in connection with unemployment, we will readily understand how that particular psychology came into being. I venture to say that my hon. friend has done more to cause unemployment by the speeches with respect to the industrial situation that he has made throughout Canada than he will ever be able to remedy. He has created a fear in the minds of the people not only in this but in other lands, and that fear will undoubtedly have its effect in discouraging the investment of capital. That discouragement will in turn have its effect in causing persons to hesitate to enter upon many lines of development in industry. Such would certainly be the result if the conditions were as they have been described by my hon. friend. As we read these various statements which form the background of my hon. friend's pledges, they will be found in no way lacking either in vividness or vituperation.

First of all I might give the picture presented to the country by my hon. friend of the government which was then in office. After all on the part of the leader of one party there is something owing in the use of words with respect to those who are his political adversaries. It seems however that my hon. friend did not attach much importance to that particular obligation. Speaking of the personnel of the late government my hon. friend was reported in his first speech as follows:

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

I am told moreover that my hon. friend read the speech which he made at Winnipeg, and that these words were apparently in his own handwriting or the outcome of his dictation. Further he is reported to have said:

Look at its leaders—leaders of what? Certainly not leaders in the Liberal faith; as certainly no leaders at all, for they are followers who are truly all self-interest, forgetful in their love of office of all else but their own personal advantages. Look at them and you will say with me and all Canadians who put their country first, these men cannot be trusted, for as they broke faith with Liberalism, so will they break faith with Canada.

Then my hon. friend said when speaking at Guelph on May 11:

The government since 1921 has been endeavouring to maintain itself in power by utterly disregarding the great principles that govern matters in the Dominion and applying a principle here and another there for the purpose of maintaining place and power.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I wonder if my hon. friends will say "hear, hear" to this:

The government has asked you to continue them in power after they have betrayed this country for nine years. Every Liberal who accepts this budget is putting a premium on wrong doing. Whenever you have any convert doing something he has not been brought up to do he will always make a mess of it.

That was stated by my hon. friend when he was speaking in the constituency of his present colleague the Minister of Justice (Mr. Guthrie). I would like to know whether my hon. friend the Minister of Justice would not fall into the category of a convert. Does he say no? He shakes his head.

Mr. GUTHRIE: My conversion was many years ago.

Mr. MACKENZIE KING: At any rate he has admitted there was a conversion in his case. My hon. friend, the present leader of the government, knowing that, stated in the riding of the present Minister of Justice:

Whenever you have any convert doing something that he is not brought up to do he will always make a mess of it.

And I ask my hon. friend the Minister of Railways and Canals (Mr. Manion) whether that particular designation does not apply to him also. That is not however the limit of my hon. friend's extravagance in the use of language. Speaking in the city of Regina on June 10, he said, according to the Leader Post of June 11:

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

Then he said at London on May 16, as reported in the Ottawa Evening Journal of the 17th:

Mr. King gets men to depart from their faiths and then to parade their apostasy in the market places.

He goes on to say:

Is there no such thing as public honour? Is public honour to be flaunted and laughed at? Is all sense of national honesty to be dragged in the dust by the purposes of a party?

Having made those references to the members of my party and to myself the hon. gentleman had a word to say about himself. We find his words in a speech he delivered at Regina on June 10, according to a report which appeared in the Regina Leader-Post the following day:

There is a good time coming. We may not live to see it, but there is a good time coming. I came to call the sinners, not the righteous.

I wonder whom my hon friend thought he was at the time he made that statement? Speaking at Perth on July 16 my hon. friend said, as reported in the Ottawa Morning Journal of July 17:

This country has done much for me; I am doing the best I can for this country, according to the convictions I hold.

Speaking at Vancouver on June 18, he said:

Montreal Gazette, June 19:
My conscience is clear. My record runs into the past for all to see.

When my hon. friend was giving himself that particular encomium he might have been just a little more generous towards others. That is the picture, Mr. Speaker, of the personnel.

I come now to his references to conditions in Canada, and here I wish to take the strongest exception to the attitude adopted by my hon. friend throughout the campaign. He knew very well then, just as he knows now, that such conditions of unemployment as there were in Canada at that time, and as there are in Canada to-day, are in largest part owing to world-wide conditions over which no government whatever has any control. He knew then as well as he knows now that the financial crashes on the stock exchange which took place earlier in the year had a very far-reaching effect upon unemployment in Canada. He knew also, when he was speaking throughout the campaign, as he knows now, that the fact that the western wheat crop was not as large last year as it had been in previous years had also an effect which helped to account for unemployment. But more than that, he knew above all else that the circumstance that the wheat crop had not been moved as early or in anything like the same volume as in previous years caused a very considerable amount of unemployment on the agencies of transportation, which also had its effect upon employment in mines and other branches of industry. My hon. friend knew all these facts, yet never once throughout the whole campaign did he come out honestly and straightforwardly and assert them to the people of this country. But to-day we have in the speech from the throne which he

places in the lips of His Excellency the Governor General the following statement:

The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary.

Now, in power, he says that the unemployment conditions are exceptional in their nature, that they are due to some exceptional economic conditions; but throughout the campaign he said that the unemployment was due to the policies of the late government, that it was a result of the mistaken policies of the Liberal government, not at any particular time, but over a period of nine years. He made his appeal in the campaign on that line, but to-day, immediately he gets into office, to use the word that he himself had used, he betrays all that he has said in that particular throughout the campaign. Let me read the picture of conditions which my hon. friend presented to the country as he went through it.

Speaking at Sarnia on July 17, he said:

Montreal Gazette, July 18.

Canada was now in "a critical condition." Unemployment exists "on a scale which never before was known in the history of this country. All this by reason of the policies of the Ottawa government."

Unemployment exists, he said, on a scale which never before was known in the history of this country. That includes the latter part of the days of the administration of Alexander Mackenzie; it includes the times around 1896 when, as everyone knows, conditions were of a character such as have never been equalled since; it includes also the period of depression immediately following the war when the Liberal government came into office. Yet he said, "unemployment exists on a scale never before known in the history of this country."

Speaking in Montreal on June 26, he said:

Montreal Gazette, June 27:

Unemployment has become "a national problem" in Canada. It is the direct result of nine years of unsound economic policies applied by liberals under Premier King, and the King government cannot escape the charge of having neglected to realize that the first duty of the Canadian government is to provide work for Canadians.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: My hon. friends say "hear, hear". Why, then, did not my hon. friend have the manliness to put those words into the lips of His Excellency the Governor General? He went on:

Unless you provide employment, jobs, for men and women, then they will not remain in the country, and that is why one and a quarter million men and women have gone elsewhere. What is the sense of sending out of the country the great resources partly manufactured, and in the raw state, and then send Canadians after them to work on them in another country while we buy their products from the United States? Mr. Bennett said that the distresses of to-day had been the result of government policies.

Speaking at Toronto on July 22, he said:

Toronto Mail and Empire, July 23:

To-day we have unemployment on a scale never before known, because we had a government which sent our men and women to other countries, and our money to another land to buy commodities.

Speaking at North Bay on July 25, he said:

Toronto Mail and Empire, July 26:

Why is there no work? Because we have permitted other people to supply our wants that we could supply ourselves, and we had given work to others that we could do ourselves.

Speaking at Inverness, Nova Scotia, on July 8, he said:

Canada's national resources are being depleted. Of one billion dollars received annually from these, $968,000,000 is spent in the United States.

Speaking at New Glasgow on July 9, he said:

Canada imports $56,000,000 worth of coal and coke a year and $1,000,000 worth of iron and steel products per day.

Speaking at Toronto on July 22, he said:

Toronto Mail and Empire, July 23:

Canadian industries are dying. Liberal tariff schedules have driven Canadian boys and girls and Canadian wealth into the United States. Unemployment had been caused by the ruin of industry and agriculture was impoverished.

You will notice, Mr. Speaker, that my hon. friend was general in his statements so as to make them applicable to all phases of industry. Canada's industries are dying, he said, as he went from one locality to another. There was nothing limited about that kind of statement. Then, having regard to particular industries that happened to be in different parts of the country, he tried to say something that he thought would be suitable for vote catching in those particular regions.

Speaking of trade generally he said:

Thus Canada is becoming more and more a dependent, and less and less independent economically.

He quoted Hawaii, now part of the United States, as an example and said, "So will we be." In other words, the hon. leader of the party which was so much concerned about "Canada first" says: So will we be like Hawaii in the course of time—an annex of another country.

He stated that in the eight years of administration of the King government, 1,250,000 people had migrated to the United States,

quoting as an illustration that a child of eighteen years is worth $18,000, and that 5,000 are now going to the United States each month, and only 878 coming back to Canada. That was the statement he made at Stratford on July 17, and there is not a word of truth in any part of it.

Mr. BENNETT: The hon. gentleman is out of order, Mr. Speaker. I raise the point of order that no hon. gentleman in this chamber can say that there is not a word of truth in a statement such as that.

Mr. MACKENZIE KING: I am not referring to a statement made in this house.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: I am referring to a statement that was made at Stratford on July 17, not to a statement made in this house.

Mr. BENNETT: That was not the way the hon. gentleman put it.

Mr. MACKENZIE KING: My hon. friend would not have dared to make such a statement in this house.

Mr. BENNETT: He will make it presently. I raise a point of order, Mr. Speaker. The right hon. gentleman has read a statement which he says was made by me. As to the accuracy of that statement I am not now speaking. He went on to say, "There is not a word of truth in it." I submit that that is not in accordance with the rules of this house.

Mr. MACKENZIE KING: I wish to make it perfectly clear, Mr. Speaker, that what I am quoting is a statement made by my hon. friend at Stratford. I am not calling in question any statement that he has made in this house at all. I am calling in question the accuracy of certain figures which appear in that statement, and I say that those figures are not correct.

An hon. MEMBER: That is not what the hon. gentleman said at all.

Mr. MACKENZIE KING: I think that Mr. Speaker will be pleased to be relieved from ruling on that point of order.

Mr. SPEAKER: Does the right hon. gentleman say that the figures are not correct?

Mr. MACKENZIE KING: I certainly say that they are not correct—the figures that only 878 persons are coming back to Canada from the United States while 5,000 Canadians are going to the United States each month.

Mr. SPEAKER: Saying "there is not a word of truth" in a statement quoted, and stating "certain figures are not correct," are very wide apart. I am inclined to think, inexperienced as I am as yet in giving rulings on these matters, that the right hon. member is approaching unparliamentary language when he says "there is not a word of truth in this statement." The authorities bristle with precedents to that end. The right hon. gentleman is a learned parliamentarian, he knows what is parliamentary and what is not, and I hope he will adhere to the last statement, that is, that the figures are not correct, rather than the statement which he made at first.

Mr. MACKENZIE KING: Mr. Speaker, may I say with all deference that it would be quite impossible to carry on a debate in this house if every statement that appears in the press has to be admitted as being accurate, and if members are to be debarred from saying that inaccurate statements are not true. I do not desire to embarrass your honour in your first ruling, and if I pass the matter over it is for that reason.

With regard to the statement made by the hon. Prime Minister at Sydney, Nova Scotia, and may I say with regard to many of the other statements made by him during the course of the campaign, I shall have to leave it to the country to judge of their accuracy—

Mr. MANION: They have judged already.

Mr. MACKENZIE KING: At Sydney, Nova Scotia, on July 7, the then leader of the Conservative party said—I am quoting from the Ottawa Citizen of July 8:

> Mr. Bennett this evening lost no time in getting down to the subject of unemployment which he said was steadily increasing in Canada. Industry was languishing, he declared, for lack of protection. There were between twelve and fifteen thousand unemployed in Winnipeg and others elsewhere throughout Canada. This because Canadians had bought goods from abroad which should have been made at home. We were importing iron and steel goods to the extent of $1,000,000 worth per day, buying from the United States at the rate of $3,000,000 for every working day, and the question now was whether we were to be a country or an annex.

So much for the iron and steel industry. Then coming to lumbering, he said:

> "We could not," he declared, "build a country by sending our raw materials abroad and throwing our markets open to the manufactured products of other countries." Canadian workmen had followed our pulpwood to Rockland, Maine, our fishermen had gone to Gloucester as a result of the higher duty imposed on fish by the Fordney tariff. "Is there no way to meet that?" he demanded. "Well, I will undertake to meet it."

Then speaking at Inverness on July 8, dealing there with mining, he is reported in the Ottawa Citizen on the following day as follows:

"Do you realize that under the present policy, instead of making steel in Canada, we have deprived Canadian miners and steel workers of the chance they deserve and we have driven them to other countries?" $1,000,000 a day had been spent in the purchase of iron and steel products in the American republic, he declared. Think, Mr. Bennett asked, what the expenditure of one-half of that money in this country would have been to Nova Scotia, to Canada. The coal industry, the Dominion leader stressed, was in the same category, and a similar question could be asked. More than $56,000,000 for coal and coke had been spent last year in the United States, he stressed, giving employment to workmen of another country.

Not a word said as to the coal on which this money was being spent being anthracite, not coal of the class which was being mined where my hon. friend was speaking.

Mr. HANSON: That is bituminous coal coming in.

Mr. MACKENZIE KING: He continued:

But unfortunately the natural resources of the country were being shipped out in their raw state under the King government.

When I was last in the maritime provinces I saw ships being loaded with pulpwood for exportation. We sent other raw materials out and our men and women after them, to work in Rockport and other parts of the United States.

Perhaps when my hon. friend speaks he will tell us if he is going to stop the export of pulpwood now that he is in office.

Speaking next of the fisheries at a meeting in Bridgewater, Nova Scotia on July 3, he is reported in the Montreal Gazette of July 4 as follows:

Where are the hardy fishermen born on these shores? Why are there long streams of empty houses where once your fishermen dwelt?

Speaking of cotton and woollen mills at Cornwall on June 27 he is reported in the Ottawa Citizen of the following day in these words:

Due to the tariff changes of the government woollen factories have been compelled to close down. They changed the tariff on cotton and our cotton spindles became idle or only working part time in some cases.

Speaking at Renfrew on July 16, he is reported in the Ottawa Journal the next morning as saying:

Twenty-seven woollen mills in Ontario had been closed, Mr. Bennett charged, as a result of the tariff policy of the Liberal administration.

An hon. MEMBER: True.

Mr. MACKENZIE KING: I do not know whether some hon. gentlemen are to be permitted to say it is true, and I am not to be permitted to say it is not true. I do say, as my hon. friend knows very well, that such reductions as there have been in the number of the woollen mills were due to consolidations and not to our tariff policy.

Then coming to the dairy industry at Woodstock on June 25, as reported in the Ottawa Journal of June 26, he said:

Our dairy business has been lost. We have 140,000 fewer milch cows to-day than in 1925, and there has been a corresponding depletion of our swine.

At Regina on June 10, as reported in the Toronto Globe of June 11th, he said:

When you gamble with a nation's prosperity for power the result is inevitable. The government of to-day has not seen the to-morrow,—they have only thought of to-day and thinking only of it the result has been that now we have unemployment, people walking our streets, men and women hungry,—we have all these things in this great rich country.

At Vancouver on June 18th he is reported in the Montreal Gazette of the following day as saying:

However blind he may be to your future—

This is referring to myself.

—and deaf to your present needs, surely he cannot stop his ears with smug complacence and self-esteem to the cry that carries across the nation—the cry of the destitute and hungry, the cry of mothers and fathers and little children who call to us as Christians and as Canadians to heal their pain. I would have welcomed his cooperation in this time of national distress. It transcends the realm of politics, it appeals to the heart of man, not to the imagination of the politician.

Now, may I ask my hon. friend a question, and I will pause to give him an opportunity to answer. He has been in office now for over a month. How much money has he spent out of the public treasury to relieve this cry of the destitute and hungry; how much has he done during the time his government has been in power to relieve that cry? He said that the cries of the mothers and fathers and little children called to him as a Christian and a Canadian to relieve their distress. He has been in control of the public treasury, he is Minister of Finance as well as Prime Minister, what has he done, what amount of money has he paid out of the treasury in this one month to meet the condition as it existed at that time and as it has continued since? I do not wonder that my hon. friend sits silent.

An hon. MEMBER: We will give them more than a five cent piece.

Mr. MACKENZIE KING: May I say to my hon. friend that he has not given a five cent piece. Such were the means taken by my hon. friend to gain power. He sits in this parliament to-day as Prime Minister in view of the appeal that he made to the necessities of the poor, and because of the extent to which he exploited those necessities.

What did he say further? He gave an alleged reason as to why he had not touched the question of unemployment in the house. Listen to this. He said at Regina on June 10 as reported in the Toronto Globe of the following day:

I did not mention it in parliament.

That is the question of unemployment in the House of Commons here. It may be the reason why he is not speaking at the moment.

I said I did not wish to have it regarded as a political matter.

I suppose all that my hon. friend said on the subject of unemployment in the course of the campaign was not in any way for a political purpose. The report continues:

Mr. Bennett spoke of the sense of responsibility which seized him in the position he now occupied. Canada was blessed with great natural resources, he proceeded, but yet we find something which saddens my heart to-day. I meet men wearing the white buttons and all they ask for is the chance to work. Think what it is to have a wife and children and all you men ask is a chance for employment.

He went on: "I never in all my life saw such unemployment in this Canada of ours as in this year of 1930."

I wish my hon. friend would tell us who paid for those white buttons.

Then at Three Rivers on July 14, as reported in the Ottawa Morning Citizen of July 16:

"Do you believe," the Conservative chieftain exclaimed, "in a fair deal, an even chance for Canadians? Do you believe Canadians should have a chance to work on the raw materials of this country in Canada? Do you believe Canadian industry should have the opportunity to supply the wants of Canadian consumers? If you do, vote for us. But if you believe our boys and girls should grow up to manhood and womanhood estate and then have to go to the United States to find jobs, vote for the Liberals. If you want to give work to Japan, Czechoslovakia or some other country in place of Canada, vote for the Liberals."

So much for the picture which my hon. friend painted of the situation in Canada, the distress that extended from coast to coast.

Now we come to the great deliverance. Here is the great deliverance from the lips of my hon. friend—and note this is all to be done by the administration in the first session. A session was to be called immediately and within the period of that session all this distress was to be relieved and unemployment completely ended.

Speaking at Regina on June 10, the present Prime Minister said, as reported in the Regina Leader-Post, June 11, 1930:

If the party I belong to on the 28th day of July is given authority to conduct the affairs of this country, at the first session of our parliament, the government of which I am the head will pass laws that will give Canadians an equal opportunity with their competitors outside of Canada, or we go out of power.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I am glad to see my hon. friend sticking to his statement.

At Calgary on June 12, he said, as reported in the Calgary Herald of June 13:

This is a new country and there is no excuse for unemployment in Canada if a government does its duty.

I am convinced this unemployment has now ceased to be local and provincial and has become national in its importance. It has reached far beyond the narrow confines of Calgary or Alberta and is stretching into the broad confines of our Dominion. I will not permit this country with my voice or vote to ever become committed to the dole system. I will not permit those to share in any benefits that may accrue unless they are willing to work, if they are fit to work, and my duty is to provide them with work to do. . . . There are great national works that may be undertaken in times of stress and strain. . . . They will be undertaken, and I propose that parliament shall formulate a definite plan for permanent relief, and that parliament shall deal with this national problem and provide amelioration for the conditions in order that next winter the Canadian people may not be facing the crisis that is upon us without having a remedy at hand.

I follow his course as he went further west, and then his coming to the east. Speaking at Edmonton on June 13, he is reported in the Ottawa Journal of the following day as follows:

"I spoke of unemployment last night at Calgary," the Conservative chieftain declared. "We must face it absolutely at once". . . .

"I accept the challenge and I say again that I will call parliament together, at the earliest possible moment to provide at once the remedy —employment for all who can and will work. It is in the interests of every one of us, rich and poor, happy and unhappy, alike, that this should be done. If there be those who think that their idleness, now unsought, may by aid of government be continued at their will, they mistake my meaning and my purpose. I will help them to help themselves; but I will not help them to remain in idleness. That would be bad for them and bad for the country as a whole. And in this, as in all other things, I will act for the common good. That is my guide. Any other would surely lead me astray."

At Victoria, according to the Colonist of June 17, my hon. friend said:

You have my promise that if the Conservative party is returned to power that as soon after July 28 as possible parliament will be called together to deal with the problem of unemployment by providing, not doles, but work (applause), and that legislative action will be taken to bring about the future security of our country and the well-being of its people. . . . We cannot tolerate the dole. Men and women of this country want work, not charity . . . . Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

Then at North Vancouver, according to the Vancouver Province of June 18, my hon. friend said:

Governments can regulate policies of the country so that facilities may be provided to give employment and not make it necessary for thousands to leave home and go elsewhere to get jobs to make a living. That is one count alone on which this Liberal government should be condemned.

At Vancouver on June 18, as reported in the Vancouver Sun of June 18, 1930, my hon. friend said:

"We must look forward to the building of highways, of waterways and railways to provide work", Mr. Bennett said. He would undertake, for instance, completion of a highway across Canada, from Cape Breton to Vancouver. . . . "Canadians do not ask for charity or doles. They want work and wages. That is why it will be my duty, if elected, to call a special session of parliament to anticipate those great undertakings to which we are pledged to enable Canadians to keep themselves and their families in comfort."

At Moose Jaw on June 20, the hon. gentleman said, as reported in the Regina Leader-Post of June 21, 1930:

The party to which I belong is pledged, by legislation to give fair competition, to the end that we may give employment to Canadian men and women, that they in turn may buy the products of our farms and help to build up our country.

At Woodstock on June 24, as reported in the Toronto Mail and Empire of June 26, 1930, my hon. friend said:

After the 28th of July the first duty of a government representing my party is to pass such legislation as will give to Canadians fair competition and equal opportunity with any country in the world.

Again at Woodstock, according to the Toronto Mail and Empire of June 26, he said:

We must pass laws at the special session that will anticipate work for our people on national highways, on great canals, that we must make for our waterways to the sea in great undertakings such as branch lines and matters of that kind, in order that we may give employment to our people.

All this, hon. members will notice, is part of the work cut out for this special session, which my hon. friend says must be concluded within two weeks, otherwise he will not attend the imperial conference. At Yarmouth on July 2, he said, as reported in the Halifax Herald of July 3, 1930:

At the first session of parliament the Conservative chieftain stated he would see to it that Canadians would be afforded fair competition, or perish in the attempt. Canadians must have their home markets first and after markets abroad. . . The Conservative party would take the necessary action, even if we have only a majority of two.

Now that they have a majority of thirty we shall expect to see it done rapidly.

Mr. BENNETT: We will do it that much quicker.

Mr. MACKENZIE KING: I am glad to hear my hon. friend say he will do it that much quicker. The unemployed in this country will be counting the days. At Halifax on July 3, he said, according to the Halifax Herald of July 4:

If the Conservative party comes into power on July 28th, I propose at the earliest moment to call parliament together so that we may find a speedy remedy for this situation and decide on means to provide work for Canadians. Work, I said, not doles. The Canadian workmen want work, not charity. Construction of our great national highway to which this party is definitely committed would materially assist in providing a practical solution to this problem.

Then at Chatham, New Brunswick, according to a Canadian Press report of July 11, he said:

I propose if elected to power, to call a session of parliament immediately after July 28 to deal with the unemployment problem, to authorize national undertakings which will give work to our workmen. Side by side, I propose to have enacted such measures as will give Canadians fair competition and equal opportunity with the nations of the world. Then the bogey of unemployment will be destroyed.

Speaking at Moncton, New Brunswick—and I ask hon. members to pay patricular attention to this, which is his definite pledge—my hon. friend said, according to the Canadian Press report of July 10:

The Conservative party is going to find work for all who are willing to work, or perish in the attempt. It is going to call parliament at the earliest possible date after July 28 and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole. . . . . Mr. King promises consideration of the problem of unemployment. I promise to end unemployment. Which plan do you like best?

When I read these words, "I promise to end unemployment", I could hardly believe that my hon. friend would have gone that length. I looked at some of the Conservative papers

in Ontario—he made the statement in the east—and I found, for example, that the London Free Press, which is a good Conservative organ, with a special friend of the hon. gentleman editing its reports, had omitted the words "I promise to end unemployment." It simply stated:

Mr. King promises you conferences. I promise you action. He promises consideration of the problem of unemployment. Which plan do you like the best?

I thought possibly there had been a misquotation so I took the trouble to consult other publications and I found in the Ottawa Journal, in a "special" to that journal of July 11 from Moncton, the following:

Mr. King promises you conferences; I promise you action. He promises consideration of the problem of unemployment; I promise to end unemployment. Which plan do you like best?

Then in the Halifax Herald, the statement being made in the near vicinity, in the Canadian Press report by Mr Thomas Green, who accompanied my hon. friend in his campaign, there appears under the headline "Moncton, N.B., July 10" the following:

"I promise you action," the opposition chieftain declared at one stage. "He promised you consideration of the problem of unemployment. I promise to end unemployment. Which plan do you like?

Now I say to my hon. friend that this is the promise to which the country intends to hold him. The Moncton Transcript of July 11, the newspaper in the community where the speech was made, says:

Mr. King promises you conferences. I promise you action. He promises you consideration of the problem of unemployment. I promise to end unemployment.

Speaking a little later at Quebec, my hon: friend said:

Ottawa Citizen, July 14:

There was no necessity for a conference on unemployment, he continued. The solution was too apparent. "What you want is work," he exclaimed, "not conferences, and you are going to get work." Unless his promises to the people of Canada were kept if elected to office, Mr. Bennett said he wanted Quebec and other members of his party to vote him out of office.

That was a heroic attitude to assume.

"I do not want place and power over broken promises," Mr. Bennett exclaimed.

Here is something still more noteworthy:

"I want place and power to serve my fellow-Canadians."

"Let us not be deceived," he said at one stage, "let us get to grips with our problems. Let us have action and not words."

Mr. King has said, the opposition leader declared, that he, Mr. Bennett, was wrong in calling parliament unless he had some constitutional proposals to submit to parliament. "Well," he exclaimed, "I have well considered proposals to submit to parliament; otherwise I would not have said I would call a special session after July 28, if elected, to deal with unemployment. We propose to anticipate many of the national undertakings we have to perform in order that men may get work, not promises, wages not charity."

Having in mind what my hon. friend has said in promising to end unemployment, may I direct the attention of hon. members to the words which appear in the speech from the throne:

The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the customs tariff which it is anticipated will do much to meet the unsusual conditions which now prevail.

That is not the pledge which was made by the Prime Minister of to-day to the people of Canada during the last election; that is not the pledge that he gave, by virtue of which he sits in office to-day. He is fond of speaking of the great betrayal. I do not know what construction should be placed upon that particular clause which he has put into the lips of His Excellency. Certainly it is not implementing his promise to end unemployment. The press supporting my hon. friend are drawing attention to the fact that the speech from the throne is the shortest on record. I hope they will notice that the list of promises of my hon. friend are the longest on record.

At Montreal, on June 28, he said:

Parliament would be summoned to deal with what was much beyond a municipal problem, beyond a provincial problem, but was a national problem. It might be necessary to anticipate great national undertakings so as to provide work.

Then at Renfrew on July 16:

Ottawa Morning Journal, July 18:

"There is no excuse for unemployment in our country", he said. "There is no excuse for poverty. We have the people and the resources. We have the capital, but capital will not allow itself to be used unless there is stability and certainty. It must not be wiped out by factories being closed down by unfair competition from abroad."

At Cornwall, on June 27, he said:

London Advertiser, June 28:

We propose at the first session of parliament to effect such legislation as will give Canadians fair opportunity in competition with any country in the world.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Just see if my hon. friends will applaud this sentence:

I will enact such tariff measures to give Canadians an even chance, or perish in the attempt. At the same time we will protect labour as well as consumers. There will be no exploitation.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: My hon. friend's supporters must be anxious to witness his untimely end.

I will enact such tariff measures to give Canadians an even chance, or perish in the attempt. At the same time we will protect labour as well as consumers. There will be no exploitation.

And at Sarnia, according to the Mail and Empire of July 17, he said:

Someone is responsible for unemployment; not individuals, but governments. Governments by their majorities in parliament are responsible for enacting all legislation.

Then at Orillia, on July 18, according to the Ottawa Morning Journal of July 19:

"His policy," Mr. Bennett said, "was to give Canadians a fair chance, equal opportunity and fair competition" and at the first session of parliament, if elected to office, laws would be enacted to produce this condition or he would perish in the attempt.

Then at Perth, on July 16, according to the Ottawa Morning Journal of July 17:

At the first session of parliament, if elected to power, Mr. Bennett said he would have laws enacted that would give Canadians fair competition, an equal opportunity for development with the nations of the world.

And finally, on July 22, speaking at Toronto in connection with unemployment:

Toronto Mail and Empire, July 23.
He, (Mr. Bennett), pledged himself anew to the enactment of tariff laws at the first session of the new parliament to "give Canadians in Canada a chance in their own markets." "I say to you business men and clerks, women, housewives, and office girls, after July 28, at the first session of the new government we will pass a tariff law that will give Canadians a fair chance with their neighbours, that, or we perish in the attempt. There is no evasion, that is our promise."

I hope my hon. friend, having made that appeal during the course of the campaign to the clerks, women, the housewives and the office girls, will tell us whether the unemployment relief which he is going to give on such a splendid scale will extend to housewives, to office girls and to clerks. Is he simply going to look after those who are engaged in one particular kind of work, namely, manual labour, or is he going to look after everyone? I should like him, when he comes to speak, to say whether in ending unemployment he is restricting his efforts to one particular class or whether he includes all classes in the country, as the country expected he would.

Now may I quote what my hon. friend said by way of emphasizing all that he said he would do? He laid a great deal of stress, during the course of his many speeches, upon the sacredness of promises. Let me quote what he said in that connection. At North Vancouver on June 18, he said:

Vancouver Province, June 18:
After I am Prime Minister on July 28, I will see that my promises are carried out or the government will go out of power trying to do so.

Speaking at Calgary, according to the Calgary Herald of June 13, my hon. friend said:

I am not a genius...

I am surprised at that.

. . . . I am a man just as you men who are here, one of your fellow-citizens. I have responsibilities as every man in this position has, and I must not lightly make statements that I am not prepared to the last syllable to carry into effect, and I will not.

As I have said, Mr. Speaker, my hon. friend not only made his general statement, but he found it helpful to his political objective to particularize and specialize as he went about from place to place. Hon. members of the house should be given some of the statements which he made in that connection. I cannot begin to go over the complete list. They make special appeals to particular classes throughout the country, and I am sure that those to whom these appeals were made will be glad to have them placed on record in the debates of this parliament so that the pledges may be here recorded for us to see redeemed as time goes along.

In his first pledge, referring to protection, my hon. friend made a pledge for protection for Canadians generally, the development of natural resources, the development of our agricultural life and our industrial life, and the protection of consumers from exploitation. Let us see what he said about protection. At St. Thomas on July 21, he said, as reported in the Ottawa Morning Journal of July 22:

"I have said it in the west and I have said it in the east," the Conservative leader declared. 'If I am elected to office I will carry out this undertaking at the first session of parliament of perish in the attempt.' Again, the audience burst into applause. 'There is no good hand-clapping and cheering,' Mr. Bennett said. 'There is no use 'playing' with this matter."

Perhaps I might address those words to his supporters in this house. The report continues:

"Does it mean you will deal with the tariff at the special session?" a voice asked. "That is what I said," the opposition leader replied.

Fair competition for Canadian farmers, labour, industry and what was very important,

protection would be given to the consumer, he stated. Was it fair, the Conservative chieftain asked, to subject Canadians to the competition of 12 cents per day paid to girls in Japan, 35 cents per day paid to labour in Soviet Russia or the cheap wages of European countries? It was unfair to have Russian coal enter the Dominion to replace a Canadian product, he continued, produced at such a low living standard under Soviet rule. The standard of wages and living of Canadian labour must be protected, the opposition leader asserted.

If those pledges are to be carried out, they must be contained in the sentence of the speech from the throne which reads:

Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs tariff.

At Sherbrooke on July 14, he said as reported in the Ottawa Citizen of July 15:

"Do you believe, Liberal or Conservative, that oriental labour should displace Canadian labour? Canadians must be protected," he stated, and it was his supreme desire to give his fellow Canadians a chance. Towards this end, Mr. Bennett declared, if returned to power, legislation would be passed at the first session of parliament affording Canadians an equal opportunity, fair competition with the world.

At Halifax on July 3, he said, as reported in the Halifax Herald of July 4:

"I will not sacrifice the coal industry of this province or the steel industry of this province to any other country in the world," declared Mr. Bennett. "We will not tolerate this importation of Soviet coal when we take office."

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Some hon. members say "hear, hear." We too, are looking to see what measures the hon. gentleman brings down in that regard.

Mr. BENNETT: Give us a chance.

Mr. MACKENZIE KING: The report continues:

If this party is returned to power on July 28th, and I believe it will be, at the first session of parliament we will submit tariff legislation that will afford fair competition for Canadians and equal opportunity to develop this country in competition with any other country in the world.

At Cornwall on June 27, as reported in the Ottawa Morning Citizen of June 28:

He contrasted the "changing attitude of the Liberals for place and power" with the policy of the Conservative party. "We propose," Mr. Bennett stated, "at the first session of parliament to enact such legislation as will give Canadians fair opportunity in competition with any country in the world. We propose to ensure in every possible way our home markets for our industrialists and agriculturists. We cannot succeed as a country unless we do so. I will enact such tariff measures to give Canadians an even chance or perish in the attempt. At the same time we will protect labour as well as consumers. There will be no exploitation."

At Renfrew on July 16, he said, as reported in the Ottawa Morning Journal of July 17:

If we come into power we are going to pass tariff laws at the first session which will give Canadians an equal chance with others. As surely as we are here to-day, we will pass an act that will give industry, the farmers and the labourers fair competition with the world and Canadians an opportunity to build a great nation.

At Simcoe on July 21, he said, as reported in the Mail and Empire of that date:

"As soon as we can form a government after July 28, we will call parliament together, and at the first session we will enact legislation that will give Canadians fair competition and an equal chance with their competitors of the world to develop Canada." A man stood up. "Does that mean," he asked, "that when you call a special session you will raise the tariff?" "That is what I said," Mr. Bennett returned.

At Winnipeg on June 9, he said, as reported in the Manitoba Free Press of June 10:

It will be the duty of the Conservative party to see that our tariffs can operate as well in the service of the consumer as the producer. Tariffs properly controlled will ensure our own markets to our producers, and internal competition will control prices. If any producer levies an excessive charge, I will put a stop to it.

At Winnipeg on June 9, he said, as reported in the Montreal Star of June 10:

If after investigation there is any producer of this country levying excessive charges upon the consumer, I will put a stop to it.

The Prime Minister is reported as having said the following at the Sherbrooke meeting held on July 14:

The imports of machinery, tools, farm implements and engine boilers took jobs away from Canadians.

Notwithstanding the Mail and Empire reports that at the Woodstock meeting of June 26 he complained that:

The United States trouble is over-production. Our trouble is under-production.

The Quebec meeting of July 13 is reported as follows:

This country must be self-containing "commercially independent," and must be protected against mass production of the United States. As it is the surplus products of the United States are being dumped into Canada.

At the meeting held in Winnipeg on June 9, my hon. friend asked why Canadian newsprint was admitted free into the United States, and then stated that it was because Canada was the only place where that commodity could be obtained. I hope my hon. friend will tell us if in the legislation he proposes to

bring down he is going to prohibit the export of newsprint from Canada. He is also reported as having said at that Winnipeg meeting:

Do you realize that last year we sent $930,000,000 away mostly to the United States, just about $3,000,000 a day. If we had created Canadian industries to supply those needs that $930,000,000 would have been kept at home.

The employment by the Conservative party of the principle of national safeguarding will not permit any producer to avail himself of our protected measures to unfairly profit at the expense of the consumer. For the protection of the Conservative party will apply equally to the four great masses of the country: the agriculturists and the worker, the manufacturer and the consumer. And I propose that any government of which I am the head will at the first session of parliament initiate whatever action is necessary to that end, or perish in the attempt.

I regret, Mr. Speaker, to have to detain the house so long with these promises made by my hon. friend, but they constitute a record of the means by which my hon. friend gained power and the obligations which he is now called upon to fulfil, and I think it is desirable to have on Hansard a record more or less in its entirety so that, as I have said, it may be referred to from time to time as we continue in session.

The next special pledge related to agriculture. My hon. friend pledged in the name of his party that he would foster and develop agriculture, foster and develop the live stock industry, foster and develop the dairy industry, and protect the wheat pool. In some of his speeches my hon. friend stated that it was the duty of the previous government to have protected the wheat pool. Let us see what the agriculturists of Canada have a right to expect from my hon. friend. The official text of the speech delivered by the Prime Minister at Winnipeg reads as follows:

We pledge ourselves to foster and develop agriculture, and the live stock and dairy industries, now so sadly neglected.

The report continues:

After stressing the economic ills of western Canada, showing that the prairies could not sell "wheat, foodstuffs, cattle and dairy products," and that this condition caused the exodus from the farms, Mr. Bennett said these ills were due to bad government at Ottawa.

He went on, "What does the government do to-day to help you? Does it provide for you these markets? Does it provide a part of the revenue of the country to develop the foreign markets? Does it say, for instance, 'the United States is selling in the Orient many, many times as much as you are; your products are as good or better; there is something wrong; we will correct it'? Does it say 'Difficulties have arisen in the markets of Great Britain; we will compose them'? Does it say, 'Russia and the Argentine are contesting these with you; we will effect an agreement, fair to Britain and to them, and profitable to ourselves, which will ensure increasing sales to them'? Look at those tariff proposals of Mr. King, and make me the answer. Does it say, 'Your transport charges are heavy; we will lessen them by developing the channels of our trade'? Does it say those things, so that your produce will reach out into the vast markets of the world, immediately available markets to the Orient and elsewhere? No, it does not. Oh, what an opportunity there was and what an opportunity there is at the present time for bold, constructive leadership! This opportunity the Conservative party will seize.

Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? Tell me, when did free trade fight for you? You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

Recognizing that the marketing of our natural products is a foremost factor in our national welfare I pledge our organization and machinery, in cooperation with private and financial agencies, to permanently establish effective marketing organizations in the countries with which we trade. With these drastic adjustments and improvements to which you are entitled, and with the full employment of our great transportation system, you will have broader markets, and will have them for all time. You have known suffering and have been patient. Let us end it. Take heart."

At Regina on June 10, he said, as reported in the Regina Star of June 11:

I trust you will realize that one of the reasons we are not selling wheat to England is because others are selling there, and another reason is trade conditions with the Argentine, and another may be Russia. We must deal with this problem on behalf of Canada and not in terms of any other country.

And at Calgary on June 13, he said, according to the Calgary Herald of June 13:

In my opinion the basic industry is agriculture. Agriculture has been the basis of this country's prosperity. The success of the wheat grower, of the wheat farmer, is reflected in the power of the people.

Then comes the problem that is more important, the problem of marketing and of selling wheat. There it seems to me is a fertile field for the endeavour of a government.

France, Germany and Italy have raised tariffs against Canadian wheat. We will look over the top of the hill and beyond the horizon to make provision for the Canadian agriculturist and secure for him markets. That is a question which will have to be solved. I told my audience at Winnipeg and I tell you here and now that condition I will not permit to continue in this country.

At Calgary he further stated:

We are miles from the sea. How are we going to get to the sea? How are we going to get our products into competition with those of other countries so near the sea, into the

markets of the world? We have much yet to do, much yet to do, harbours to improve, and we must lend aid to the distribution, to the cooperative effort made by our people to see their products find access to the markets of the world. These things we must do. Aye, these things I propose to do. That is the answer. These things I propose to do.

At Victoria on June 17 he said, as reported in the Victoria Colonist of the same day:

It is true we must have foreign markets, and as I said the other evening we will blast a way to those markets on a world-wide basis with any exportable surpluses. We do not have to worry about that.

Then at Vancouver on June 18, he said—I quote from the Province of that date:

If Mr. Mackenzie King thinks I will not so build up our agricultural and industrial life that its strength will drive our products into the markets of the world, then he is wrong. For that I will do. If he thinks I will not establish new markets for these products, strive with all my heart to retain them, drive our products with all my power into new markets, into old markets, into reluctant markets, he is wrong. **For that I will do.**

The Ottawa Journal reported on July 2 the following from a speech delivered at Woodstock, New Brunswick, on July 1:

It gave him great regret, Mr. Bennett continued, to have seen the deserted farm lands of New Brunswick, Quebec and other provinces. "Well," he stated, "I am going to say right here that I shall regard it as my great responsibility if elected on July 28 to see that the collective weight and power of the Dominion of Canada is placed behind agriculture. I would be lacking in qualifications entitling me to head a government if I failed to do so.

The Ottawa Citizen of July 3, gives the following report of a speech delivered in Yarmouth on July 2:

Mr. Bennett argued that there would be no prosperity for Canadian agriculture so long as the surplus good products of other countries were allowed to enter Canada. No profits for the Canadian farmer unless the combined power of the country were brought to his assistance. Reminding his hearers that Nova Scotia farms were not producing enough to supply the food requirements of the province, "you have a right to that market," he said. "You will never get it under Mr. King." His own pledge was: "We propose to pass for Canada a fiscal law that will give Canadians an equal opportunity with other nations of the world in their home market, and if we come back on July 28 with a majority of two we will pass that bill or perish in the attempt."

The Ottawa Morning Citizen of June 30 reports a speech delivered at Ormstown as follows:

The Conservative leader gave strong expression to his party's policy for assistance to agricultural schools, cheaper transportation, distribution and marketing. It was necessary, he continued, that farmers should receive just compensation for their efforts "and rewards equal to the professions" to keep Canadian boys and girls on the farm. Agriculture stood first in Canadian development. "We must supply the same advantages to agriculture as to other activities. It must be made as profitable as any other profession in which men are employed." He went on: "We of the Conservative party maintain that the Dominion, having control of all systems of taxation, must assist agriculture, understand, by scientific study the problems under which we work, and get the best returns. And we Conservatives are pledged to see that agriculture receives the same benefits as in days gone by." Distribution and marketing were essential factors in assisting agriculture. A national highway was required for agriculture, to connect the east with the west. To this national highway his party was pledged.

The Calgary Daily Herald of June 13, reported a speech delivered in that city on June 12, as follows:

We pledge ourselves to foster agriculture and live stock and dairying industries which have been sadly neglected by the present administration. We must have our youths prepared in the schools of agriculture, and for that reason I pledge myself to continue that grant from the federal government to the several provinces, because only by an educated farm population in the broadest and best sense can we achieve the objects we have in mind.

At Summerside on July 4 he said, according to the St. John Telegraph-Journal of July 5:

In order that people in the agricultural industry may succeed those engaged in it must have the benefit of science and study. So we made grants to establish schools, experimental farms, not only in the agriculture but in the live stock and dairy business. Mr. King discontinued the grants to agriculture. That is his privilege. We have said we believe in these grants and we will renew them when we come back to power.

The Ottawa Citizen of June 23, reported a Brandon speech as follows:

The basic industry of agriculture must be developed, he proceeded, and cheaper transportation provided through development of the St. Lawrence waterways project; development of Canadian ports, along with aids to agriculture.

At Cobourg on June 24, he said:

A large part of the flow of Canadians to the United States is from the farm because the government has withdrawn its protection from the farmer.

The Ottawa Morning Journal of June 26, reported a speech delivered at Woodstock on the previous day as follows:

Why, Mr. Bennett demanded, had the government in negotiating treaties failed to see that wheat and agriculture was protected?

At Saskatoon on June 19 he said, according to the Star-Phoenix of the following day:

There is only one way we can get the moneys of England for Canadian wheat rather than Russia and the Argentine, and how is that?

By providing our wheat cheaper than the others. Is that not so? And how are we going to do it? This is what we are promising to do at any rate.

I direct the attention of my hon. friend to that statement made in Saskatoon:

There is only one way we can get the moneys of England for Canadian wheat rather than Russia and the Argentine, and how is that? By providing our wheat cheaper than the others. Is that not so? And how are we going to do it? This is what we are promising to do at any rate.

I hope my hon. friend when he rises to speak will indicate how he purposes to carry out that promise.

May I now say a word as to his promise with respect to the stabilization of economic conditions. In his general pledge he promised continuity of trade, freedom from manipulation of home tariffs, freedom from manipulation of foreign tariffs. This is what he said at Winnipeg on June 9:

Does the government say you cannot do business unless such markets as you have are constant; you cannot invest capital in any province unless you are assured against changes in market conditions? It does not understand that it is not tariffs only that are to be feared, but changes in those tariffs. What does it do? Nothing. Worse than nothing. Far, far worse than nothing. It sets about with diabolic skill to smash the business we are endeavouring to maintain by destroying the very foundations of trade, stability and freedom from change . . .but the government says we must do something, we must have another plan of our own. We will protect, not Canada, but our enemies. Incredible to say, and yet it is a fact.

Speaking at Calgary he referred to cattle exports. He said:

Calgary Herald, June 13:
The removal of the embargo against Canadian cattle entering Great Britain has made possible the shipment of cattle to Great Britain. It is a long way to England. Ships have to be specially fitted for it. You have to have special provision for carrying them on deck, and all that involves money, and unless you have stability of market, some regular channel of trade, it is impossible to maintain it. Men and women, the policy of the Conservative party to-day is to establish stability of market, the establishment of permanent channels of trade. We shall see to it that the strength and power of the nation stands behind the effort of the people of these plains and every part of Canada to market their products to the best possible advantage. That is my duty. That is my business. How, otherwise, can we succeed?

Speaking at North Bay he is reported in a Canadian Press despatch, dated July 25, as follows:

Mr. Bennett declared that under the present Government thirty woollen mills in Ontario had been reduced to six. He had seen the spindle wheels idle in his recent visit to Sherbrooke, Que. Cotton mills were half idle and half working, he declared, and throughout the country idle mills and closed factories were to be seen. "The whole situation has been produced," Mr. Bennett declared, "by a policy of uncertainty as to whether an industry would be destroyed to-morrow". . . This condition, he said, would be terminated on election day.

The next line of pledges relate to the development of interprovincial trade and the development of a fuel policy. Speaking at Guelph on May 11, my hon. friend said:

Ottawa Journal, May 12:
Every trade agreement the present administration had negotiated, and there were fifty-three, had been to the disadvantage of Canada.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: My hon. friends say "hear, hear" that every one of them has been to the disadvantage of Canada. Later on the leader of the party said that he intended to renounce all those treaties. That is another pledge for this session.

Mr. BENNETT: Oh no.

Mr. MACKENZIE KING: He is going back on it already.

Mr. BENNETT: Not at this session. You will not find it there.

Mr. MACKENZIE KING: We will see how far his statement goes. Speaking at Newmarket on July 24, he said:

Toronto Mail and Empire, July 25:
As fast as Germany, France and Italy, made new tariffs those tariffs were Canada's under this policy.

Mr. BENNETT: Those are the countervailing duties.

Mr. MACKENZIE KING: At different meetings my hon. friend repeatedly referred to treaties which this country had with Germany. He ought to have known that we have no treaty with Germany.

Mr. BENNETT: I was referring to the countervailing duties against Germany, not to trade treaties.

Mr. MACKENZIE KING: He referred to this country as having a trade agreement with Germany.

Mr. BENNETT: I was wrongly reported, then.

Mr. MACKENZIE KING: My hon. friend will have to blame his own reporter, then, for some of it.

Speaking at Winnipeg on June 9, he said:

To prosper, a country must sell in the best available market what it produces and must produce more than it has any requirements for and the markets in which it sells must be

always open to it. What does all Canada need to-day? Markets open to us the year round and open year by year. Of what use is it for a man to produce if he cannot sell, or sell now if he may be prohibited to-morrow. We of the west, what is the matter with our wheat and foodstuffs and with our cattle and dairy industries? You produce the best in the world. Why are your sons leaving the farms? Why do they stand idle in the city streets? Not because they will not work if there was work to do. The answer is, you cannot sell now what you produce and we can produce many times what we now do, but you cannot and you will not until you have markets in which to sell.

Again, speaking at Winnipeg on June 9, he said:

The United States learned a long time ago that to become a great nation it must look to itself. It therefore began to build up its home market by keeping out of it the goods of other nations.

Speaking at Regina on June 10, referring to treaties, he said:

Regina Leader-Post, June 11:
Men and women, with a high sense of my own responsibility, I stand here to-night and say to you that when our party comes into power, as it will on July 28, I propose that these favoured nations treaties, that unless they are prepared to grant access to their markets for Canada's natural products, they are not going to peddle their manufactured goods here.

At Winnipeg, on June 9, according to the Manitoba Free Press of June 10, he quoted figures to show that countries having favored nation treaties with Canada had greatly raised their duties on natural products from Canada. "When we have the power," he said, "I will undertake the reconstruction of those treaties."

At Calgary, on June 12, he said:

Vancouver Sun, June 13:
I pledge myself that every treaty entered into by the government, harmful to Canadian agriculture, will be abrogated if I am returned to power.

At Saskatoon, on June 19, he said:

Saskatoon Star-Phoenix, June 21:
I will not tolerate treaties with countries that are importers of natural products; that are themselves permitted to discriminate between the natural products of Canada.

Then at Winnipeg, on June 9, he said:

Do you realize the treaty made with New Zealand, the treaty made with Australia bring to-day the bitterness of Australia against us, the bitterness of New Zealand against us?

At Renfrew, on July 16, he said:

Ottawa Journal, July 17:
Look at those proposals of Mackenzie King, and make me an answer. Does it say your transportations are heavy, we will lessen them all and open up channels of east and west trade so that you will reap harvest from the markets of Europe, South America and the Orient? And what an opportunity there was, what an opportunity there is right here for able, constructive leadership. This opportunity the Conservative party will seize.

At Renfrew, on July 16, he said:

Ottawa Journal, July 17:
Does he (Mr. King) say that we should not do all we can in common justice to help the aged and infirm to hapiness and contentment in their declining years?
Does he say we should not strive to put an end to the awful instability in trade conditions from which every class in this country is suffering, every class, whether it is labour, or the manufacturer, the agriculturist, or the consumer?

That was his reference to myself. Here is his reference to himself. Speaking at Ottawa, on July 26, he said:

Ottawa Journal, July 28:
I have declared that we must lower the cost of transportation and production, ensure a fair price for producers and ensure a way into the markets of the world. I have told the Canadian people of their duty to those less fortunate.

Again, at Winnipeg, he made the reference which I have already quoted, to blasting his way into the markets of the world. Following that, at Vancouver, on June 17, he said:

Montreal Gazette, June 19:
So will I, when the government is mine, continue to blast a way through all our troubles and difficulties.

At Inverness, Nova Scotia, on July 8, speaking of a fuel policy, he renewed his pledge for a national fuel policy, as reported in the Toronto Globe, of July 9.

At Sydney, on July 7, he said:

Ottawa Citizen, July 8:
Coal imports from the United States last year had cost us $50,000,000, and those of coke $6,000,000. He refuted the argument that these imports were not of the same kind as Canadian, with "what is science for? What has science done?"

Speaking at Perth, on July 16, he said:

Ottawa Journal, July 17:
Coal from Soviet Russia, where men were paid 35 cents per day, was being imported. Was it fair, he asked, to place Canadian workmen in competition against this low standard of living?

Speaking at Sydney, on July 7, he said:

Ottawa Citizen, July 8:
While my fellow-Canadians are out of a job, children hungry, mothers hungry, men willing to work but unable to get work, we bring coal from Russia. I say, it is wrong.

Now I come to another class of pledges which my hon. friend made. These, one would have thought, were extravagant and bountiful enough, but he has another still more generous, and that is the promise made with respect to old age pensions. It is interesting to note that the speeches which my hon. friend made in reference to old age pensions were made for the most part in

those provinces which up to the present time have not availed themselves in any measure of an old age pension scheme. Speaking at Yarmouth, Nova Scotia, on July 2, he said:

Halifax Herald, July 3:
If the conservative party is successful on July 28, I will see to it that old age pensions are paid to every province of the Dominion from the federal treasury.

Speaking on July 3, at Halifax, my hon. friend is reported as follows in the Halifax Herald of July 4:

The opposition leader's reiteration of his definite pledge to establish a federal system of old age pensions, the cost of which will be borne entirely by the federal treasury, brought prolonged cheers and applause, as did his latest statement with regard to the pledges that he had made, when he emphatically declared, "I will ask the conservative candidates from this province who are elected to parliament to vote against me and my government if these pledges are not fulfilled."

At Chatham, New Brunswick, on July 11, touching on old age pensions, Mr. Bennett is reported in the Ottawa Citizen of July 12 as follows:

I say to you, if the Conservative party is returned to power we will provide for the payment of old age pensions from the federal exchequer, so that the provinces will not be called upon to contribute a cent and so that the provinces who now find the burden too great will be able to benefit equally with all the provinces of the Dominion.
The constitutional point had been raised by the premier. "If," he said, "it is constitutional to pay 50 per cent, would it not be constitutional to pay one hundred per cent? We will pass the law to pay one hundred per cent and it will be legal."

At Montreal on June 26 he is reported in the Montreal Daily Star of June 27 as follows:

"We say", the Conservative leader continued, 'that if the federal government can provide half the cost of the old age pension scheme, it can provide the whole without wrecking the constitution."

The Ottawa Journal of July 17 in its report of the Conservative meeting at Renfrew the preceding day contains the following:

Cheers greeted Dr. Maloney when he stated that Mr. Bennett had promised a national old age pension law. The present caused hardship on the poor and dependent aged as there were four provinces which had not entered the scheme. Under Mr. Bennett's plan he would protect the aged from coast to coast.

I come to yet another class of promises, and it is the last with which I am going to trouble the house at the moment, though it does not by any means exhaust the list—

An hon. MEMBER: Hear, hear.

Mr. MACKENZIE KING: I do not wonder at my hon. friend feeling relieved. This next class of promises relates to transportation. In his wholesale pledges one would have thought he had said almost enough.

He promised:

(1) Improvement of the whole scheme of Canadian transportation northward.

(2) Completion of the Hudson Bay route —construction of such branches as may be necessary to render it readily available to every part of Canada.

(3) Railways to the Pacific slope by a Peace River outlet.

(4) Waterways—east and west.

(5) Channels—aid in existing traffic channels.

(6) Ports—Increase port facilities on the Great lakes, on Hudson's bay, on the Pacific ocean, on the Atlantic ocean.

(7) National highway—establishment of a national highway system.

In reference to these general pledges there is one which relates to the construction of a road to the Pacific coast by a Peace River outlet. My hon. friend has been in office now for over a month. I ask him, when he gets up to speak, to tell us whether he has taken steps to have that road commenced. I remember while in the west saying that that was a very appropriate work to begin immediately if labour was unemployed in that part of the country, and that if the then administration was returned to power, and it would help to relieve the unemployment situation, I would endeavour to get that road under way at once. Had we been in office I think my hon. friend would have found that road started by this time.

Speaking at Woodstock, Ontario, on June 24 —and this sums up pretty much his general attitude—my hon. friend said, according to the report in the Mail and Empire of June 26:

Parliament has first of all to pass laws—not orders in council—that will institute great national undertakings, national highways, great canals to the sea, branch lines, and matters of that kind, improving conditions in order that we may give employment to our own people.

Speaking at St. John, New Brunswick, on June 30 my hon. friend gave his pledge for a national highway. He is reported in the St. John Telegraph-Journal of July 1 as follows:

We say that the federal government under our administration will build a great national highway in Canada.

Speaking at Cobourg, on June 24 he is reported in the London Free Press of June 25 as follows:

A national highway for Canadians. A highway in Canada, not through some other country. A highway in which you can leave Cape Breton and arrive in Vancouver without going into any foreign land. Mr. Bennett declared the undertaking must be accomplished by the hands of the federal government.

Then at Woodstock, New Brunswick on July 1, he is reported in the Ottawa Journal of July 2 as follows:

Connecting as it would the east with the west, old-time maritimers now residing in western Canada could return to their homes by passing entirely through Canadian territory. The people of the east, too, would visit the west, the Conservative leader went on, and the highway would provide a source of cheaper transportation for farm products.

So much for the highway. The next thing was the promise of the St. Lawrence waterway. At Winnipeg on June 9 he asked:

Has anything been done about the St. Lawrence waterway? Why?

He continued:

Because it was the business of the government to do it and the government did not choose; they did not dare.

Listen to this, and it is something the Canadian people will not forget when my right hon. friend's government goes ahead with the construction:

The money for the construction of the waterway can be secured without ultimate cost to Canada. It could be built and operated without danger to our sovereign powers, and with every safeguard to provincial rights. It will not lessen the merits of competing roads but will be complementary and helpful to them.

Speaking at Cobourg on June 24, as reported in London Free Press of June 25 he said:

If elected we will take up the St. Lawrence waterway and complete it at once. There have been nothing but promises from Mr. King.

At Cobourg on June 24 you have the unequivocal promise of his party for immediate construction of the St. Lawrence waterway.

Having dealt with highways and the St. Lawrence waterway he came next to canals, and at St. John, New Brunswick on June 30, he is reported in the St. John Telegraph-Journal of July 1 as follows:

We offer you the St. Lawrence waterways; the Chignecto canal is a possibility, yea, even a probability.

Then coming to the west, having spoken of the completion of the Hudson Bay railway, he took up the question of rates and said at the Brandon meeting on June 21, as reported in the Mail and Empire of June 23:

Let us put Crowsnest rates into effect on the Hudson Bay railway. Let us finish the port. Let us get the lowest possible insurance rates and aids to navigation without delay.

[Mr. King.]

At the same meeting he was reported in the Mail and Empire as follows:

Endorsation of the suggested Mafeking cut-off to afford Manitoba a shorter route to the Hudson Bay railway was voiced by the Conservative leader. Supporting the proposal, Mr. Bennett said that this would be a proper national undertaking to be started to relieve unemployment, and he asserted such was his intention.

I think my hon. friend the present Minister of Railways and Canals (Mr. Manion) said in one of his speeches that he did not know where the Mafeking cut-off was, but wherever it was Mr. Bennett would build a railway to or through it.

Mr. MANION: I wish to correct my right hon. friend. I did not say any such thing. It is like many of the quotations the right hon. gentleman is using, I fear.

Mr. MACKENZIE KING: I am very glad to have my hon. friend's correction but I am told the statement was heard by a good many.

Mr. MANION: It was not heard by anybody.

Mr. MACKENZIE KING: At Summerside, on July 4, having dealt with highways, railways, and waterways the hon gentleman took up the ferry service to the island and he recalled that Sir Robert Borden had established terminals and ferries. He said according to the report in the St. John Telegraph-Journal of July 5.

I hope that the time will come in the very near future when you will have the benefit of a second ferry.

Speaking at the Halifax meeting on July 3 he is reported by the Ottawa Journal of July 4 as saying:

Halifax and St. John should be national ports. They belong to the people of Canada. They should be great free open ports.

In the St. John Telegraph-Journal of July first, reporting the meeting held at St. John the preceding day, Mr. Bennett is quoted as follows:

A great free port is the only way in which we can have the products of this great country compete in the markets of the world. This port is a great national undertaking and unless treated as such we cannot succeed. My ambition is to see this port the cheapest in the world.

In another report of the same meeting appearing in the Ottawa Journal of July 1, I find the following:

The port of St. John, the Conservative leader declared, should be a great free port—a national port. And towards the implementation of this

object he gave his pledge. The Conservative leader referred to a report that he was opposed to the port of St. John as at present operated. "Of course I am," he declared. "I am opposed to the collection of tolls in this port which prevents it from being built up."

The next class of pledges he made was in regard to bridges. Not only were they to have ports in the manner described, but bridges as well. Speaking at St. John he said:

St. John Telegraph Journal, July 1:
This harbour must be spanned by a bridge—why all this delay? I gave the assurance of my support of it in the house. You're going to have that bridge. We'll make provision for it at the next session of parliament.

Then at the Ormstown meeting on June 29, the report in the Ottawa Citizen of June 30 said:

Mr. Bennett added that he favoured Dominion assistance towards a bridge across the St. Lawrence at Lachine but not a toll bridge which will prevent farmers getting their products to the market cheaply.

At Ormstown on June 30, as reported in the Montreal Star of June 30, 1930, he said:

"Now everyone is in favour of this bridge. Most of all I am. But I believe in free bridges and free highways. After all the king's highway has been always free, ever since medienal times and the dark ages. It belongs to the people, and so should a bridge, for it is simply an integral part of the highway. When the Conservative party takes office," Hon. Mr. Bennett concluded, "we will help you build a bridge—but it won't be a toll bridge."

In addition to these promises, my hon. friend made further promises respecting the widening of railway gauges, the construction of other railways in Cape Breton and, I think, the building of a tunnel and the establishing of public works at a number of different places. It was on these and other promises and solemn pledges that he was returned to power, and this session of parliament has been called to enable him to implement these undertakings. In this connection may I repeat his words with respect to the position he has taken:

After I am Prime Minister on July 28, I will see that my promises are carried out or the government will go out of power trying to do so.

The hon. gentleman has made his promises. In regard to the method adopted by the present Prime Minister in the course of the campaign, I should like to make use of a statement I have in my hand, made by one of his predecessors in the office of leadership of the Conservative party, a former Prime Minister much respected in this house, the Right Hon. Sir Robert Borden. Let me read what Sir Robert Borden had to say with respect to a promise alleged to have been made by a private member of this parliament to his constituency during the course of a campaign. Sir Robert, speaking in this house on January 20, 1909, referred to promises made in constituencies, and he used this expression with reference to the making of such promises during elections:

I say that the system of offering bribes to constituencies in this country is a vicious one, and that, so far as I am concerned, I lifted up my voice during the last parliament in favour of the prohibition by statute of such acts; and I hope some day to see this wrong righted in Canada by statute.

That was the position which a former leader of the Conservative party took with regard to attempts to influence the electorate at election times by promises of all kinds of public undertakings and works. I wonder what in the light of an attitude of that sort my hon. friend thinks of the position which he has taken. If there ever was an election conducted by a political party on the basis of wholesale and most unqualified promises and pledges of all classes and description, it was the election through which we have just passed, and it is as a result of these promises and pledges that hon. gentlemen opposite are in office.

I had intended to say a few words further in regard to some other features, but it has already taken so long to give the list of promises which I have so far read that I shall defer to another opportunity what I had desired to say, with one word only in relation to what the address contains in the way of promises of changes in the tariff at this session.

The session has been called to relieve unemployment. Throughout the campaign those of us now on this side of the house told the people of the country, particularly those in the rural areas, that if my hon. friend should be returned to power they might expect that so far as fulfilment of promises likely to help the farming community was concerned, or the fulfilment of promises which might help workers in the urban centres, this would soon be forgotten, but that there was one thing which would certainly come about, namely, an immediate upward revision of the tariff. That is the one and only thing of which, according to the speech from the throne, we have any assurance. Will my hon. friend tell us when he begins to speak how the working men of the country generally, the housewives to whom he made a special appeal, the clerks in the shops and stores, those earning a living and in receipt of a small remuneration, are going to be benefited? Will he say how their

lot is to be improved by an increase in the cost of living through the raising of the tariff? How is the farming community to be helped —those who have to sell their products in markets that are unprotected—by increased protection, on what they have to purchase in the market here? How are they to be assisted in relation to the things they have to sell? That is something which I hope my hon. friend will tell us immediately because I am sure the question is one which will be asked frequently in the debate.

As to how labour is apt to view any pledges my hon. friend has made with respect to increased protection, may I give the words of one who has had considerable experience in dealing with the labour problem in all its phases, one who has struggled I believe almost more than any other man living to-day to do his part in trying to remedy existing evils. I quote from a speech of the Right Hon. J. Ramsey MacDonald, the present Prime Minister of Great Britain, at the opening of the protectionist campaign on November 1, 1923. This is what Mr. MacDonald had to say with reference to protection as a cure for unemployment:

> Protection is not a cure, it is a diversion—a magnificent method of sidetracking a great movement. Under it you will, of course, have again bribery, corruption and log-rolling. We know what happened in the house under the Safeguarding of Industries Act; I have never known such lobbying. All this will be going on while the poor simple-minded working man drifts hither and thither, and now and then an industry will be spurred up by protection, and they will say the millenium has come.
>
> Under protection you have a certain distribution of industry and industrial population, certain tendencies to make prices high, co-ordinate industry and create monopolies. Under free trade, too, you have certain tendencies, and, on the whole, I am in favour of the open market. But that is not the issue now.
>
> Supposing we had protection, we should still have our unemployed, our land monopoly, our starvation in education. We should still have economies practised by rich men, who care more for coins than human souls.
>
> There is not a single nation in the world which is running its industry under protectionist conditions which has not got precisely that problem of the normal unemployed. Protection never has solved that, and never will.

But we will wait, Mr. Speaker, until my hon. friend introduces the measures promised in the speech from the throne before we venture to estimate the extent to which they will implement the pledges he has given.

There is also one further matter to which I would like to refer before taking my seat. It is suggested by the remark made yesterday by my hon. friend that he intended to see the business through here before going to the imperial conference. I do not know whether or not my hon. friend is trying to get out of going to the imperial conference. Let me say to him that I shall not be surprised if he is. But I want to tell him that in my opinion the people of the country will deem it his duty to go to the imperial conference, if for no reason other than that since the election he has stated that the imperial conference will have a considerable bearing on unemployment in this country. That was something which during the campaign those of us now on this side of the house endeavoured to stress very emphatically before the people of the country. In the course of his campaign my hon. friend did not make many references to the imperial conference; he carefully sidetracked every allusion to it. He sought to belittle, to ridicule and misrepresent the effect of the policies which the then administration had put into operation and which had a very far-reaching bearing upon what might be possible at the time of the imperial conference. Standing where I am, standing to-day, and then in opposition, my hon. friend said, in the address on the speech from the throne in the earlier part of this year, that no government had a right to go to the imperial conference without first obtaining a mandate from the people of Canada. A little later in the year—with not quite the same emphasis, it is true—when the Hon. Minister of Finance, Mr. Charles Dunning, had brought down his budget, my hon. friend repeated the statement that there ought to be a mandate from the people before any government should represent this country at the imperial conference. So important were the issues, so important was the bearing of the policies of that budget upon what might take place at the imperial conference.

I ask my hon. friend, when he gets up to speak, to tell us what mandate he has from the Canadian people with respect to the imperial conference. Will he tell us what his mandate is? We are interested in knowing; the country is interested in knowing what his attitude is going to be at the imperial conference. They want to know what are the policies that he is going to propound there which will be helpful in the solution of the unemployment problem in this country. We made it very clear to the people of Canada that as far as the marketing of western grain was concerned, what might or might not be possible would depend very much upon the result of the recent election, having the bearing that it did upon the important policies

embodied in the Dunning budget. We felt that had those policies been endorsed we would have been in a position at the council table in London to have pointed to the generous and friendly attitude which the people of Canada had taken towards Britain, an attitude which we believed meant very much in the way of developing future trade between this country and the old land and all parts of the British Empire, but whatever we said in that regard was met by my hon. friend by some reference to "Canada first." "Canada first", he said, whenever the British preference was mentioned, as though both countries did not stand to gain in all matters of trade; as though the British preference, which was first introduced by Right Hon. Sir Wilfrid Laurier, had not served the interests of Canada as well as the interests of Great Britain; as though the British preference had not been maintained as a policy by his predecessors in office, by every government that has been in power from that day to this, and as though the question of the British preference was not likely to be an all important question at the imperial conference in England this year.

My hon. friend seems to have very little faith in voluntary agreements. Let me say to him that when he goes to London I think he will find that the only things he will be able to accomplish or that any government will be able to accomplish in the matter of trade as between the different countries of the British Empire will be by voluntary agreement, by cooperation. He will find it very difficult to get very far along on any other path.

Does my hon. friend believe he has a mandate from the Canadian people to-day to blast his way into the British market? Is that the mandate he has? What is the position? Is he, in the measures he is about to bring down, to increase the tariff against Britain as well as against other countries? That was the statement he made, that he was going to put up the tariff against Britain as well as against other countries. Is that the step he proposes to take in advance of proceeding to an imperial economic conference? Does he believe he is going to strengthen his hand in that fashion?

After making his speech about blasting his way into the markets of the world, my hon. friend when taken to task said that after all it was not blasting he meant so much as it was blazing, that it was not the warrior attitude so much as the crusader attitude which he was adopting, that all he was claiming was to be first in the long line of great men who have helped blaze the path of Canada and of the empire. Then when he went on to explain what he meant by "blazing", he came to the term "bargaining", and said that some bargaining process was the only way he was going to trade, whether with other parts of the world or with other parts of the British Empire.

What does that mean? According to his own statements it means putting up the tariff in this country, to begin with; that is to be the first part of it. And then on the other hand, so far as the other countries of the British Empire are concerned, it means that they are to be obliged to change their fiscal policies in order to make them accord with the fiscal policies of this country. My hon. friend knows very well that the British Empire is founded on self-government, and that as far as self-government is concerned, it means autonomy in everything and in nothing more than in the matter of fiscal policy. If he is proceeding to England with any idea of trying to influence the parties in Great Britain in the matter of their fiscal policy, his time would be very much better spent at home. If he expects to make a bargain counter out of the council table at Downing street, he will not get very far in serving the interest either of Canada or of the British Empire. I say he should tell us very plainly what his particular policies are going to be, and his attitude with respect to the questions which may come up at the imperial conference.

Now may I say again, Mr. Speaker, that we wish at this session to give the Prime Minister every latitude in carrying out the many promises he has made. We wish to make it possible for him to proceed to the imperial conference. I hope, if it should be necessary, he will consider very carefully whether it may not be possible to adjourn this parliament for the short time he is to be at the imperial conference, to reassemble after the conference is over, in order to afford opportunity for a full discussion of the measures which will be brought down. So far as we are concerned we are prepared to stay here just as long as there is any work to be done which is likely to be of service in solving this question of unemployment and in meeting any grave situations which may exist in this country at the present time, but my hon. friend must not expect that the people of this country are going to be satisfied with any steam-roller process with respect to increases in the customs tariff. The people of this country are not going to permit him to use the imperial conference as a—

Mr. LAPOINTE: A smoke screen.

Mr. MACKENZIE KING: —as a smoke screen, as my hon. friend suggests, in order

to get his tariff proposals put through in a hurry irrespective of what they may be. Whatever his proposals may be they will have to be judged upon their merits. We are prepared, as I have said, to do all we possibly can to expedite that discussion, but we must have, and the country will expect us to take, the time to analyse carefully the merits of the various proposals which may be presented.

May I say to my hon. friend in conclusion that thus far we have done all that we possibly could do towards expediting the time at which these many promises of his may be carried into effect. We were anxious, once he had achieved victory, to have him assume the reins of office with as little delay as possible. We did not oppose any of his ministers when they were seeking to be returned, not even those ministers who had not a seat in this house. We offered no opposition to the present Minister of Trade and Commerce (Mr. Stevens), who was defeated but who found another constituency in which to run; we offered no opposition to the present Minister of Fisheries (Mr. Rhodes), though he was not a candidate in the election. We have sought in every way to enable my hon friend to meet this parliament at the earliest date possible, and with all the power he could command to carry out his obligations. He has said over and over again that he will carry out those many promises or perish in the attempt. May I say to him that from such a tragic end we on this side of the house will do what we can to spare him. We do not wish to see him perish in his efforts, but we do expect him, if he is unable to carry out his promises, to implement what he said to the Canadian people as to the course his government would then adopt; we expect him in that particular to do what he said he would do provided he and his government failed to meet the situation which he has in such large measure helped to create.

Again I say we will examine these various proposals on their merits; we will do what we can to expedite their consideration, particularly with respect to everything having reference to unemployment; we will cooperate to the utmost of our ability, but we intend to hold him to his promises or the consequences of their failure. We believe that is an obligation which the country expects of His Majesty's loyal opposition.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I regard it as a great honour and privilege to have the opportunity of congratulating the hon. gentlemen who moved and seconded the address in reply to the speech from the throne. It is a great satisfaction to all of us who are Canadians to have associated with us in government those from the old province of Quebec who have for so many years really believed in the principles of the Conservative party but who have found their minds diverted from an expression of opinion by the appeals made by my hon. friends opposite, appeals which were made in the closing days of the last campaign but which fortunately failed because of the intelligence of the electors of that province. Those who read Canadian history in the years to come and read the record of that campaign in its closing days and the appeals that were then made will not regard with any degree of satisfaction either the party or its leader. The mover (Mr. Turnbull) and the seconder (Mr. Gagnon) of the address have discharged their obligations in a manner worthy of the great traditions of this house and in a manner which has been customary, I think, in most cases. I believe they have commanded the approval of the house. They represent, too, great achievements in the electoral field, one in the west and the other in the old province of Quebec. I congratulate them most heartily not only upon the speeches which they have made, the subject matter and the manner of delivery, but because they themselves are here as visible and concrete evidence of the faith of the people in the policies which we are promulgating.

The right hon. gentleman (Mr. Mackenzie King) has displayed considerable heat this afternoon. I can readily understand the cheers of his followers—they have never in their lives been accustomed to seeing promises kept. Sir Robert Borden referred in a speech to appeals and promises made to individual constituencies. Those who are familiar with the history of the last campaign will find nothing lacking in that direction on the part of members now in opposition. It must be remembered that promises with respect to policies are matters of profound importance to the Canadian people, and the policies we promised to put into effect we propose to put into effect immediately. When the right hon. gentleman placed upon Hansard the speeches which I made, I am bound to say that they read much better than they sounded when they were delivered, and I congratulate him upon the process of education to which he this afternoon has subjected his followers. It is a matter of profound satisfaction to me to know that so many of them think as I do upon the matters to which he referred. I happen to know that my friend the former Minister of Trade and Commerce

(Mr. Malcolm) is a strong believer in Canadians being afforded equal opportunity with their competitors to develop trade. I happen to know that other gentlemen whom I see before me are equally strong protagonists of such a doctrine, and I doubt not that the right hon. gentleman, knowing that, desired to remind them that they would find on this side of the house an abiding place because he felt that possibly they were not wholly in accord with his own views with respect to political matters. They can find a resting place over here, and if that was the method he adopted to get rid of so large a number of his following, I can only say that we will welcome them over here knowing that they will support policies without hypocrisy. When I see my hon. friend from Weyburn (Mr. Young) clapping so heartily, I realize that I was sound in my observation. I think the hon. member for Sherbrooke (Mr. Howard) will also agree with my diagnosis of the situation.

May I say to the right hon. gentleman that I am deeply grateful to him for having taken his followers through such a course of education in the economics of this country. His arithmetic is somewhat inaccurate with respect to the result of the elections, and it will bear a little closer scrutiny. If he desires to know the real result of the elections he will find it not only in the popular vote that was cast but in the number of members who are now upon this side of the house and who support the policies which we advocated. I was somewhat surprised at the ease with which he attached to his party all those who now sit to his left. He included them in those opposed to the government, but I had always believed that many of them gave to matters brought before this parliament that measure of impartial consideration warranted by the merits of the proposals enacted. I was not aware until the hon. member for Bow River (Mr. Garland) rose in his place this afternoon that the Prime Minister had an arrangement whereby that party had now become an annex of the Liberal party.

Mr. MACKENZIE KING: My hon. friend mentioned an arrangement between the hon. member for Bow River and the Prime Minister; does he mean himself?

Mr. BENNETT: I meant the hon. leader of the opposition. I am so accustomed to refer to the hon. gentleman as the Prime Minister.

Mr. MACKENZIE KING: I have not had even a conversation with the hon. member for Bow River.

Mr. BENNETT: It is telepathy, I take it. I was merely suggesting that when the right hon. gentleman attached to his party the gentlemen who sit to his left, he must have had some reason for so doing. Being so careful in his statements and so methodical in his computations, he would hardly do otherwise; and when the hon. member for Bow River rose and asked a question to which the leader of the opposition referred in his closing observations, I could not but think that he had some reason for attaching him as an annex to his party.

On July 28th last, Mr. Speaker, there was an election. On that occasion the then government was defeated and a new government now reigns in its place. That government gave definite promises that it would call a special session of parliament for the purpose of considering the problem of unemployment, and it has called that session in pursuance of its promise. We are here for that reason and to transact that business. The measures which will be introduced to further that end are mentioned in the speech from the throne and they will be introduced at the earliest possible moment that the opposition permits them to be so introduced. In accordance with the rules and practices of this house we will endeavour to enact them into law.

I do not propose for a single moment to traverse in this house the matters which were gone into on the hustings. I shall content myself with saying to the right hon. leader of the opposition and his friends that we will keep the promises we made. I know that that must seem strange to hon. gentlemen opposite when they recall the long series of promises to be found in the Liberal platform and in the policies of the Liberal party as declared in convention by their then leader and subsequent Prime Minister. I could enumerate those if I would, but I shall not. He did not even endeavour to carry them into effect. I shall not refer to the excuses which he offered for his failure to carry out such promises, neither will this government refer to those excuses. Only a few short months ago promises were made with respect to the reformation of the Senate, but later when Providence had removed from our midst distinguished gentlemen who were members of that Senate, the then Prime Minister found his excuse for the delayed reformation of the Senate to be in the hands of Providence. I shall not make any such excuse; nor rejoice in the departure of statesmen of an other chamber for the purpose of relieving me from my promises. This government purposes to go forward with the program which it has

outlined. It does not purpose to undertake it completely in one session or in two sessions, because no promises of that character were made. On the other hand the promises made as to what would be done at this special session of parliament this government will endeavour to carry out. That is all I can usefully say on that point.

So far as the imperial conference is concerned, I should regard it as a great privilege and a high honour to represent my fellow citizens at that gathering. In this house and speaking from the position in which the right hon. gentleman spoke this afternoon, I suggested that an economic conference should be held in this city of Ottawa, and I was the first member of this house to do so. The right hon. gentleman sent invitations, but it was not possible to hold the conference in this city. If circumstances prevent me from attending the conference it will be because I regard my duty to Canada and to the Canadian people as one which transcends my other duties.

I shall endeavour to shape the public business in such a manner that if this house so desires, having regard to the election which has taken place, to the mandate which has been given and to the issues which were raised, as has been disclosed this afternoon by the right hon. gentleman in the extracts he has read from my speeches, there should be no difficulty in its giving immediate effect to the proposals which we will submit. They were the proposals which were before the people, about which the people had information and which, with the return of this party to power, they expect us to consider. We will endeavour to carry out the proposals submitted to the electors.

I shall not attempt to traverse what has been said by the right hon. gentleman, but I wish to make one further observation. All of us have realized how frequently figures are improperly reported in newspapers during an election campaign. I would be the last man who would hold the right hon. gentleman responsible for some of the reports of his speeches which I have read. Some of the errors in the press were so palpable as not to call for comment. I shall not traverse them this afternoon because it would be a useless waste of this country's time. This I will say, however, that wherever there were any questions involving matters of vital importance touching the observations or promises I may have made, I endeavoured to reduce them to writing and to hand them to the press. The Winnipeg speech was written and in the main it was read. Some of the speeches and addresses to which the right hon. gentleman referred were given to the press after they had been typewritten so that there could be no misunderstanding. For instance, in the city of Calgary the speech was inadequately reported. The next evening I took the trouble to reduce to writing my comments which had appeared in the press as nonsense. My remarks were then reported by the Canadian Press and the other newspapers of the country. There is no hon. gentleman here who does not know how easy it is, when dealing with figures and matters of trade and commerce, for those who are unaccustomed to them and who are not shorthand writers, to make misstatements. It may be that the misstatements are not deliberate. I am sorry to say however, that in some instances misstatements are deliberate; there have been deliberate misstatements, as most of us know. Therefore it was with some satisfaction that we had the radio through which we were enabled to speak to so many people. They heard what was said and they knew that the reports in the newspapers were garbled accounts of what had transpired. I think that fact is well known to most of us, and these facts are so well known that there need be no time taken for further discussion.

It might well be that in the heat of an election I did not show that measure of humility which the right hon. gentleman thinks I should have shown. However I had the courage of my convictions and I expressed to the people of this country my views upon fiscal and other questions with which I believe we are compelled to deal. In due course I shall make statements with regard to the measures submitted to this house, and my colleagues will do likewise respecting the measures under their charge. I will say that one of the reasons I have retained the portfolio of finance was that having given the promises I felt it would be unfair to ask any man to undertake to implement my promises at this session. It was for that reason I took the responsibility to give effect to the promises which I had made. This may be an unusual departure from the ordinary course of business. This session in itself is a departure from the ordinary course of business. We were told that it could not be held; we were told that it would cost $2,000,000 to hold it, and we were told many other things in relation to it. Well, we are here; that is the answer to it.

So far as cost is concerned, it will involve just what it would involve if we were meeting under ordinary circumstances at a later time. As a matter of fact it will cost something less than a later session because we have cut

down expenditures to a minimum. I do not think any member will deny the fact that I have some slight business instinct, and therefore I will not waste the time of this house by commenting further upon the observations made by the right hon. gentleman. The time and opportunity will arrive when I shall deal with those matters. For the moment I will content myself with dealing with them as a matter of business and leave it to the judgment of the Canadian people as to which is the better procedure having regard to the welfare of this country—long discussions with respect to what has passed, or immediate action looking to the future of the development of Canada.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, may I take this the first opportunity of congratulating you upon your elevation to the high position which you now occupy. It is the most important office in the gift of this House of Commons, and I trust, indeed I am sure, that you will carry out with dignity and impartiality the many duties which pertain to it. I wish you every success, sir, in your occupancy of the speakership.

May I also take this opportunity of congratulating the Prime Minister (Mr. Bennett) upon his success at the polls during the last election? I do so sincerely because I believe that the Prime Minister, notwithstanding many of the things which might have been said in the heat of the campaign, is sincere in his efforts to solve many of the great problems which face us in Canada today. I hope he will be successful, and if he does succeed in solving these problems he will have done what no prime minister in Canada has ever done before. Therefore I wish him every success.

I should also like to congratulate the mover (Mr. Turnbull) and the seconder (Mr. Gagnon) of the address in reply to the speech from the throne. Those of us who have been members of the house during previous sessions realize what an arduous task it is for these two hon. gentlemen to be called upon to address this assembly almost immediately after assuming their seats. I congratulate them both upon their splendid efforts.

The leader of the opposition (Mr. Mackenzie King) this afternoon dealt with election figures. Unfortunately he placed against the votes cast for the Conservative party the votes cast for all those candidates who did not belong to the Conservative party. I am afraid that my right hon. friend was under a misapprehension when he did that. So far as the United Farmers of Alberta group is concerned, and I speak on this occasion more particularly for them, we are not opposed in this house to any political party as such. As a matter of fact I might say that the political action of the United Farmers of Alberta is primarily opposed to all political parties, but when the elections are over and the various political parties have their membership returned to this house, we are neither for nor against any political party, and in so far as our future action may be concerned we will treat the present government exactly as we treated the former government. If they bring down legislation calculated to benefit the people of Canada as a whole, conferring no privileges upon any particular class, the present government may be assured that we will support that class of legislation. But, on the other hand, if the government bring down legislation calculated to confer privileges upon any particular class at the expense of other classes, then the government may be well assured now that we shall oppose that class of legislation. That has always been our policy in the past; that will be our policy in the future. Indeed, that is the mandate with which we are charged by the people of our constituencies who have sent us to this house.

I come now, Mr. Speaker, to the speech from the throne. It is not my purpose this evening to rehash the many things that have been said this afternoon. It is my purpose, however, to devote the remainder of my time to a consideration first of all of the speech from the throne and what it implies, and also to deal with one or two matters which I deem of importance. The speech from the throne is very short. It has been read already this afternoon, but perhaps I may refer to one important paragraph which deals with the reason why parliament was called in session at this time. It reads as follows:

> The necessity for dealing with exceptional economic conditions with the resultant unemployment has induced me to summon you at an earlier date than would otherwise be necessary. Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff, which it is anticipated will do much to meet the unusual conditions which now prevail.

You will note, Mr. Speaker, that in the first part of that paragraph from the speech from

the throne it is admitted that we have exceptional economic conditions. It is quite true that exceptional economic conditions prevail at the present time. But we have had them before, or conditions similar to those now prevailing. In 1920, and 1921 and 1922 and 1923 we probably had worse economic conditions than we have at the present time, but no special session of parliament was called at that time to deal with them. However, in view of the promise of the Prime Minister to do so, I think he was justified in calling a special session of parliament to deal with the present unusual economic conditions.

Passing to the latter part of the paragraph I have just quoted, it states that:

> Measures will be submitted for your consideration, including amendments to the Customs Act and the Customs Tariff which it is anticipated will do much to meet the unusual conditions which now prevail..

In analysing that part of the speech from the throne, you will notice, Mr. Speaker, that it is very cautious. It does not say that the government are going to meet all the unfortunate or unusual economic conditions, but it finally winds up by saying it is anticipated that these measures will "do much" to meet these unusual conditions. In my judgment that is a partial retraction of the Prime Minister's words to the people of Canada. We do not know what these measures are going to be; we shall have to wait and see; but nevertheless, if the Prime Minister intends to carry out his promises to the people, he will fulfil every condition which he laid down while addressing meetings throughout Canada and see to it that measures are brought down which will not only partially meet the conditions but meet them in full. The government in drawing up this speech from the throne evidently did not recognize the condition of agriculture, because there is no mention in it of the conditions from which agriculture is suffering. Agriculture is suffering not from the lack of production but from the low prices at present prevailing for its products.

In my judgment the same economic condition which is responsible for the unemployment is very largely responsible also for the low prices of agricultural products. But the Prime Minister and his colleagues have not seen fit—unless it is to be disclosed later—even to mention in the speech from the throne the terrible conditions which the farmers are passing through at the present time. I believe that the condition of agriculture, more particularly in western Canada, is just as bad to-day as it was in 1921 and 1922, and any improvement in that condition will call for the application of drastic remedies. That seems to me to be the greatest omission from the speech from the throne. But, as I stated before, it is quite possible that the Prime Minister and his colleagues may have some proposals to make to this end when they bring down their legislative program. I hope so. If they do not, I am confident that from one end of Canada to the other the farmers will be very greatly disappointed, and many of those who supported candidates of the Conservative party in the recent election will probably think differently from what they did when they cast their ballots. However, we will leave that question open, in the hope that the Prime Minister and his colleagues will bring down such legislation as is required to remedy the conditions which prevail.

It is stated, Mr. Speaker, that the proposals in the speech from the throne to amend the customs tariff and the Customs Act will do much to meet the unemployment situation. When we take into consideration this phase of the speech from the throne there is probably an opportunity for a great difference of opinion. Let me go back to some of the statements and claims made during the election, not for the purpose of severely criticising them, but merely to elucidate so far as agriculture is concerned the attitude of the farmer in that regard.

It has been claimed by the Conservative party and its leader that the great trouble with Canada is that we import too large a volume of goods and thereby create unemployment within our borders. No doubt it is the purpose of the government to bring down measures to remedy that so-called defect. But I think it is worth while for this house to analyse that statement and see what measure of truth there may be in it. In my judgment there is nothing to it at all. Great Britain and the United States are two countries with diametrically opposed tariff policies. In Great Britain they have to all intents and purposes what we call a free trade policy; the United States has, generally speaking, the highest protective tariff in the world. It is true that in Great Britain there is a large measure of unemployment, but the same can be said of the United States, and if the government are going to rely wholly and solely upon changes in fiscal policy to meet the present condition of unemployment I am afraid that those who are now unemployed will be severely disappointed. In Great Britain there is a population of about 45,000,000 with an unemployment list of probably

2,000,000 people; in the United States with a population of 120,000,000 the number of unemployed, as estimated by many who are in a position to know, is between 5,000,000 and 6,000,000. If you work out those figures you will find that the percentage of unemployment in the United States is at least as great as, if not greater than, that in Great Britain. Consequently if the government are depending upon a change in the customs tariff to meet the present unemployment problem, I am afraid, as I stated before, that those who are not working at the present time will be greatly disappointed.

During the campaign, statements were made that we were sending our good Canadian money to buy commodities from other countries. The Prime Minister this afternoon checked the leader of the opposition because he said there was not a word of truth in some statement which the right hon. gentleman quoted. I am not going to repeat that remark of the leader of the opposition, but I will say this, that when the claim is made that we pay for imports with Canadian money, somebody does not know what he is talking about. I will put it that way. All who have studied this question know that we cannot pay for imports with Canadian money because our currency is not permitted to circulate in any other country. Under those circumstances what good would Canadian money be in the United States for instance, in any quantity? Neither do we permit the money of other countries to circulate in Canada. Therefore Canadian goods exported are not paid for by the circulating medium of the countries to which they are exported. In the final analysis exports are paid for by imports, and when we analyse the problem very thoroughly we shall find that provided we are paying for our imports with exported goods we can say that there is no diminution of employment because of that fact.

Under those circumstances, Mr. Speaker, I hope the government will have more to lay before this house to deal with this great problem of unemployment than merely proposals to tinker with the tariff. Such tinkering in my opinion will not fill the bill. It will not provide employment.

Now, the Canadian people have taken the Conservative party at their face value, and I hope they will live up to their preelection promises. Irrespective of what means may be employed to meet this unemployment situation, they are bound by virtue of their promises to the Canadian people to see that the condition of unemployment is alleviated to the fullest extent.

I have before me a statement by a man, who I think, will be accepted as a financial authority by every member of this house. The high protectionists have stated that the big trouble with Canada is the lack of more protection and higher tariffs. From the authority to which I shall refer, hon. members will see that a real business man has another idea of what is the trouble with Canada at this time. I am going to quote from the September issue of The Commerce of the Nation. The article is headed: "What business thinks of business." It is written by Mr. Morris W. Wilson, general manager of the Royal Bank of Canada. I think he will be accepted as an authority on what is the matter with business, and I hope hon. members will follow very carefully what he has to say on the subject. The first part of his article deals with the number of unemployed and so forth, and the ratio of unemployment. The meat of Mr. Wilson's article is in the following paragraph:

> The outstanding fact in regard to the recession in Canada is that it is but one manifestation of a depression that is general in all parts of the world. The origin of the trouble was the severe contraction in credit which followed the inflation of 1928 and 1929. During a period of world readjustment, such as that which is now taking place, there can be no substantial recovery in Canada until changed conditions have enabled business to gain momentum in other countries. It is on this basis that Canadians, at the present time, are watching the turn of events in world markets with special interest.
>
> When those forces which make for readjustment have brought about an improvement in world buying power, there will be a resumption of the expansion in Canadian business. The turn for the better can not be long delayed and there is now no less reason to believe in the productivity of Canadian resources than there was during the over-optimistic days of 1929.

That is what the manager of the Royal Bank of Canada says is the matter with Canada—a contraction of credits. That in his judgment is the important factor that tends to make conditions what they are at the present time. Let me call the attention of the house to an important point. Take for instance about the beginning of the year 1928. We had more or less what we might term general prosperity in Canada: the workers in Canada had plenty of employment; the farmers had reasonable prices for their products, and generally speaking the people were able to purchase goods and services in substantial quantities. Indeed, if anyone will go back over the speeches from the throne of former years—about 1927, 1928 and 1929—he will find in those speeches reference to the general prosperity in Canada. We do know

that at the beginning say of 1928 we had a greater measure of prosperity than we have at the present time; there was practically no unemployment and the farmers and the people of the country generally had more purchasing power. Consequently goods and services circulated to a greater extent than they do to-day. That being the case, and remembering that we have to-day the same natural resources, the same machinery of production and the same labour power, willing and eager to provide the necessaries of life. We must ask ourselves this question: Why is it that about the middle of 1929 the whole thing seemed to slow up so that it became very hard for people to secure employment, and the price levels of agricultural products tended all the time to fall? There must be some real reason for that change in conditions in Canada. We must therefore try to discover if possible wherein that reason lies.

We had a certain customs tariff in effect at that particular time, in those prosperous years, and if we add the increases that were brought into existence by the last budget then we have to-day probably a higher duty than existed in that period. Yet notwithstanding that particular change in the tariff, those increases in the duties, we find to-day that we have not the same measure of prosperity that we had two years ago. That proves very emphatically that tinkering with the tariff will not meet the situation; it will not provide very much more employment for the people of Canada. If we shut out products from Canada it means that our market will be restricted; and if our markets for surplus goods are restricted it means that certain classes now employed in the production of goods which are exported will be thrown out of employment. Consequently the one will balance the other and in the long run we shall be no better off than we are at the present time. I maintain that it will take more courage than mere tinkering with the tariff to cope with the situation as we find it in Canada to-day. Under these circumstances, if this house had the opportunity of really dealing with conditions in Canada as they are to-day and of providing such legislation as would be necessary to meet those conditions, instead of our being here for a few short days, probably two weeks, it would take months of real endeavour on the part of the house to deal with these important matters.

Let me come to the question which has been raised by this article I have read from the manager of the Royal Bank of Canada. He says that contraction of credit is responsible for the conditions which now prevail. That is his statement. Surely as a man at the head of such a large institution he ought to know something about the matter, because he is dealing with business men every day. I am therefore better satisfied to take the word of this gentleman, that the contraction of credit is responsible for the conditions we now have, than I am to take the word of a protectionist, that changes in the tariff will meet the situation. I would ask the house to go back with me a few years, say prior to the war. Prior to the war we had what we might term certain price levels. Those price levels were altogether much lower than they are to-day. If you take the price level of wheat or the price levels of agricultural products generally, of farm implements or of any other manufactured commodity, you will find that these price levels were about 50 per cent of what they are to-day. Why the change in these price levels?

First of all we must ask ourselves this question: How is it that price levels become stabilized? Why is it that at any period in the history of the country we have goods and services circulating at one price level, while a few years later the same goods and services circulate at price levels twice as high as those that prevailed a few years previously? The reason why they circulate at a certain level at any particular time is determined by the amount of bank credit in circulation. That is what determines price levels. Tariffs may have something to do with it incidentally, but the great factor in determining price levels is the amount of bank credit in circulation at any given period. When we begin to study the matter from that point of view we can begin to realize why it is that Mr. Wilson makes the statement he does in this article.

Price levels are determined by the volume of bank credit in circulation. That means that just to the extent that bank credit is in circulation the goods and services available in the country will circulate; within that given volume of bank credit. In the event of bank credit increasing, and in the event of goods and services not increasing, then we have what we might term rising price levels. Our banking institutions in this country are responsible for what we may term periods of inflation and of deflation. If the banks kept their credit in circulation on a certain level, according to the volume of goods and services in circulation, then price levels would be stabilized to a very large extent. But when we find our financial institutions putting into circulation increased volumes of bank credit, while there is not a

corresponding volume of goods and services going into circulation, then price levels rise; and just so long as these institutions keep on putting more and more credit into circulation while there is not an increasing volume of goods going upon the market, then we have what we term inflation. And that is the only way in which inflation can be practised in this or any other country. That means to say that our financial institutions generally have it within their power to create either prosperity or adversity in the country. That is too much power to leave in the hands of people conducting a business for profit. We take the opposite view.

Why does depression take place? Because bank credits and credits of every description are being withdrawn. And if the volume of goods in circulation remains the same while bank credits dwindle, we cannot circulate goods and services at the price levels to which we have been accustomed. Therefore the price level of goods and services must come down to the total volume of credit in circulation at that particular time. Under these circumstances, then, we can see how futile it is for any government to claim that they can do away with unemployment and deal with this question of the prices of agricultural products unless they go deeper than merely tinkering with the tariff.

Now let us see what happens; we will take the year of 1920. We had a drastic deflation at that time, and a former minister of finance of this country made the statement privately that he knew what was responsible for the deflation of that period. He was very critical of the situation, and admitted that it had been brought about by the contraction of credits not only in Canada but the world over. We can take his word, doubtless, because he was in a position to know. From the time the deflation struck us in 1920 it continued until probably 1923, when things began to ease up a little and therefore times began to get better. In 1924 times became a good deal better than they had been in 1922, and so the whole process went on. The financial institutions had sufficient courage to put more credits into circulation; price levels rose and the people began to enjoy a measure of prosperity. This finally culminated in the drastic inflation of 1928 and 1929, which was followed again by another contraction of credits, which was responsible for the present condition.

Under these conditions, we in this corner of the house say that the proposals of the government are totally inadequate to meet the situation. So far as agriculture is concerned, and so far as the unemployed in this country are concerned, the people who are least able to resist the deflation are the ones who suffer by this process. Price levels of agricultural products have gone away down, and as far as we can see there is no hope for their recovery until such time as a different policy is followed by our financial institutions. The same thing applies to the unemployed. There is not enough credit in circulation in Canada to-day to give employment to all the people in this country, and until such an amount of credit comes into circulation it is futile to say we can manage to provide employment by increasing our customs duties.

I have before me, Mr. Speaker, a circular or bill. I hope hon. members who do not know what it is will not think it is a communist publication because it is red in colour. This circular was issued on behalf of the Conservative party, and reads as follows:

> Vote for Dr. Graham and insure markets and greater prices for your wheat and farm produce, which means general prosperity and good times for all.

I want to ask the Prime Minister if he accepts this statement as being part of the policy of the Conservative party and the present government. Is it the purpose of the government to implement this promise, which was made on behalf of a Conservative candidate? When promises such as these are made we expect the government to implement them to the full. Agriculture in Canada is looking for higher prices, and agriculture never will be prosperous until these higher prices are secured. Therefore, in view of the publication of this document, I say it was a grievous mistake on the part of the government to have omitted from the speech from the throne any reference to the condition of agriculture.

I have another extract here, presumably taken from a Calgary paper. It is as follows:

> The Conservative party stands for the establishment of a national highway. Steady employment for all. Vote for Stanley. Vote for Bennett.

So far as the establishment of a national highway is concerned, I believe it would be a good thing for Canada provided we can afford it, but in our judgment the better policy would be to assist the provincial governments to develop their own road policies. But there is a further statement in that extract:

> Steady employment for all.

That means a lot. Is the Conservative party in a position to implement that promise to provide steady employment for all? If the Prime Minister and his government can show the groups in this corner of the house any proposed legislation which will provide steady employment for all, without injuring any particular class, then I can assure him of our hearty support, because after all is said and done that is one of the things which is essential to the progress of Canada.

Mr. McGIBBON: Why not give him a trial?

Mr. GARDINER: We are going to give him a good trial; I have just said so, and since he has an ample majority in the house, if he falls down he will have no excuse.

Mr. McGIBBON: Thank the Lord we have the majority.

Mr. GARDINER: Well, I do not think the Lord had very much to do with it.

I have in my hand, Mr. Speaker, another advertisement which was issued on behalf of the Conservative candidate in the Bow River constituency. It reads as follows:

"Canadian fuel for Canadians." Canada imported 17,136,000 tons of coal during the year ending March, 1929, the production of which in Canada would have provided employment for 15,000 men continuously for 300 days in the year. Give the Conservative party a chance to try their measures to bring about this desirable national policy and so provide prosperity for the railroaders, miners, tradesmen, and everyone in the Drumheller valley.

Here is another promise made on behalf of the Conservative party, which I trust the Prime Minister and his colleagues will be able to implement. We have heard a great deal about a national coal policy, and so far as we are concerned we should be very glad to see such a policy in effect. I noticed, however, that when the Prime Minister was in the maritime provinces he dealt very frequently with the question of coal, and said the Conservative party would provide markets in Canada for the coal of those provinces, but whether or not I missed the Prime Minister's addresses in Quebec and in Ontario, I never noticed that he mentioned the question of a coal policy in those two provinces. It may be that I did not happen to get the newspapers containing the reports of those particular addresses, but I can say that so far as we are concerned we shall be very glad indeed to stand behind the government on any reasonable proposal which will create a national coal policy, provided, as I said before, that it does not lay burdens upon other classes which they should not be expected to bear.

Now, Mr. Speaker, my time is exhausted. I do not have the privilege of speaking for an unlimited time, like the Prime Minister and the leader of the opposition, but let me say again to the government in all sincerity that I hope they will be successful in dealing with these big problems which we have before us. If we can be of any assistance to the Prime Minister and his colleagues they may rest assured that such assistance will be given where possible, provided, as I said before, that these proposals do not confer benefits upon certain classes at the expense of other classes.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, it is a matter of gratification to us of the Labour group that the importance of the unemployment problem is being recognized by the country and by the government. It is only five months since my colleague from North Winnipeg (Mr. Heaps) introduced a resolution in this house urging that the government do something about unemployment. The former government refused to take any action; it was declared that there was no such thing as general unemployment; what little there was was local in character and should be dealt with locally. We are very glad indeed to know, not that there is unemployment but that this problem, of such importance to large numbers of our people and I think to the country at large, is at least being considered. The speech from the throne itself leaves us somewhat at a loss to know just how to offer a criticism at this time, since the only proposal mentioned is a change in the customs tariff. In my judgment this is in reality no solution of the unemployment problem, and I think we must state our position in that regard.

Unemployment is prevalent to-day in the United States, in Germany, and in other highly protected countries. It has been said that unemployment is not as bad in Canada as it is in the United States, but it may very well soon be if we follow the policy of the country to the south. The mover of the address in reply (Mr. Turnbull) urged that the western farmer must be put on a basis which will enable him to meet world competition. I am sure that that is a worthy end, but how is it proposed to put the western farmer in a position to meet world competition? So far as we can guess from the speech itself, it is simply that we put on higher tariffs, possibly on his instruments of

production and probably on the foodstuffs and clothing and all those things which he needs as a consumer. For the life of me I cannot see how that is going to enable him to meet world competition. On the contrary, it would seem that such a policy would place a serious handicap not only upon the farmer but upon a great many other producers in this country. We may arrive at the position in which Australia now finds herself, and be faced with the impossibility of meeting world competition. Australia has practically shut out imports. Surely that is not the way to give Canada a chance.

This protective craze is but a symptom of the post-war recrudescence of nationalism. We find on every side a certain reaction. After the war we hoped that we would have a little more of the international or world idea and that that would find expression in our national policies. However, all over Europe we find nationalism on the increase and thousands of miles of tariff walls are being built to-day in Europe. The same applies to this continent. It is not so much that one or two individuals in the Conservative party are responsible for bringing this about, as it is that they are voicing a sentiment which is widespread both on this continent and throughout the rest of the world.

Looking at the matter from a larger standpoint. I submit that tariffs are dangerous to world peace. A year ago the present Prime Minister (Mr. Bennett) said that we never would have world peace until we had disarmament. I agree with him in that statement, but further than that I am sure that we never will have world peace as long as we continue to fight our tariff wars. It has been shown again and again in the past that tariff wars have led to physical wars. I urge that the world can never again be split up into self-contained national units, and the effort to bring about that condition is fraught with danger.

This is not the time to go into any academic discussion of protection as an economic policy, but in passing I should like to point out that it is based on the fallacy that because any one industry may be benefited by protection the general application of protection will make for the general welfare. I concede quite willingly that certain industries may be benefited by protection, but that benefit is gained at the expense of others. It will mean that almost every industry, including I suppose the agricultural industry, will be soon clamoring for special protection. If protection were given uniformly, I suppose there would be no very great harm in so far as we ourselves are concerned, but it would mean a very great handicap when we come to consider external trade. That is the difficulty to-day. We are entering upon a very difficult situation. Rather, we are forcing a situation upon ourselves whereby political life will be simply a scramble for illusory benefits. If I may be permitted to use an illustration; it might benefit a particular individual if 14 ounces instead of 16 ounces were used as a measure of weight, but if we all used the 14 ounce weight in all our transactions we would not be very much advanced.

Further than that, the adoption of protection would seem to me to be ignoring an elementary economic law, that limited imports mean limited exports. We are very largely an exporting country; we want markets, but if we persistently refuse to take in imports we automatically do away with the possibility of obtaining access to those markets. I think the change which has come about during the last few weeks in the cessation or diminution of the exports of automobiles to Australia and New Zealand is an indication of the working out of this policy, which result we may see brought about on a greater scale during the years to come.

Following the suggestion that we were about to enter upon a period of high protection, campaigns were inaugurated all over the country to buy goods made in Canada. I must say that I do not think that such campaigns are altogether sincere. Will the manufacturers buy their raw materials and machinery only in Canada? If we are asking one class to buy certain goods made in Canada, why not insist that this be made uniform? Again and again during the hearings held before our tariff board we saw the manufacturers coming to the board and urging a lowering of the tariffs on the materials which they need in their production. Will the department stores restrict their buying to Canada? One has but to pass up and down the aisles of these stores and look at the goods upon the counters to see that the buyers of these institutions have ransacked the world for commodities. Are we going to shut these commodities out? We should do so if we are to be consistent and are going to buy only the goods made in Canada.

Let me make this suggestion—it may seem rather fantastic, although I do not think it is inconsistent: We do not want foreign goods, why should we want foreign capital? Why not exploit our own natural resources and take advantage of our own business opportunities? We urge foreign capital to come here, and that often means the importation of foreign goods. In any case we are putting

ourselves in a tributary position to a foreign nation. Why not carry out consistently this proposed policy. If we are going to attempt to be self-contained along one line, why not be self-contained in our financial affairs as well as in our industrial affairs?

Mr. COOTE: Give Canadian capital a chance.

Mr. WOODSWORTH: The hon. member for Macleod (Mr. Coote) suggests that we give Canadian capital a chance. There are one or two other questions I should like to ask. Since it has been suggested that we should put a tax on citrus fruits if people want to have these socalled luxuries, why not tax the Canadian tourist who insists on enjoying the California climate or the historical sites of Europe? I think it would be only consistent. If a man is wealthy enough to go off to California or Florida, I do not see why the traveller's cheques he uses should not be taxed. That is equally reasonable. And further than that, speaking of capital why not have a super-tax on all Canadian capital invested abroad? If we are really in earnest in developing our own natural resources why not insist that capital which has been made in this country should be invested in this country? That could very well be done by means of a super-tax. If we have people who are so patriotic that they insist upon goods being made in Canada why could our government not insist that the money should remain in Canada to make the goods?

Before a doctor prescribes a cure he first diagnoses the case. I am inclined to think that although this session is in the nature of an emergency case and that the patient, Canada, is in rather a bad way, it might be well if we were to spend a little more time in thoroughly diagnosing the case and in seeking the real causes of unemployment.

My friend from Acadia (Mr. Gardiner) referred to the present lack of credit facilities. I know that many members of this house think he was talking pure moonshine and nonsense, and that he was bringing a few pet fads to the attention of this house. In this connection, I was interested the other day in reading from a quite respectable journal, a bulletin published by the National City Bank of New York. In it I noted an account of a recent meeting held at Paris of the International Chambers of Commerce. That body passed a resolution in which it offered the following explanations for the present economic conditions:

(a) By the increase in the capacity of production that has outstripped the increase of population because of the industrial development due to the war. Mass production and the desire of nations to become economically and industrially self supporting.

(b) By under consumption resulting from a grave agricultural crisis and from the closing of certain important markets accentuated by the fact that in Russia, China and India 900,000,000 people are not only not improving their standard of living but are actually consuming less per head than before the war, and also because in almost all the industrial countries of the world retail prices have not fallen in anything like the same proportion as wholesale prices.

That seems to me to be a reasonable analysis of the immediate cause of our depression at the present time. I would especially call the attention of the government to the resolution there passed. It requests governments to take all possible measures to promote the international exchange of goods and requests the Bank of International Settlements and banks of issue to do everything in their power to avoid excessive accumulations of gold, to facilitate a supply of credit at moderate rates, and a free circulation of capital. I think that that resolution, coming from so important a body as the International Chambers of Commerce, deserves the serious consideration of this house. Or, again, I quote from another document which is published by the International Labour Office. This is entitled Unemployment and Monetary Fluctuations and it was published at Geneva in 1929. In the course of this report reference is made to the fact that as early as 1925 the joint committee had recognized the close connection existing between unemployment and the general price level. I quote:

The committee also considers that especially in certain phases of the upward movement of the cycle of trade, the principles on which credit facilities are accorded to industry and trade may be an important factor in accentuating or checking the fluctuation.

The committee is consequently of opinion that the evils caused to employment by excessive trade fluctuations might to some extent be mitigated if, in arriving at decisions governing credit policy, especially in the circumstances above alluded to, due regard were invariably paid to all data as to relevant economic conditions, including the tendencies of employment and prices.

The following statement is made in another place:

Abrupt, or even slow but prolonged variations in the general price level, or in other words, disturbances in the equilibrium between production and the means of payment, play no small part in determining the alternating acceleration and retardation of economic activity, and are hence an important cause of the recurring unemployment crises which mark one phase of the cycle.

I fancy that the Minister of Labour (Mr. Robertson) must have read something along

this line and to a certain extent at least must recognize the bearing of credit upon the present situation. I find in a statement issued by him the other day he offered this suggestion:

Banking institutions can help by giving extended credit to industry and stimulate employment.

I would urge that we have to go a great deal farther than merely to make such a suggestion to the banks. If indeed it is true that extended credit facilities are necessary at the present time I cannot see why the government ought not to take a strong stand and insist that credit facilities be made generally available.

As to the viewpoint of labour, we get a little nearer concrete facts when we recognize that after all the depression at the present time is not even all over the country. As my hon. friend from Southeast Grey (Miss Macphail) said a year or so ago with regard to prosperity, it is spotty. I noticed in the last issue of the labour paper called Labour, published in Washington, a very interesting cartoon under the caption A One Way Bank. It represents the inside of a banking establishment called Our Industrial System. On the one side there is a closed wicket bearing the word "Wages." On that wicket there is a card bearing the information "Closed During the Present Depression. No pay Envelopes Will Be Issued. The cartoon shows a poor labouring man standing before the closed wicket. Around the corner is another wicket. This one is wide open and is labelled "Dividends." Into that wicket is being passed a large roll of dollars. The capitalist standing at this wicket suggests that it is not a bad system which allows him even in hard times to continue passing in his dividends. Below this cartoon there are two articles containing some very interesting statements. Among others I find the information that the dividend payments in August of this year totalled $447,689,154, an increase of nearly $60,000,000 over the payments made in August 1929. Dividends of public utilities increased a little over $20,000,000 from the corresponding period last month. Chain stores a little more than held their own. Motor dividends increased about 8 per cent; railway dividends increased about 10 per cent and food and packing dividends nearly doubled. Then there is another article just below that one containing a summary of the biennial survey of manufactures which is now being carried on. This survey shows the conclusions which are being arrived at, and we all recognize that what is true of the United States is largely true of Canada: First, there are few or no increases in the working force; second, very slight increases in wages; third, somewhat higher expenditures for raw materials; and fourth, heavy additions to the employers' profits. I quote one paragraph only:

Value added by manufacture increased from $565,357,598 to $671,495,012, an increase of over $106,000,000 or about 20 per cent. This means that the average worker received $1,410 in wages in 1927, and $1,444 in 1929, an increase of $34. In 1927 the value added by manufacture per worker was $4,148, and in 1929, $4,389, an increase of $241. Thus, for every $7 added to the amount paid by the consuming public the worker was allowed a raise in pay of $1.

As I have said, the same tendencies are being seen in our own situation in Canada. I would simply refer hon. members to the figures as published in a pamphlet that has been laid on our desks within the last two or three days, giving the manufactures of Canada as prepared for the use of the imperial conference. I have not had time to make a careful analysis and prepare tables based on this document. It goes down only to the year 1928, whereas the figures for the United States are all one year later. But I think that a study of this document indicates that the same tendencies are at work in this country as in the United States, and if we have not gone just as far, I am quite sure that by the time the policy of high protection is put into force in this country we shall be on all-fours with the United States.

I would suggest that in view of the complicated character of our problem the government might very well consider whether even during this session there should not be set up some sort of committee or commission to consider the underlying problems of unemployment. It might be that a section of the industrial research bureau might devote itself to a study of the subject, or it might have to be an independent body. I can see no reason whatever why we might not follow the practice sometimes adopted in Great Britain and appoint a committee of the house on which there might be representatives of all groups in the house which during the recess might make a detailed study of this problem. It seems to me that the subject is big enough to merit some consideration of this kind.

Personally I am very sorry to find in the speech from the throne no mention of unemployment insurance. We in our corner have never put that forward as a solution of the unemployment problem, but I do urge that it is a temporary help. I submit that it is

a much more satisfactory way of giving relief to the unemployed than what we see to-day, when there are bread lines established in almost all our larger cities. It is a disgrace that we should handle the unemployed problem in that way. Labour generally would like to see the establishment of a system of unemployment insurance. It has been found necessary in older countries; it ought to be set up here. If it should prove that we do not need it extensively, we shall not have to pay out any very large amount, but there are always periods in this country when we shall have unemployment. In this cold climate of Canada there is bound to be a certain amount of seasonal unemployment, and it will take a considerable time to work out a scheme by which different kinds of employment can be dovetailed into each other so that this seasonal unemployment will not occur. In the meantime, men, women and children suffer. I would urge the government seriously to consider the inauguration of some scheme of unemployment insurance, and I hope they have that in mind.

The suggestion has been made that a national highway might be constructed. I have no objection whatever to relief work of that kind. I believe that relief work is better than mere doles, but I would point out that such work would take a very, very small portion of the unemployed. Only a fraction of the unemployed are suited for work of that character. Further, if we are to do such work efficiently and save the taxpayers' money we have to use machinery, and that brings us back to the underlying problem; modern unemployment is inherent in our existing machine age mode of production, and we are not going to escape so easily as that.

Objections are raised to the dole, but I would point out that dividends are paid even during periods of slackness, even when the factories are shut up, and I do not see why at such times dividends should be paid unless there is a willingness to carry the workers over during such periods. Not only have we the paying of dividends during slack periods, but the government now proposes to give an additional dole to industry. If you characterize the giving of unemployment insurance during slack periods a dole, we might very well call the giving of government assistance to industry a dole—indeed, a very much magnified form of dole.

I wish I had time to give the viewpoint of labour with regard to the real causes of unemployment. We have tried to do it before, but I do not think it can be done too frequently. I am glad to say that in Canada, in western Canada, at least, we have got past the stage where we attribute unemployment to the laziness or shiftlessness of the individual. We ought to recognize that the unemployed man under modern conditions is not a criminal or a near-criminal and ought not to be treated as such. There are undoubtedly a few people who will not or cannot work, but the great majority of those out of work to-day are people who have been working, and have helped to build up Canada, and they ought to be seen through these difficult periods. The idea that being out of a job is a man's own fault is an inheritance of the pioneer days when it was largely true. In the early days there was plenty of work for everybody and every man had a chance. To-day each man has not his chance in the same way and many must go without work.

I agree with my hon. friend from Acadia (Mr. Gardiner) that the fundamental trouble is that the producers to-day have not the purchasing power to buy back what they have produced. I think we must recognize that the socialist analysis of society made a good many years ago is being corroborated by a great many of our leading economists to-day. Let me repeat that statement which I made a moment ago: The producers to-day have not the purchasing power to buy back what they have produced.

Go back some one hundred or one hundred and fifty years to the introduction of the machine. You remember that at that time mobs of starving workers attempted to smash the machine; they said it was taking the bread out of their mouths. I do not think their action was an intelligent one, but in their own way they sensed the real cause of their trouble, for the machine was in reality taking the bread out of their mouths. I have watched men even this summer standing by the roadside watching a big machine excavate the roadway, and I have heard similar things said—"These graders, these road machines, these combines, are taking the very bread out of our mouths." To a considerable extent that is true. I do not say: smash the machine, but I do say that we have to deal with the economic system that is derived from the machine. What is the trouble? It is fundamentally this, that every machine is a saver of labour. Is not that true? We would not use the machine if it were not. Every trust and combine that makes for efficiency in our system is a labour saver; we would not have it unless it were. That means that with the modern organization of industry the work of a great many people is being saved. That situation would not be dangerous but rather

beneficial if these people were able to participate in the results of the saving. But the individual worker is not able to participate. He is outside the scheme of things, and when his services are no longer needed he is laid aside.

Mr. LENNOX: That is what we are here to-day to look after.

Mr. WOODSWORTH: And I hope it will be looked after, but I do not think it is going to be looked after very effectively by the measures suggested in the speech from the throne.

Mr. LENNOX: That is your opinion.

Mr. WOODSWORTH: And I am here to give my opinion. That is what we are all here for, I presume. I am not interested for the moment in urging that there be social control of the industrial machine, although I think it will have to come to that in the interests of the public at large. But I am arguing that the present system is failing to function. Although this modern system of concentrated control of machinery has solved the problem of production, it has not solved the problem of distribution. There is not the slightest doubt that up to a point it has brought world-wide benefit to mankind; it has enabled us to spread our modern civilization almost around the world; it has enabled us to construct railroads, build factories, and so forth. But now that it is established, in Europe and in the United States and is extending to Asia, the world is producing more than people can purchase. We are not producing more than we can consume. For instance, while we are producing wheat in western Canada far in excess of our domestic demands, there are starving millions in other parts of the world who cannot purchase our surplus. The same remark applies to the output of machinery; our manufacturers cannot dispose of it, while in other places people need that machinery. Even in our own homes we can consume a great deal more than we are consuming, but there is a lack of buying power. So in the world at large. The issue is being more clearly joined than ever before as the inherent contradictions of this system are being brought out.

I suppose higher wages and shorter hours would help this condition of affairs; that is, if you shorten the hours of work you thereby lessen production. So far so good. And if you give the same pay to the workman, of course he is as well off as before. That is one of the suggestions that have been made. If you give the worker higher wages, that increases his purchasing power, and I suppose Henry Ford was quite right in this regard if the idea could be generally applied. In fact as eminent an economist as Mr. J. A. Hobson very clearly pointed out two or three years ago in a book of his, The Economics of Unemployment—and I would commend it to the perusal of all the members of the house—the trouble to-day is that the world at large has got altogether too much saved, that what was produced has been ploughed back into industry. That is a good thing for a time. Profits have been put back and invested and reinvested, but to-day we have reached the point of saturation, and so we cannot get our goods distributed. Any hon. gentleman who may have been in the harvest fields in the old days will recall that frequently the threshing machine was stopped until the straw that had accumulated could be cleared away. And so with our goods: the machine has produced so much that its output has piled up and we need a chance to clear it away. We had very nearly reached this situation in 1913, when the world war cleared away our surplus, in fact we had to produce more and more goods. To that extent the war was a benefit. But it is an appalling thing if we have to pray for a war, an earthquake or some other catastrophe to clear away our surplus of goods. Surely we have enough intelligence in this house and in the world at large to devise some better system.

While we may provide relief for the provinces or the municipalities, while we may do something in the way of shortening the hours of labour—and I hope something will be done to shorten the working hours in some industries in which the men to-day are worked altogether too long—while something in the way of unemployment relief should be provided, we ought to consider more carefully than we are proposing to do the fundamental causes of unemployment. Hence my suggestion that we should investigate this question through some sort of special house committee or special commission, or both, and give careful study to the underlying economic factors. We in the labour movement feel very strongly that the machine with the organization that has been built upon it, with the system that has grown up, commonly called the system of capitalism by which a few control the whole organization for their own profit rather than in the general welfare —this system—I say, we feel is largely responsible for the present world-wide unemployment.

I have no doubt that this particular depression may pass, but things seem to move in

cycles and these crises are coming with more and more frequency. More fundamental remedies are essential. Can we by some method of more widely distributing purchasing power, giving higher wages, extending cheaper credits where credit is needed, giving more in the form of services, assuming on the part of government greater control over the whole system of production—can we by these means reach a solution of the problem? Perhaps! If such measures are resisted, possibly the road to a changed system may not be so easy.

I should like to plead with hon. members, particularly at this special session, that we do not lose sight of the men and women who are suffering at the present time. A few weeks ago I stood in my own city of Winnipeg watching a long line of men waiting to register so that they might obtain food—and I want to remember that I stand as their representative in this house. This was not a long line of manufacturers approaching the finance minister for favours, but a queue of men four deep stretching for half a block around the corner to the next lane. I was told by the policeman on duty that some of these men had been there since four o'clock in the morning. At the time we were feeding 3,000 men. They were not "bums", they were not tramps down and out; most of them were self-respecting men anxious only for work.

An hon. MEMBER: What remedy do you suggest?

Mr. WOODSWORTH: I am glad the government has called this special session of parliament, but I must state that we cannot hope by the one particular remedy so far suggested that we are going to solve the problem. I urge a deeper inquiry into the matter, and in the meantime as my last words I say,—whatever is done do not let the poor workers suffer this winter.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, with much of what has been so eloquently stated by the hon. member for Winnipeg North Centre (Mr. Woodsworth) I agree entirely; but it is not for the purpose of following up his argument and expressing my agreement with most of it that I have risen. It was my determination not to take part in this debate. I thought it the duty of every member to enter into the spirit of the purpose for which this session has been called, to pass over the address as quickly as possible and wait for the measures to be presented by the government to meet the problem which is before us. In that respect—and that is one point perhaps upon which I differ from my friend here—the speech from the throne announces not only an amendment of the customs tariff but other measures as well. Perhaps the government could have been a little more explicit and have given us a clearer idea of what they have in their minds as to these other measures. But let that pass; we will see the measures when they are introduced.

Two eloquent gentlemen proposed and seconded the address, and then the leader of the opposition (Mr. Mackenzie King) thought fit to introduce what I would call a rehash or clearing off of electoral grudges. That, I think could have been left aside. But since the leader of the opposition thought fit to introduce my name this afternoon and designated me as an opponent of the government, by counting among the votes given this year to the opposition those votes I received four years ago, I am bound in justice to myself and to the good people who sent me here to rectify matters.

I was elected in 1926 upon grounds very different from those upon which I have been reelected this year without opposition. True, I was elected in 1926 as an independent member of parliament and I was reelected this year again as an independent. In 1926, as this year, I stated, and I repeat it here, that on the whole I agreed more with the Liberal party than with the Conservative party, but that I did not agree with them in everything. But the main difference is that those 8,000 votes I received in 1926 as against the few hundred votes given to the two Conservative candidates against me were given largely on account of the position I took, in harmony and sympathy with the Liberal party, as against the manner in which Mr. Meighen had endeavoured to secure power at the end of the session preceding the election, and especially against the high-handed manner in which the Governor General had helped him in that process. I do not want to raise that issue again now. But surely that issue was not before the people, either of the county of Labelle or of any of the 244 other constituencies in Canada in this election. This last election was fought and lost by the Liberal party on its budget. I had largely agreed with the Liberal party and with the attitude of the government, especially in regard to inter-imperial matters, up to the budget of 1930; but then I disagreed with them—and I stated my disagreement in this house as well as in my constituency. Not contenting themselves with maintaining the policy of one-sided preference introduced by the Liberal government in 1900—I insist, not in 1897—and com-

bated by the Conservative party of that day, with whom I then voted against that proposal, the Liberal government of 1930 proposed a further increase of that preference. I could not approve in 1930 of what I had disapproved in 1900. And of all the statements I made in my constituency that was the one best received by Liberals and Conservatives alike. So that if I am here as one of only two members elected by acclamation it is largely because of the attitude I took towards the budget of the last session. Let that be clear.

The young and sympathetic member for Dorchester (Mr. Gagnon), whom I am glad to greet in this house, deserves more for the speech in which he seconded the adoption of the address than the ordinary platitudes and compliments with which such maiden speeches are generally greeted. I commend to the close attention of the leader of the government (Mr. Bennett) and of the ministers and members of the Conservative party the reading of that speech. Those who have not the advantage of the hon. gentleman of a good education in both languages can obtain a proper translation of it and they will find in it some passages which may be helpful in the carrying out of the unequivocal mandate generously given to them by the people of Canada. The hon. gentleman stated—and I felt there was a slight emphasis on the word—that the province of Quebec was Conservative in principle. With the definition he gave of the conservatism of Quebec I largely agree. Then he added that the solid Liberal bloc of Quebec had been broken because the Conservative party had returned to its old principles. This is largely true. In this regard I should like, in a friendly and disinterested way, to remind the present government and its old and new supporters of one fact: If the province of Quebec returned a solid bloc against the Conservative party for about fifteen years it is not because the population of that province was stupidly blinded by such appeals as the leader of the government has rightly condemned, but because the province of Quebec resented the manner in which it had been treated by several leaders of the Conservative party as well as by several of the organs expressing, not the old principles of Macdonald and Cartier, but the principles of the new form of Toryism which had taken the place of that old form of Conservatism. Several of the gentlemen who are here to-day as supporters of the Conservative party—I do not blame them, I find no fault with them—were largely instrumental in the creation of that solid Liberal bloc in Quebec, because they were among the first to condemn the then policy of the Tory party.

The hon. member for Dorchester has made reference to the great Conservative victory of 1911. He reminded the house that the motion proposing the adoption of the address, after that election, was seconded by the member who represented his present constituency. That gentleman later became Deputy Speaker and, I believe, Speaker for a short time, and is now a judge. But to complete the story, the young and eloquent member who now represents that constituency should have stated that that gentleman, and most other members who made the Conservative gains in Quebec in 1911, were elected in condemnation of the naval policy of the Conservative party as well as that of the Liberal party. And it was because of the betrayal, by most of them, of the word they had given to the people of Quebec, it was because of the indignation felt by the honest people of Quebec, Conservatives as well as Liberals, that the solid Liberal bloc was formed, unfortunately in one sense, though fortunately in another, to teach all parties and all leaders this lesson: that although the people of Quebec may not be the majority in this country, although they may have their weaknesses, their passions and their prejudices, there is in them an inner pride which makes them resent deeply any attempt on the part of any party to deceive them. The manner in which they reacted this year against that silly appeal to which the leader of the government has made allusion, an appeal which, to be just, was not launched by the Liberal party but by the most stupid and discredited organ published in the province of Quebec—I mean La Presse of Montreal—was inspired by the same sentiment and the same motive which caused the people of the province of Quebec to react against the betrayal of trust of those gentlemen who had been elected in 1911 upon certain principles, pledged to maintain them in this house, but who sacrificed those principles for the sake of honours and of office. Thank heaven, those days are past, and, with the hon. member for Dorchester and I think with all right-thinking men in this house, I hope they will never return. I hope the lesson has well been taught and learned.

An hon. MEMBER: By both sides.

Mr. BOURASSA: By both sides; quite so. It was given to both sides, and if one side profited by it at one time, then the other side profited by it at another.

Now, sir, with regard to the concrete object of this session, I repeat that I am not prepared to pass judgment upon matters about which I know nothing. I am not prepared to attack the government or to approve of it before I know what it proposes to do. I stated on three or four occasions in my constituency that I would rather see the Liberal party back in power—not too strong—and with a clear indication that the new imperial garb which they had put on did not fit them; but I added that if the people, rightly or wrongly, sent back to power the Conservative party, then in the next parliament I would be what I was in the last parliament, an independent member of the House of Commons prepared to give my support to the government if I thought on the whole its policy was right, and prepared to denounce its policy and vote against it if I thought it was wrong. Upon that ground I was elected, so I would advise the statisticians on both sides of the house to deduct the votes in Labelle from their party calculations.

Coming back to the eloquent and illuminating address of the hon. member for Dorchester, the hon. member said the result of the election was a great triumph for Conservative principles. Again, in the broad sense which he gave to that expression, I readily agree, but let me go a little further, and I am sure the hon. member will not disagree with me. It was mainly and fundamentally—I will not say a triumph, because after all these gentlemen carried only twenty-five seats out of sixty-five—a further gain and a new reaction on the side of Canadian nationalism, in the broadest sense of the word. That was so not only in Quebec. The moment I heard the budget speech and learned the broad way in which this great power of Canada was prepared to meet the puny nation of England, "in no petty bargaining spirit," I told my Liberal friends, "You have sealed your fate at the next election," because although the people in Ontario, in Quebec, in the maritime provinces and in the west may differ on this or that aspect of Canadian nationalism, I repeat to-day, to both parties in this house, what I stated four years ago on the occasion of the imperial conference and what I stated last year on the occasion of this budget address: If there is one fundamental factor stronger than the program of any party, stronger than the popularity of any man or of any group of men, it is the growing spirit of self-reliance in the hearts and souls of all Canadians, to whatever creed, nationality or province they belong. The party that will acknowledge this fundamental factor and make of it the inspiring thought of its policy will be the truly national party and the truly constructive party.

This growth of Canadian nationalism, whether in Quebec or elsewhere, does not mean of necessity separation from the other parts of the empire or enmity to Great Britain. On the contrary, to come back to fiscal matters, when the hon. member for Dorchester was referring to the national policy as enunciated by Sir John A. Macdonald in 1877 and approved by a vast majority of the people of Canada in 1878, he might have added that this put the stamp of unalloyed Canadian nationalism upon the fiscal policy of Canada. At that time Sir John Macdonald described his protective policy to the then seven provinces of Canada as a measure of fiscal emancipation, not only from the economic domination of the great republic to our south but also from the pretension of some people in England that the colonies had been established for the benefit of English industry and English trade.

What is generally considered the main organ of the Liberal party, the Toronto Globe, published several articles during the last campaign in which were rehashed old, stale arguments used alternately and sometimes simultaneously by Liberal and Conservative organs as against the nationalists of Quebec, complimenting my humble self and some of the young members on the other side of the house—even some members of the government—by stating in substance that the new policy of Mr. Bennett was in the main inspired by the secessionist policy of Mr. Bourassa and the Quebec nationalists. I have been reading the Globe with interest for about forty years now, and if I may be permitted to express myself in democratic terms—which I do not do frequently, because I want to preserve something of my good manners—I may say that I have asked myself frequently whether the Globe is more dishonest than stupid or more stupid than dishonest, and at times I have come to the conclusion that it is stupidly dishonest. Now, ten years after the war is over; twenty years after the naval policies of both parties have been condemned and abandoned; five or ten or fifteen years after the principles for which we fought thirty years ago have been sustained at various imperial conferences by Sir Robert Borden, by Right Hon. Arthur Meighen as well as by the late leader of the government—and those principles will not

be renounced by the present leader of this government—those principles have triumphed; they have become the gospel of this nation of Canada, and have been given to the world as the constant principles to which the British Empire will adhere. Surely, then, there should have been somebody on the editorial staff of the Globe who understood that the time was past to make of that poor little individual Bourassa a bugbear to the honest and intelligent people of Ontario. They did not thereby gather any votes for the Liberal candidates in Ontario, and they lost quite a good many votes for the Liberal candidates in Quebec.

The whole situation was illustrated to me in a letter which I received before the elections from one of my Toronto friends—I have some good friends in Toronto. He is an old Canada-first radical of Toronto. He wrote me and said how glad he was to hear I had been elected by acclamation, and he added that in his province there was no room left for Canada-first Liberals because they could not afford to vote Tory and the Liberal leaders were preventing them from remaining Liberals. He did not see any advantage, even from a purely electoral point of view, in that foolish opposition to the Canada-first idea and the new addition of further preference without return to Great Britain. Of course he was right. The unemployed labourer and the farmer asking for higher prices were not touched by the idea that further sacrifices must be made by them in order to help the people in England. The people of Ontario, the maritime provinces and the western provinces—I mean those of British stock—are not much different from the people of Australia. I read a report the other day, I think it was in the Montreal Gazette, of a declaration made by Mr. Hughes who for many years was the Prime Minister of Australia. This gentleman represented Australia at the imperial conferences preceding and during the war, and he is one of the most outspoken imperialists in the empire. He stated that the suggestion which had been made to Australia by a so-called British expert to save herself by giving more advantages to Great Britain would not be received by the intelligent people of Australia. Among his arguments was one which I commend to the present government, especially in view of the votes they gathered in the rural districts of Quebec and Ontario. He said that not only had Great Britain done nothing to help Australia out in her difficulties especially in the matter of the dairying industry, but the British—the report does not say the British government, the British financial institutions or the British traders—the British, whatever group of Britishers it may mean, have helped Latvia, the Argentine and other countries in building up their dairying industries in order to bring down the prices of Australian and New Zealand butter on the markets of England. The late government has been bitterly assailed in the province of Quebec for the competition permitted in these products from New Zealand, under the terms of the treaty made with that country. I trust this government will consider that other feature, the competition enhanced by British capital and British influence in foreign countries in order to force down the price of Australian and Canadian products on the British markets. I hope that subject will be taken up and threshed out at the economic conference. I do not blame the English because they are thinking first of themselves; they are thinking of those millions of unemployed men and their families who are in just as dire a situation as that depicted by the hon. member for Winnipeg North Centre with regard to the few thousands of unemployed in this country. England is looking to the interests of her own people and is adopting practical measures to bring down the prices of food products. We should likewise think first of our own people. In the process of England, Australia and Canada looking after their own people first, not in a small or petty bargaining spirit but in the accomplishment of the duty which every government owes to its people, I see no reason why we should not devise means to enable the various British communities to help each other by each thinking of itself first and then of the others. I hope that what I read in the Montreal Gazette, I think it was yesterday, of a report of a declaration made by the new Minister of Agriculture (Mr. Weir) is not quite true. On the one hand we have the ex-Prime Minister of Australia stating that the British had helped in the development of the dairying industry in the Argentine in order to bring down the price of butter, and on the other hand we have the Minister of Agriculture quoted as saying that he intends to encourage the export of Canadian cows to the Argentine. If the British have helped financially in bringing down the price of butter, and if we help materially by sending our cows to the Argentine to assist in the further development of the dairying industry of that country, I do not see how it will help the government in redeeming its promises made to the people of Quebec and Ontario who are interested in the dairying industry. I give this simply as an illustration of the intricacies of the situation which confronts us.

Much has been said about the difficulty of carrying on this session in order to remedy the situation which confronts Canada and at the same time enabling the government to attend the imperial conference. As far as I am concerned, Mr. Speaker, I have no hesitation in saying that if the government is forced to choose between settling the affairs of Canada and going to London, let the ministers stay here and look after their own affairs. If the two exigencies can be met, very well, but I do not see any necessity for the session closing in order to enable two or three ministers to go to London. The government has a large majority and surely the Prime Minister has sufficient confidence in the members of his government to trust them to keep the party together during his absence. There ought to be at least two or three ministers, who, taken together, could fill his place. I must say that I cannot agree with the suggestion made by the leader of the opposition. He has suggested that we sit for two or three weeks, then adjourn in order to send two or three members of the government to London, reconvene early in November, adjourn again over the holidays, and reconvene early in January. As far as the ministers of the crown who live in Ottawa, or the leader of the opposition who has a residence here, are concerned, it may be very well, but a large number of the members of parliament are obliged to earn an honest living at home and they live two or three thousand miles from Ottawa. I am one of those, although I may not be so far away, and I sympathize fully with my western friends and those members from the maritime provinces. I cannot agree to a proposal of that nature. I do not think it would be in the interests of the country, and I do not think it is necessary.

On the other hand, I fully agree with the leader of the opposition that it is childish to imagine that this parliament or any body in the world, even if it be composed of men of genius as these two leaders think they are, could hope to solve in fifteen days a problem which is baffling the statesmen and the economic experts of most countries of the world. This problem has been cropping up for a great many years, and especially since the war. Thanks to the war and the follies of war, and thanks to the false remedies and the delusions which followed the war, we have before us a problem which will take many years to solve. No, Mr. Speaker, I cannot have that degree of faith in Canadian ability to think that we can solve this problem in fifteen days. It will take a good deal of work and attention; and in order to perform the work intelligently and efficiently it must be done seriously and quietly. I do not believe in rushing matters in any way, for the settlement of any problem and especially one of this nature. The Prime Minister knows he cannot do it. Of course he has to redeem some of his pledges, of which the leader of the opposition gave a fairly long list this afternoon. It reminds me of the delicious incident which Daudet relates of Numa Roumestan. After he had met one of his friends for about half an hour, he was terrified when his wife who had been concealed behind the door recited to him a number of promises that he had made within that half hour. Of course I assume that the relation between the two leaders is not quite that of husband and wife. It was however a healthy thing that the leader of the opposition should do that. At the same time I wish to make this correction. Partly through good temper and partly through a well acquired scepticism the people of Canada are prepared to forgive not only this government but all governments for a good many broken pledges. I would go still farther. The leader of the opposition stated that the opposition was here to see that the government should redeem all those pledges. Well, that is unfair to the country. For my part, Mr. Speaker, I do not know what I can do but I shall certainly do my best to prevent the government from fulfilling some of those pledges. A broken pledge is better for the country than a murderous pledge redeemed. Some of those pledges are impossible of accomplishment, and it would be just as well if the government were to realize that fact at once. Some of those pledges were imprudent. The member for Dorchester said that prudence and Conservatism are similar, and that Conservatism in Quebec is largely based on the cardinal virtue of prudence. I advise my young friend to keep in close touch with the ministers and remind them of that statement, especially when they endeavour to fulfil some of their pledges. There were however some pledges which were honestly and properly given. I think it behooves us, no matter to what party we may belong, to help the government in a broad national and social spirit to redeem those pledges which are possible of accomplishment and which will do some real good to the people at large in this country.

Motion (Mr. Turnbull) agreed to.

On motion of Mr. Bennett, seconded by Mr. Guthrie, it was ordered that the address be engrossed and transmitted to His Excellency the Governor General by such members of the house as are of the honourable the Privy Council.

WAYS AND MEANS

Hon. R. B. BENNETT (Prime Minister and Minister of Finance) moved:

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

Motion agreed to.

CHAIRMAN OF COMMITTEES

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

That Armand LaVergne, Esquire, member for the electoral district of Montmagny, be appointed chairman of committees of the whole house.

Motion agreed to.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT moved the adjournment of the house.

Mr. MACKENZIE KING: May I ask my hon. friend what business he purposes to take up to-morrow?

Mr. BENNETT: Yesterday in order to meet with the request of the right hon. gentleman I agreed that we would not proceed with his speech on the address, as had been done in the mother of parliaments at its first session. I had purposed to-morrow by consent of the house to take up the resolution concerning unemployment and the amendments to the Customs Act. They stand upon the notice paper for to-morrow, and without the consent of the house they cannot be proceeded with. I had hoped that the house would proceed with the resolutions.

Mr. MACKENZIE KING: Mr. Speaker, may I say to my hon. friend that so far as the house is concerned it has nothing before it whatever with respect to any further business. I had fully expected that in the votes and proceedings of to-day we would have found notice of some resolution which the Prime Minister and the government expected to introduce. No one is more familiar with the procedure of the house than is the Prime Minister himself. When he summoned parliament he knew that at least forty-eight hours' notice was required for resolutions which have to do with particular bills, and he should have had his resolutions in readiness. He might at least have given to members on this side of the house a copy of the resolutions for which he had intended to ask unanimous consent. Early this evening it is true my hon. friend sent me a note, and asked if I would be prepared to give unanimous consent to his introducing resolutions to-night and proceeding with them to-morrow. I intimated to him in reply that I was afraid that many hon. members on this side of the house would take strong exception to unanimous consent being given inasmuch as they would certainly wish to have some time to consider the course they were going to take on the resolutions and would desire to give some thought to what they might have to say upon them; and above all they would certainly want to know what the resolutions themselves were.

So far as yesterday's proceedings are concerned, if it were any courtesy on my hon. friend's part to have allowed me to wait until to-day to speak on the address instead of proceeding yesterday, I thank him most cordially for it, but I assure him that if he had obliged me to proceed yesterday when that custom has never prevailed in the house before, he would not have gained any favour in the house or in the country as a consequence of any step of that kind.

I want to repeat that we are prepared to do all we can to expedite the business of the session, but we do not propose that my hon. friend shall steam-roll everything through this house. If he has not business to proceed with to-morrow, he must take the full responsibility, knowing full well as he does what the rules of the house demand in matters of this kind. The only reason I can conceive of that no notice has been given is that there must have been on the part of the Prime Minister some desire for the concealment until the last moment, of the measures that he intends to introduce. If there is no such desire, I would ask him to tell the house before we adjourn to-night what the resolutions are that we are to be asked to consider at the earliest possible date. If he will intimate to-night what they are, then as far as I am concerned I will do what I can to see that they are proceeded with at the earliest possible moment.

Mr. BENNETT: Nothing is more objectionable, Mr. Speaker, than a suspicious mind. The right hon. gentleman knows perfectly well that it is not the custom of governments

to place resolutions on the order paper until the address has been disposed of. I consulted the clerk in that regard, and the course I have pursued is that which has always been pursued. The resolutions were ready. Copies should perhaps have been sent to my right hon. friend. Last year, when he was in this place and I was there, in the closing days of the session, when there was no such emergency as there now is, I certainly obliged him on more than one occasion, sometimes against the better judgment of my followers, and my observation now is that their judgment was sounder than mine. I knew perfectly well what the rules were. I spoke to the clerk last evening about the matter, and I followed the practice that has always been pursued in cases of this kind.

The resolutions are two in number. One of them deals with the question of an amendment to the Customs Act in connection with the dumping clauses and the improvement that it is necessary to make by reason of goods being dumped on our markets from other countries. The other resolution deals with a money bill, appropriating $20,000,000 for relief of unemployment in this country. Those are the two resolutions to which reference was made. May I say further that ample opportunity, will, of course, be afforded for consideration and discussion, as is customary with all such resolutions; for not only must the resolution be read a first and second time, but the bill founded on the resolution must be read a first and second time, considered in committee, and read a third time. So, surely it cannot be said that I have any other purpose in mind than to expedite the business of this session. I have followed the usual practice and custom of parliament as declared to me by the clerk at the table, and that I shall always endeavour to do. In 1914 the same situation was met with and the difficulties overcome by general consent. I realize, of course, that the government in this regard is in the hands of the house, and I am content that the country should judge whether we are endeavouring to discharge the duties for which we summoned parliament. The gentlemen behind the right hon. leader of the opposition intimated their unwillingness to accede to what I conceived at the moment to be a reasonable request, but which apparently is not so considered by them. So during the short session of to-morrow, which ends at six o'clock, there will be very little business for the consideration of the house and we will adjourn until the next day when the resolutions will be considered, but of course we will meet to-morrow.

[Mr. Bennett.]

Mr. MACKENZIE KING: May I say to my hon. friend, so that there may be no misunderstanding, that when he sent his note to me he asked me to all intents and purposes to assent to something wholly in blank. He gave no intimation whatever as to the nature of the resolutions. Had I known the nature of the resolutions I might have been in a position to have given him an answer different possibly from the one I did. The answer which I gave him, and which is now before him, was not one saying definitely that no assent would be given, but our intimating what I believe hon. members will say it was my duty to intimate, namely, that many members of the house would certainly desire to have an opportunity to consider the course they would wish to take on the resolutions and consider what they might wish to say. Not knowing what the resolutions themselves were, there was all the stronger reason why I should make the representations I did. If my hon. friend will present copies of these resolutions to the leader of the other group in this house and to myself I shall endeavour between now and to-morrow, by consultation with the members on this side, to see if it is not possible to advance matters at least a step during the afternoon to-morrow. But I want to say to my hon. friend again that we certainly intend to have such opportunity as the rules of this house afford to give thought and study to the proposals which the government are bringing forward, particularly when they involve the immediate expenditure of $20,000,000 on one particular account, and when it is difficult to say what the other obligations are.

Mr. BENNETT: I am sure, Mr. Speaker, that this house will acquit me and those associated with me from any thought of steamrolling anything through parliament. The rules of the house prevent it, even if one desired to do it, but one has no desire to accomplish any such purpose. I have the very earnest hope that the business of this house may be transacted and disposed of within the time at our disposal, and to that end I will lend my energies, and the government will do the same. But if we fail, we do not desire to have it said that we have not been mindful of the situation and have not taken every reasonable means to accomplish the purpose that we have in view. I assure the right hon. gentleman that I am grateful to him for the suggestion he has made, and while I have not a copy of the resolutions beside me, I shall see that he and the leader of the independent group are furnished with copies at once.

Mr. BOURASSA: If you please, I claim a copy for my party.

Mr. BENNETT: I think my statement has amply covered what is contained in the resolutions. Once more let me assure you, Mr. Speaker, and through you this house, that as long as I occupy this position there will be no endeavour to steam-roll any measures through this house, but there will be a very earnest endeavour to transact business as though it were business and not make-believe.

Mr. LAPOINTE: That looks much better than this afternoon.

Motion agreed to and the house adjourned at 10.10 p.m.

Wednesday, September 10, 1930

The house met at three o'clock.

BUSINESS OF THE HOUSE

ELEVEN O'CLOCK ADJOURNMENT—PROPOSED SUSPENSION OF STANDING ORDER 7

On the order, government notices of motion:

Hon. R. B. BENNETT (Prime Minister): I have just had a discussion with the right hon. the leader of the opposition (Mr. Mackenzie King) as to the possibility of advancing at least a stage the resolutions standing on the order paper, and the right hon. gentleman intimates that in his opinion we may arrive at an understanding with respect at least to the second notice on the order paper but he desires to make some observations touching the first one before we proceed to the second.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): As I have stated at different times, Mr. Speaker, our desire is as far as possible to cooperate with the government in the matter of expediting the business of the house. We wish, however, to secure to ourselves such protection as the rules of the house were designed to afford in the way of giving us time to consider the measures that will be brought before the house for discussion and adoption. In this connection I was a bit surprised to discover, under "government notices of motions," on the order paper to-day the following notice standing in the name of the Prime Minister:

On Thursday next—That for the present session standing order 7 be suspended.

Standing order 7 is that which relates to the conclusion of sittings at eleven o'clock at night. The order has been in force for a considerable time and I see no reason why at a special session of parliament we should change a rule which in an ordinary session is regarded as all important and necessary. I might say that, since 1921, never once so far as I recall has there been a sitting after eleven o'clock at night of this House of Commons except by mutual consent, and where mutual consent has been given it has related to an hour or two hours as the case might be. The Minister of Justice reminds me—

Mr. BELL (Hamilton): Who does?

Mr. MACKENZIE KING: The former Minister of Justice, my colleague (Mr. Lapointe), reminds me that the rule was changed only three years ago, but I might remind him that although the new rule had not been in force the government of that day made it a policy not to sit after eleven o'clock at night. We followed that procedure session after session and have followed it for the last ten years.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE KING: I hope my hon. friend will not try to have the house accept this particular resolution. If occasion arises when it may be desirable to sit an extra hour in the evening then we shall be prepared to consider the question of some arrangement by mutual consent. But certainly, if it is my hon. friend's intention to compel the adoption of this resolution, so that it would be possible for the government to have the house sit all night, as was customary not infrequently when the Conservative party was in office on previous occasions—

Mr. STEVENS: And the Liberal party.

Mr. MACKENZIE KING: —we would object strongly to any procedure of the kind. I can speak only for those of the party with whom I am associated; but if my hon. friend will give us an assurance which will relieve our minds with respect to that first motion, we shall be quite prepared to go on this afternoon with the resolution which appears next on the order paper. We should like to get something a little more in detail as to the purpose of the measure to which it relates, and by proceeding to the committee stage at once we might be afforded that information.

Mr. ROBERT GARDINER (Acadia): Probably it would be as well for me to remind the house that the leader of the opposition (Mr. Mackenzie King) is mistaken in some of his statements. For the first four or five years since I have been a member of the house I can recall many a morning going home as the milk was being delivered. May I say further that it was on the protest of members in this corner that the rule was finally changed to eleven o'clock. I trust that the Prime Minister (Mr. Bennett) will not at this early stage of the session ask the house to make so drastic a change as he proposes. So far as we are concerned, we are quite willing to expedite the business of the house provided we have reasonable opportunity for the discussion of important questions coming before us, and I would merely suggest to the hon. gentleman in a friendly way that it would probably pay him better in the long run to give some heed to our protest against the suspension of this rule.

Mr. BENNETT: Mr. Speaker, it will be observed that the notice is down for consideration on the morrow, not to-day, but in my conversation with the right hon. gentleman he indicated that he desired to make the statement which he has made. I may say that there was no intention to suggest that this house should sit all night. Last session, however, as is within the memory of most of us, we did sit frequently until twelve o'clock midnight towards the end, and on one occasion, as will be recalled, we sat indefinitely for the purpose of disposing of the business of the country. If I might be permitted to do so I will take the matter into consideration and try to arrive at a conclusion which will ensure a definite hour for adjournment if we sit beyond eleven o'clock at any time. I think certainly of all the members of this house I am the last one who could stand the stress and strain of sitting all night, in view of my monopolization, shall I say, of all the high offices of state, and under these circumstances I feel quite satisfied that the hon. gentlemen may be assured that by the morrow I will be able, by arrangement, to satisfy them that we will not sit beyond the time the house thinks reasonable to transact its business. In the meantime, as the notice is not down until to-morrow, it could not be proceeded with to-day except by consent, and I think we can arrive at a satisfactory arrangement.

PRIVILEGE—MR. GARLAND (BOW RIVER)

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I rise to a question of privilege. Yesterday when the Prime Minister (Mr. Bennett) was addressing this house he referred, quite gratuitously and I think possibly unnecessarily, to myself. At page 39 of Hansard he is reported to have said:

> I was not aware until the hon. member for Bow River (Mr. Garland) rose in his place this afternoon that the Prime Minister had an arrangement whereby that party—

Referring, I presume, to our group here.

> —had now become an annex of the Liberal party.

The leader of the opposition attempted to put him right, as far as he was concerned, by saying:

> I have not had even a conversation with the hon. member for Bow River.

I regret, Mr. Speaker, that this is quite true; I have not as yet had the opportunity of even conversing with the leader of the opposition, or indeed with the leader of the government, but the leader of the government continued:

> It is telepathy, I take it. I was merely suggesting that when the right hon. gentleman attached to his party the gentlemen who sit to his left, he must have had some reason for so doing. Being so careful in his statements and so methodical in his computations, he would hardly do otherwise; and when the hon. member for Bow River rose and asked a question to which the leader of the opposition referred in his closing observations, I could not but think that he had some reason for attaching him as an annex to his party.

We observe that he has abandoned the idea of our group being an annex, and has submitted merely that I am an annex. May I, without any hesitation, assure the hon. gentleman that I am neither an annex to the Liberal party nor to the Conservative party, and I sincerely trust I never will become an annex to either of them. May I further suggest, Mr. Speaker, that the words used by the leader of the government very shortly afterwards are quite applicable to this incident. At page 57 the leader of the government says:

> Nothing is more objectionable, Mr. Speaker, than a suspicious mind.

UNEMPLOYMENT RELIEF

APPROPRIATION OF TWENTY MILLION DOLLARS

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

That it is expedient to provide that a sum not exceeding twenty million dollars be appro-

priated and paid out of the consolidated revenue fund for the relief of unemployment in constructing, extending or improving public works and undertakings, railways, highways, etc., that will assist in providing useful and suitable work for the unemployed, all as set forth in a bill founded on this resolution.

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

Some hon. MEMBERS: Explain.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I was going to ask my hon. friend a few questions, but I think possibly the opportunity will be more favourable if we go into committee of the whole at once.

Mr. BENNETT: I quite understand that the right hon. gentleman reserves all his rights with respect to the matter, and desires to proceed to committee where questions may be asked and answered, which I think always is preferable. Therefore I beg to move, Mr. Speaker, that you do now leave the chair and that the house resolve itself into committee of the whole for the purpose of considering this resolution.

Last evening I had the honour of moving that Armand LaVergne, Esquire, member for the electoral district of Montmagny, should become chairman of committees of the house. Our rules provide that when the Speaker of the House of Commons habitually uses the English tongue, the chairman of committee shall be one who habitually uses or might use the French tongue, and in this instance we have the advantage of having one who has had great experience not only in this chamber but elsewhere as well, and who is singularly well qualified, by reason of his facility of speech in both languages as well as by his long parliamentary experience and knowledge of our rules and procedure, to discharge the somewhat onerous duties of chairman of committees. In making the motion that you do now leave the chair, I feel that we are committing the conduct of the business of the house as it is in committee of the whole to one who has singular qualifications for that duty.

Mr. ARMAND LAVERGNE (Montmagny) (Translation): Mr. Speaker, I wish to thank the house for the honour conferred upon me. As the majority of the members are English-speaking, I trust that my colleagues of French extraction will allow me to express my thanks in the other official language of this country.

I am very grateful, Mr. Speaker, for the great honour which has been bestowed upon me by the hon. members of this house. I realize full well that I am not as highly qualified as the leader of the house has said, but I will endeavour to do my best, with the help of my colleagues, and will be as impartial as a man who has had my experience can be. I hear some hon. gentlemen opposite to me say that at times this may be hard, but if they behave themselves, I do not think it will be very difficult.

Mr. GARDINER: Before you leave the chair, Mr. Speaker, I wish you would inform us which motion you are putting. We have two motions before the house, and we do not know which one is being discussed.

Mr. BENNETT: The first motion stands until to-morrow, because it is down for Thursday.

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

Mr. BENNETT: Mr. Chairman, I think it is my duty to make a short explanation with respect to this resolution, which explanation will afford an opportunity to those who are interested to ask any questions which they think will clarify the intention of the government in this regard.

May I venture to say that we are dealing with a condition and not a theory; we are not concerned at all, for my purposes and for the purposes of this session, with the great causes of unemployment. There are many causes which may produce that result. Many of us who sit on this side of the chamber believe that the policies of a government in a new country with practically untouched resources is responsible for unemployment. Those who sit to your left, Mr. Chairman, are of the other view and believe that world-wide conditions have brought about this result. I do not propose to quarrel with them in that belief nor do I propose to discuss the validity of their views or the invalidity of our own. Perhaps if it were put the other way it would suit my friends much better. Confronted with a condition we have to deal with it as such, and the observations made yesterday afternoon by the hon. member for Winnipeg North Centre (Mr. Woodsworth) but accentuated the extent of the responsibility of parliament. As soon as we took office, which was on the evening of August 7, we immediately set in motion machinery to enable us to secure such information as was procurable as to the extent of unemployment in Canada. Telegrams were despatched to

those in the various provinces who would be in a position to give that information, and the next step taken was to summon a meeting of the Employment Service Council of Canada, constituted under authority of order in council of September 20, 1920. The functions of that council as set forth in the order in council were to assist in the administration of the Employment Offices Coordination Act and to recommend means of preventing unemployment. The order in council further determined that that body should consist of one member appointed by each of the provincial governments, two members appointed by the Canadian Manufacturers Association, one member appointed by the Association of Canadian Building and Construction Industries, two members appointed by the Trades and Labour Congress of Canada, one member appointed by the railway brotherhoods, one member appointed by the Canadian Lumbermen's Association, two members appointed by the Canadian Council of Agriculture, three members appointed by the Department of Labour, two of whom shall be women, one member appointed by the returned soldiers and one member appointed by the Department of Soldiers' Civil Re-establishment.

At this meeting all these bodies were represented with the exception of the provinces of Nova Scotia and Prince Edward Island. We were advised that a conference with respect to unemployment was being held on that date in Halifax and it would be impossible to send adequate representation. Two days were spent in analyzing the information which had been gathered, and the council adopted and through its executive submitted recommendations as the unanimous opinion of that body representing practically half a million Canadian citizens. Representatives of the press were present and of other bodies, and they took part in the discussion. Six provinces were represented by their premiers, a minister or deputy minister. The following are the recommendations arrived at and submitted by that gathering:

(1) That as a means of immediate relief of unemployment federal, provincial and municipal authorities in their respective spheres should commence or continue works of a permanent nature, such as building and construction, including highways, bridges, wharves, railway terminals, subways, railway crossings, needed public buildings, and other public improvements, as well as repairs to and maintenance of public highways and properties.

(2) That in view of the situation now existing there is a joint responsibility on the part of the municipal, federal and provincial authorities to contribute to the cost of relief work measures to alleviate the unemployment situation.

[Mr. Bennett.]

(3) That the federal, provincial and municipal authorities should use their influence with private corporations and individuals to carry on contemplated construction and maintenance works forthwith to alleviate unemployment.

(4) That all governing bodies, so far as practicable should anticipate their requirements and place advance orders for all lines of supplies and equipment, such as wearing apparel, tents, blankets, etc., same to be of Canadian production.

(5) That in so far as possible, in such works as may be developed to meet the present situation, preference in placement should be given to men with family responsibilities, in close proximity to the communities wherein their families are located.

(6) That when employers of labour are compelled to resort to part-time operations the available work should be distributed equitably among the whole number of workers normally employed, either by shortening hours or rotating working shifts.

(7) That in cases where direct relief must be given it is recommended that the following principles be observed:

(1) Costs should be evenly divided between the municipality, province and Dominion.

(2) In cases of unorganized districts and municipalities, which satisfy the province that they are unable to meet their share, then the cost shall be borne equally by the provincial and the Dominion governments.

(3) Where, due to special conditions prevailing, responsibility for a large volume of actual relief funds must be undertaken by a private charitable agency these same public authorities shall take recognition of the fact in the distribution of any or such moneys as may be assigned for actual expenditure on emergency relief.

(8) That this council recommends the passage by parliament at the forthcoming special session of adequate appropriations to provide for the relief of unemployment by the methods recommended and for such other contingencies as may arise in connection with providing work or relief.

(9) That an immediate survey of imports should be made, followed by such legislative changes as will result in the production by Canadian labour of such commodities heretofore imported, as the survey discloses can be efficiently and economically produced within the Dominion and that coincident therewith the government take steps to safeguard the interests of the consumers.

(10) That the federal government give all possible encouragement to the efficient marketing of Canadian grain, farm produce and other primary products.

(11) The council takes recognition of the decision of the government to restrict the entry of immigrants into the country at the present time and would urge that this policy should be continued until it is shown to the satisfaction of the government that such immigrants can be absorbed and given employment without detriment to the Canadian people.

(12) That this council urge upon the federal authorities that provision be made for an adequate census of the unemployed in Canada in connection with the 1931 census.

I have read the recommendations, twelve in number, because they represent the con-

clusions arrived at by a non-political body, a body set up under the provisions of an order in council passed in 1920 and the personnel of which was in no sense under the control or domination of the government.

Last evening I received a telegram dated Regina, September 9, from the Trades and Labour Congress of Canada in convention assembled, reading as follows:

The Trades and Labour Congress of Canada in convention assembled at Regina, Saskatchewan, strongly urges action at the special session of parliament for the alleviation of the acute unemployment conditions existing throughout the country and recognizing the probable discontinuance of the unemployment problems urge that steps be taken to effectively prevent a recurrence of the present situation. To this end the following recommendations are respectfully submitted:

1. The immediate putting into effect of the recommendations adopted by the Employment Service Council of Canada at its recent meeting.

2. The limitation of the hours of labour to not more than eight per day and five days per week on all government works and contracts and all works towards which the federal government may grant and as a measure of relief carried on by provincial governments or municipalities.

3. Measures towards the establishment of a national scheme of unemployment insurance.

4. The strict enforcement and maintenance of regulations prohibiting the entry of immigrant labour into Canada.

This is signed by Tom Moore, president and P. M. Draper, secretary. It will be observed that this telegram not only outlines the present condition but also contemplates legislation being enacted to provide a final solution of the problem. The measure proposed in this resolution is one that is palliative in its very nature. It is a measure to deal with an acute present problem. It does not in any sense aim to deal with the problem as a problem in economics, so far as may be thought desirable to endeavour to remove it from the realm of further discussion in this house. We do believe that this resolution which I am now submitting, when enacted into a statute, combined with the measures which will be subsequently submitted to this house in furtherance of the recommendations which I have read, namely those which will prevent the importation of goods at ridiculous prices into the markets of this country, thereby throwing people into idleness and destroying their employment, and the co-relative of that, namely, the importation to this country of large quantities of goods which can be made in this country if our people were subjected to fair competition and an equal opportunity with their competitors, will go far to relieve the situation. They constitute one measure; one is palliative and the other is remedial. It may be that it is not a remedy to the extent to which some of my friends opposite would like to have it; in fact some of them may believe that it is not a remedy at all.

Mr. YOUNG (Weyburn): Hear, hear.

Mr. BENNETT: And my friend from Weyburn is one of those people. I have the very sincere conviction however that within the next few weeks, at least it will afford a remedy to some 25,000 or 30,000 workmen, and that it will thereby effectually provide sustenance to at least twice that number of people. We propose to submit one resolution dealing with dumping. My hon. friend the Minister of National Revenue (Mr. Ryckman) will move the tariff resolution in this house, and I shall move the other resolution on the motion that the house go into committee of ways and means.

I am asking the Minister of Labour to circulate the latest information concerning the number of unemployed to each member of this house, as it was collected yesterday or the day before. Consulting the numbers which were provided from the various provinces by the various provincial governments I find that at present in the province of Alberta there are 5,155 unemployed; during the winter it is contemplated that that number will reach 6,650. In British Columbia at the present time the unemployed number 7,692 and it is expected that during the winter that number will increase to 14,700. In the province of Saskatchewan the present number given is 5,276 and it is expected to rise during the winter to 8,201. In Manitoba the figure is now 6,950, with a possible 9,600 in the winter. In Ontario the figure is given as 49,367, rising to 82,214. In Quebec the present number is 41,190, as against an anticipated number of 49,290. In New Brunswick the present number is 500 and it is expected it may reach 2,850. In Nova Scotia the present number is 1,800 and it may rise to 2,350.

Mr. LAPOINTE: In every case were those figures supplied by the respective provincial governments?

Mr. BENNETT: Or through the labour offices established under the provisions of the statute to which my hon. friend the former Minister of Labour (Mr. Heenan) gave a good deal of attention during his term of office. My friend the former Minister of Justice (Mr. Lapointe) will recall the fact that there is a

statute, and that we have employment offices, and that so far as possible they endeavoured to make a survey which, as I say, may or may not be accurate. It is a joint survey, their offices being jointly maintained by federal and provincial authorities. I am giving the figures as they were submitted to the gathering which met in this city on August 21. It will be observed that the present number is something over 117,000 and it is believed that that number will approximate 177,000 during the winter. If the measures which we submit to this house are productive of the good which we anticipate, we hope that that number will steadily decrease, rather than increase, and that the maximum anticipated number of 177,000 will not be reached. There are those who estimate the number higher than that. They have based their estimates on information derived from sources other than the official sources, namely through voluntary organizations, trade unions and organizations which are in a position to estimate the number. They place the figure at approximately 200,000. In that figure they include those people who heretofore have been gainfully employed. The figure of 200,000 would seem to me to be almost incredible in this country at this time. Nevertheless those who have made it their business in life carefully to consider and study these matters, those who have gone into the matter in every province have made the best survey they could make, and they have arrived at that figure. The figures I have just recited do not include part time employees. They do not include the workmen who are able to work only two, three or four days a week.

Mr. STEWART (Edmonton): Are those just the registered unemployed?

Mr. BENNETT: Yes.

Mr. DONNELLY: Does your estimate take the farmers into account?

Mr. BENNETT: It includes some farmers in Saskatchewan and some in Manitoba, but in the very nature of things it does not purport to deal with the farming industry.

Mr. McGIBBON: Does it include the unorganized labour in northern Ontario?

Mr. BENNETT: The labour bureau of Ontario has made an estimate in regard to that, and it does not include that particular section of labour in any detail. However it does include an estimate of part of the number. That is the reason that those who have endeavoured to make a more comprehensive survey than the official officers have been able to make are of the opinion that the number may rise to the figure of 200,000. I myself hope it may not reach any such number as that. However that is the estimate given by those who from day to day are dealing with these problems in the various communities, and I am happy to say that the voluminous correspondence which is being copied will, I trust, be available before this bill is through. I hope to be able to give it to the right hon. the Prime Minister to-morrow. He will thereby be able to ascertain—Oh, I meant to say my hon. friend the leader of the opposition. Pardon me, it is the memory of a long forgotten past.

Mr. LAPOINTE: You cannot forget it.

Mr. BENNETT: I shall endeavour not to repeat the mistake.

An hon. MEMBER: He may be in the early future.

Mr. BENNETT: No, not very early.

Mr. VENIOT: Has the hon. the Prime Minister the information before him of the number of bureaus in the province of New Brunswick, and from whom they got the information as to the 500 unemployed?

Mr. BENNETT: I shall read to the hon. gentleman the information as it came to me from the province of New Brunswick. It is upon that foundation that we have submitted to this house this resolution. The $20,000,000 we propose to deal with in accordance with the terms of the resolution of the body that met at Ottawa, and in this manner:

The relief fund of $20,000,000 shall be used for such purposes and under such terms and conditions as may be approved by the governor in council.

That was the method employed on previous occasions when the matter had to be dealt with in this parliament. It will be recalled that the sum of about $2,000,000, to be exact $1,850,000, was so utilized in 1920, and that later the government of the right hon. gentleman (Mr. Mackenzie King) made some contribution to provinces and municipalities on the basis of one-third the amount of money that they expended for certain relief works. It is not proposed that this Dominion government should in any sense deal with these problems directly. These are primarily problems of provinces and municipalities, and apart from national undertakings.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: There never was any question as to that. But a problem, local and provincial in its nature, may become a national problem, and this particular problem has become a national one. That is the position. It has become national in just the sense that a great law lord once indicated in connection with a problem that was before the privy council, a problem local in its inception, but which he said had now become so general as to become national in its scope. This is a national problem. It calls for a solution by the cooperation of national with provincial and local authorities, and for that reason, as I have said, this measure is being introduced in this parliament.

It is proposed that this money shall be utilized just as the conference held in Ottawa concluded in their resolutions that they should be used. That body being a non-political one, we propose in the broadest and most proper sense of the term to follow that course in dealing with these moneys.

First, there are national undertakings which this country may embark upon—public undertakings, buildings, wharves, piers that might not be constructed until next summer, but a portion of which work might well be done now instead of then. There might be the extension of existing contracts in connection with public undertakings. There are public undertakings which provinces and municipalities will engage in, but which otherwise they would not engage in until perhaps a year from now. We may give them assistance, may I say by way of illustration, by defraying the interest which it might cost the communities to borrow the money now instead of two years hence when they would issue their securities in the ordinary course for the purpose of enabling them to undertake that work. There are level crossings, for instance, a fruitful source of disaster in this country, especially during the summer months. The elimination of level crossings will furnish work for a very considerable number of people. We have the grade crossing fund, out of which now contributions are made to an amount not exceeding $100,000 for any one crossing, and up to 40 per cent of the cost. We may implement that fund, for instance, to enable the fund that may become exhausted to be supplemented by grants from this money. And matters of that kind. I shall endeavour to discuss them more in detail as we proceed, but that is the general principle upon which this legislation is founded.

Mr. STEWART (Edmonton): Will the same principle be continued as to the 40 per cent contribution?

Mr. BENNETT: The former Minister of the Interior asks if the principle of the 40 per cent contribution will be continued. It might be desirable to increase that amount; I cannot at the moment say definitely, because each case would have to be considered upon its merits by the board, and authority would be given if the board thought it desirable that the contribution should be made.

Mr. LAPOINTE: Which board?

Mr. BENNETT: The Board of Railway Commissioners, which deals with the question of the elimination of grade crossings. My hon. friend will realize that no grade crossing can be eliminated until there has been an antecedent order by the Board of Railway Commissioners, and in many cases they have fixed the amount of the contribution to be made from the fund in their order. So far as I can see at the moment there may be cases in which the board, seized of all the facts, would, with a free hand to recommend, be of the opinion that a larger contribution than 40 per cent might be desirable if the municipality was to carry on the work at all.

Mr. STEWART (Edmonton): I was asking merely for information.

Mr. BENNETT: And I am giving an offhand answer to my hon. friend. Certainly it is contemplated that if a community is so situated that the elimination of a grade crossing is thought desirable but its financial position will not permit it to engage in that work at the moment, the board will be advised that if a larger contribution from the grade crossing fund would enable that work to be done and provide employment upon a scale that is commensurate with the expenditure, it should be done. I think that is a fair way to put it.

Mr. RALSTON: Referring to the recommendations of the Employment Service Council, would my hon. friend mind reading again that paragraph which makes a recommendation with regard to public works?

Mr. BENNETT: I have much pleasure in acceding to the request of my hon. friend from Shelburne-Yarmouth. It reads:

> That as a means of immediate relief of unemployment federal, provincial and municipal authorities in their respective spheres should commence or continue works of a permanent nature, such as building and construction, including highways, bridges, wharves, railway terminals, subways, railway crossings, needed public buildings, and other public improvements, as well as repairs to and maintenance of public highways and properties.

The proposed measure founded upon this resolution perhaps summarizes it somewhat

more tersely, and if I read that it might also answer my hon. friend's question. It is as follows:

Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute, the said sum of $20,000,000 may be expended in constructing, extending or improving public works and undertakings, railways, highways, bridges and canals, harbours and wharves; assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine; granting aid to provinces and municipalities in any public work they may undertake for relieving unemployment and reimbursing expenditures made by provinces and municipalities in connection with unemployment, and generally in any way that will assist in providing useful and suitable work for the unemployed.

The basis of these measures is work, not charity. It is to provide employment for wages, and not for doles. The hon. member for Winnipeg North Centre yesterday said that it was undesirable that this country should engage in the payment of doles. May I venture to remove some misapprehension that may exist on the part of some of the members of this house as to the use of the word "dole". The word "dole" was not the original term used, of course, in connection with the payment of unemployment insurance in Great Britain. The unemployment insurance fund was created from contributions by employers, the employees, and the state, but as unemployment increased the fund diminished, and at the present moment that fund in Great Britain owes, not millions, but hundreds of millions of dollars to the state; and inasmuch as the number of unemployed in Great Britain is something like 2,000,000, it follows that some time ago when the number exceeded 1,000,000, they began to use the term "dole", because they were payments being made from a fund that was bankrupt and dependent for its borrowings upon the state to enable it to continue to make payments. I think that my hon. friend from Winnipeg North Centre correctly dealt with that matter yesterday, but sometimes I hear the word used in an entirely erroneous way with respect to matters of this kind.

Mr. BOURASSA: Was there not something further? Did they not continue to pay sums to people who had been contributing and then ceased?

Mr. BENNETT: As the hon. member for Labelle (Mr. Bourassa) knows, the legislation passed at the last session of the imperial parliament as a matter of fact lessened the period of time within which there should be no employment to make a claim upon the fund and did continue part payments to some who had—shall we say?—only equitable claims, or perhaps moral claims; that being the method used to deal with unemployment by payments rather than providing work, although an effort was made in that direction.

Mr. IRVINE: Will any part of this $20,000,000 expenditure be conditioned upon similar amounts being expended by the provinces, or will it all be expended entirely by the Dominion government upon works to be specified later?

Mr. BENNETT: May I say to the hon. member for Wetaskiwin (Mr. Irvine) that such works, the cost of which under our constitution is properly chargeable against the Dominion, will continue to be so chargeable, but that it was not thought desirable to impose by legislation conditions upon the provinces and municipalities having regard to their financial condition at this particular time. I may say that the figures I gave were not only supplemented from the labour offices, but the municipalities themselves having a population of more than 10,000 are responsible for the figures I have quoted. I should say that in answer to my hon. friend the former Minister of Justice (Mr. Lapointe) to whom I did not make the matter as clear as I should have.

Mr. WOODSWORTH: How is it proposed to allocate the amount between the various provinces?

Mr. BENNETT: It is not intended to undertake that duty by this measure, but rather that the administration of the act shall be of such a non-political character that each particular claim will be dealt with on its merits without regard to any other consideration. It may be, for instance, that some of the provinces with smaller population may have relatively a larger claim upon this fund than the larger and richer provinces. There is no other way in which it can be equitably dealt with in this country at the present time.

Mr. WOODSWORTH: Who then will administer the act; will it be administered directly by a particular body or by a government department?

Mr. BENNETT: It is proposed to commit the administration to the Department of Labour, but it is not intended that the federal authorities shall assume responsibility for the work of the municipal and provincial organizations; they should determine the extent to which relief should be granted, and upon their determination, subject to review

by the minister, action should be taken. Do I make myself clear to my hon. friend?

Mr. WOODSWORTH: The real responsibility for the particular grant lies entirely with the Minister of Labour?

Mr. BENNETT: Subject to order in council.

An hon. MEMBER: No.

Mr. BENNETT: Yes, subject to order in council; because it is the only way in which the executive may act in respect to the allocation of money. As perhaps hon. gentlemen realize, the minister makes the recommendation, and the government as a whole assume responsibility for the order in council. But this Dominion will not be engaging in that form of relief or business which primarily it is the duty of the provinces or municipalities to undertake; but to assist them in the discharge of that duty this grant is being asked for. If, for instance, the province of Manitoba, reviewing all the circumstances and conditions of that province with its municipalities, is able to make such a recommendation through its responsible government that an unemployment condition exists which should be dealt with in a manner indicated, the Minister of Labour will deal with that and the government will act accordingly, or as thought desirable, because it does not always act, I believe, on the recommendation of the minister; it sometimes modifies his recommendation. Have I made myself clear to my hon. friend?

Mr. HEAPS: Will any public works undertaken, to which the federal government will contribute, have to be approved by the Minister of Labour?

Mr. BENNETT: It was not intended in the first instance where provincial or municipal funds are being used for the purpose of providing employment that this federal authority should interfere with the exercise of that discretion, because under our constitution the provinces and the municipalities themselves determine what action they shall take. But when they take action it is anticipated they will indicate that they would not have taken such action but for the present existing conditions, that they thereby have borrowed money two years in advance, we will say, of when they would otherwise have done so, and they ask for the payment of the service of that loan from this fund to enable them to do presently what otherwise they would not do, until, say, two years later.

Mr. EULER: Apart entirely from the Department of Public Works, must the initiative on the part of the municipality go direct to the government, or must it proceed through the provincial government?

Mr. BENNETT: It was our intention, subject to change of course if the necessity arises, that they should deal with provincial governments through the department of municipalities that each government has established.

Mr. EULER: The Department of Labour, then, would recognize requests only as they come through the provincial authority?

Mr. BENNETT: My hon. friend says "only." I think that is using too strong a term. If it was felt desirable we could deal with a particular situation through the municipality, but broadly and generally we intend to deal with the matter as I have indicated.

Mr. HEENAN: If a contribution is made to a province, will that contribution carry with it a provision for fair wages and the eight-hour day?

Mr. BENNETT: The constitutional position is that the provinces have the right, as my hon. friend the former Minister of Labour (Mr. Heenan) will remember, under the supreme court decision; but so far as the Dominion may extend its operations the provisions of the order in council that was passed while the house was in session last year will obtain and prevail where they have not been amended, and it is not proposed to repeal them.

Mr. LAPOINTE: With regard to the federal government works which my hon. friend has stated will be undertaken and paid for by part of this money, will the government at any stage of the measure give a list of those federal works? Have they been considered? Will the house know before this sum is voted and put in the hands of the government what are the public works which are going to be undertaken in virtue of this resolution?

Mr. BENNETT: We are in practically the same position as the Canadian National Railways when a vote is made to them, and it will be observed that the language here is somewhat similar. I hope that the claims in that regard may be as few as possible, but I will give an illustration of what I think my hon. friend will at once see covers the case. Work is being carried on in connection with the breakwater, we will say, at the head of the lakes—I give that as an illustration—the parliamentary appropriation has been ex-

hausted; the work could be usefully carried on and give employment to several hundred men for several weeks longer; it would be proposed, at the same unit cost, to continue that work. With respect to public works and similar undertakings, the government has considered no claims of that character at the moment, because I am bound to say, as I think my hon. friend will agree, that the estimates passed last session were very generous in their appropriation of public moneys, and we are endeavouring to see that those moneys are expended with a view to providing employment. For instance, there is the elevator at Lethbridge referred to during the election. A contract was let for the foundation, but no contract was let for the superstructure. That will provide work for a considerable number of people. And so on down through the main and supplementary estimates of last session. It may be that between now and next session there may be a limited number of such undertakings. It is provided that a return of such expenditures shall be tabled within fifteen days after the opening of parliament.

Mr. LAPOINTE: Will any new public works be proceeded with without this house knowing anything about it?

Mr. BENNETT: In the very nature of things it would have to be.

Mr. LAPOINTE: My hon. friend admits that it is a large order.

Mr. BENNETT: I do, without any question. But I think the safeguards of the Public Service Act with respect to tenders are a sufficient guarantee as to the money being properly expended.

Mr. MACKENZIE (Vancouver): Is any of this appropriation for the construction of a national highway, and what are the intentions of the government with respect to the building of such a highway?

Mr. BENNETT: There has been much discussion of the matter. What is proposed is that, as many of the provinces have hard surfaced roads and many paved roads, they shall designate which road is the main artery of travel, and that road shall be placed upon such standard as to construction, as to curbs, and as to grades as the Dominion set up some time ago in connection with national highways under the former statute; assistance to be given to the provinces in that regard, they carrying on the work and not the federal authorities. The work intended to connect existing highways to form the national highway from British Columbia to Cape Breton will be carried on out of this appropriation.

Mr. MACKENZIE KING: Did not my hon. friend's statement in the course of the campaign indicate that a national highway would be constructed by the federal government itself?

Mr. BENNETT: I might have corrected the right hon. gentleman yesterday. I was very careful in this house, both before and during the campaign, to point out that there is no intention of acquiring a right of way in building a national highway. What is intended is to connect up this country with a national highway. There are a few hundred miles of territory separating Ontario from Manitoba, and there are a few miles in British Columbia, to which the hon. member for Vancouver Centre (Mr. Mackenzie) has referred. That road is now in process of construction, partly by the federal authorities and partly by the provincial government. When that road is completed, that is to say, the road near Big Bend past Revelstoke and coming towards the east, there will then be a highway from the Pacific slope to Manitoba; and further north, to the eastern end of Manitoba, there are about eighty-seven miles of territory through which the road has not yet been slashed or the alders cut, leading to the boundary of Ontario; and in Ontario, to connect with the present King's highway in Ontario, there is, I am told, a distance not exceeding four hundred miles where work yet remains to be done. That work, inasmuch as it will give employment to a large number of people, it is proposed to endeavour to proceed with by arrangement between the provincial governments and the Dominion, the Dominion undertaking to assist them in the payment of the extra cost involved, as well as making a substantial grant towards the building of the road itself.

Mr. GARLAND (Bow River): Is that what the Prime Minister calls the immediate construction of a great Canadian national highway?

Mr. BENNETT: It certainly is.

Mr. MACKENZIE KING: My hon. friend speaking at St. John, New Brunswick, on June 30: is reported in the St. John Telegraph-Journal as having said:

> We say that the federal government under our administration will build a great national highway in Canada.

Is that report incorrect or does it mean what it says?

Mr. BENNETT: It means exactly what it says.

Mr. MACKENZIE KING: According to my understanding of the English language it would mean that the federal government is to build a great national highway.

Mr. BENNETT: Quite so. I think what I said was perfectly clear. The province has a main highway in Ontario. That road is now called the King's highway. I daresay my right hon. friend has seen it designated by that name. The name had no relation to my right hon. friend, having been recently changed from "provincial" to "King's highway," which is an old term for such highways.

Mr. MACKENZIE KING: This will be the Bennett highway?

Mr. BENNETT: No. I do not think my hon. friend's name was the "King" which the authorities had in mind when they gave the highway that name, so that they will not change it to the Bennett highway. I think it meant His Majesty the King, and it still remains the King's highway, notwithstanding the election. What I endeavoured on more than one occasion to explain was that the building of a highway in the province would necessitate the acquisition of territory upon which to build the road, and the duty of supplying roads is not primarily that of the Dominion but of the province. I suppose the Minister of Justice had in his mind—

Mr. LAPOINTE: I am the member for Quebec East.

Mr. BENNETT: The hon. member need not say it so regretfully.

Mr. LAPOINTE: It is my best title.

Mr. BENNETT: Oh no; there are other great titles by which my hon. friend will be long remembered.

Mr. LAPOINTE: My hon. friend may get some later on.

Mr. BENNETT: If titles are restored my hon. friend will not be overlooked. At any rate, may I add this. We made a grant in this parliament in years gone by towards the construction of highways, and that grant laid the foundation for the whole system of highways which we now have in the provinces, because there was imposed by the federal authorities a standard which was the real basis of the best highways of Ontario and the roads of Quebec. As is well known, that money was responsible for the hard surfaced and paved roads, in part in Saskatchewan, in part in Alberta and in part in British Columbia. But the road to which my hon. friend from Vancouver Centre referred is a road which is being built under the parks appropriation, so far as the federal authorities are concerned. It is on federal territory that it is being built and not on provincial, because the land has now become a part—

Mr. STEWART (Edmonton): The present road is on provincial territory.

Mr. BENNETT: The part that the province is building is on provincial territory, while the part which the federal authorities are constructing is under the parks.

Mr. STEWART (Edmonton): The part which is included under the parks appropriation is completed. We are now building the part which will extend to the glacier area.

Mr. BENNETT: At any rate, the road under federal supervision was in process of construction when I saw it. Apparently it is now complete.

Mr. MACKENZIE KING: I would ask my hon. friend another question with regard to the highway. Speaking at Woodstock, Ontario, on June 24, my hon. friend said, according to a report in the Toronto Mail and Empire of June 26:

> Parliament has first of all to pass laws—not orders in council—that will institute great national undertakings, national highways. . . .

May I ask my hon. friend whether it is the intention of the government to bring in a law with respect to this national highway, as indicated here, or is it proposed that the money to be spent on the highway he has in mind shall be appropriated under order in council, arising out of the present legislation?

Mr. BENNETT: I have great pleasure in advising my right hon. friend that he will find, in the twentieth line of the proposed bill, provisions with respect to highways—the part of the law describing what the money is to be used for.

Mr. MACKENZIE KING: Can my hon. friend tell me? I have not seen the bill.

Mr. BENNETT: It will appear in the printed bill based on the resolution. It is provided that part of the money may be used for the construction of highways.

Mr. MACKENZIE KING: How will that money be appropriated—by order in council?

Mr. BENNETT: No, by this parliament, if we adopt the resolution, as I hope we shall. This parliament will appropriate twenty million dollars for various purposes, amongst those purposes being provision for highways.

Mr. MACKENZIE KING: As I understood my hon. friend in the course of the campaign, a national highway was an undertaking by itself. In the past few years we have heard in this house a discussion with respect to a national highway, which was proposed as a separate undertaking. It had no relation whatever, at the time it was originally proposed and discussed in the house by hon. gentlemen then on this side, to anything in the nature of an unemployment relief measure. Now is my hon. friend getting away from the idea of a national highway as a national undertaking and making it something allied to unemployment relief, or does he still hold to the original idea of a national highway as a national undertaking, to be carried out as such with appropriations to be made for that specific purpose?

Mr. BENNETT: I have no difficulty in answering the question put by the right hon. gentleman. There never has been any doubt in my mind as to the fact that the Dominion was not going to build a new highway in any province. Rather the idea has regard to the utilization of existing highways built to a standard fixed by this government, involving grants for the purpose of maintaining them to that standard. I have said before what I repeat now, that this government is of the opinion that appropriations should be made to assist the provincial authorities in maintaining such a highway throughout Canada, so that there would be no difficulty in motoring from Cape Breton, we will say, to Vancouver.

Mr. MACKENZIE KING: Then may I ask my hon. friend another question. Speaking from memory at the moment, I believe it was either with reference to highways or old age pensions that my hon. friend was asked a question when speaking in Montreal. The question was asked by a lady, who was anxious to know how he proposed to raise the money to be disbursed for the purposes of the highway. His reply was that he proposed to raise the funds by taxation. May I ask him now, with respect to these measures, whether it is his intention in the event of there being a deficit in consequence of the payment of these millions of dollars, to see that the deficit is made up by taxation, or does he contemplate meeting it by borrowing?

Mr. BENNETT: Whichever method may be necessary, having regard to the conditions then existing, will be pursued. I would not like now to review the financial position of the country as it was on August 7, because this certainly is not the time for that, but I will say that the falling off of the revenues of the country has been very great during the months that have elapsed since April 1 last. We believe—I have no doubt the right hon. gentleman thinks incorrectly—that had proper policies been followed in this country there would have been no necessity for any demand being made upon our falling revenues to meet this situation.

Mr. MACKENZIE KING: My hon. friend is aware—indeed, his own statement indicates it—that the provinces have moneys appropriated for the purpose of highway construction. I do not wish unnecessarily to bring in matters referring to the recent election, but I think it was pretty evident that much of that money was used at election time in a manner which it was believed by the provincial authorities would affect the results of the election in particular constituencies. I should like to ask my hon. friend if the money which is to go from the federal treasury is to be handed over to the executives of the provinces to be used as they think best with respect to highway construction, or if there is to be any provision which will prevent any part of that money being used in a way such as I have indicated.

Mr. BENNETT: I am very sorry that my right hon. friend thinks the premier of Quebec utilized the road money to assist our campaign. I am satisfied that our twenty-five followers from Quebec were not assisted in that way. I know of no such action having been taken in the province of Prince Edward Island, for instance, where I found the roads none too good, and certainly there was no striking evidence of it in Ontario, where I was.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: No, indeed, but the gentlemen who should know about it come from Saskatchewan.

Some hon. MEMBERS: No, no.

Mr. BRADETTE: You will hear about that yet.

Mr. BENNETT: I certainly do recall that the public moneys were used for very strange purposes. I recall an order in council passed on July 24, I think, by which the then Minister of Public Works appropriated some $20,000 odd to provide an increase in salary from April 1, 1930, for 828 charwomen in the city of Ottawa.

Mr. ELLIOTT: Does my hon. friend object to that order in council?

Mr. BENNETT: I have no hesitation in saying that no similar order in council ever has been passed in the history of this country, for the cheques were payable on Saturday and the election was on Monday, and the Liberal majority in the city corresponded very closely to the number of those who received cheques.

Mr. ELLIOTT: Perhaps my hon. friend will be good enough to answer the question I asked him. Does he object to that order in council?

Mr. BENNETT: I object to any such politically immoral transaction as that.

Mr. VALLANCE: May I ask the Prime Minister a question, as one coming from a rural constituency of Saskatchewan? Will it be possible for a municipality in a rural district to get directly from this government assistance for the building of municipal roads, or will that request have to go through the provincial government? That is, for the building of municipal roads, not provincial roads?

Mr. BENNETT: I am sure my hon. friend realizes, if he has followed me with care, that this measure deals with the question of distress and unemployment.

Mr. VALLANCE: This is distress, in the dried out areas.

Mr. BENNETT: Then I take it that the provincial government will make the application in due course for the necessary assistance, which will be granted. I think my hon. friend will quite realize that the Dominion is not trenching upon the activities of either municipalities or provinces, but is merely assisting to deal with an acute situation.

Mr. VALLANCE: You stated you were merely lending the interest to the municipalities for two years.

Mr. BENNETT: Mr. Chairman, I very much regret that my hon. friend has quite misunderstood me. I said in the event of public works being undertaken in certain circumstances, which otherwise would not be undertaken, it would be the duty of those who desired to receive assistance from this fund to make the application and have it dealt with accordingly, but if it is the kind of work the hon. gentleman referred to, that is the kind of work in respect to which the province might ask for assistance directly for the carrying out of the undertaking. My right hon. friend, during the course of the campaign, stated that he was willing to contribute, I think, one dollar of federal money for each dollar that might be paid by municipalities or provinces in connection with certain acute forms of distress. That is as I read his speech.

Mr. MACKENZIE KING: Both; dollar for dollar with the province and the municipality for the construction of subways.

Mr. BENNETT: That would be a third from each?

Mr. MACKENZIE KING: Yes.

Mr. ELLIOTT: Might I ask the Prime Minister if there is any limitation as to the portion of this $20,000,000 which is to be spent by the provinces or under the control of the provinces, and the portion which is to be spent under the direction of the Dominion?

Mr. BENNETT: No, it is felt that the provinces will themselves be the best judges as to the extent to which they might pledge their own borrowing resources. As my hon. friend, who has had much experience in municipal law, perhaps knows, the municipalities are limited in their borrowing operations by having to secure the approval of certain authorities of the province before they may secure loans. Therefore there is no endeavour on the part of the federal authorities to limit or in any sense curtail the exercise of their respective powers by municipalities or provinces, but rather to assist them to the extent that may be thought desirable in view of the facts they may set up and the case they may make as to the situation that prevails.

Mr. ELLIOTT: I fear I have not made myself clear. For instance, may $15,000,000 of the $20,000,000 be spent by the provinces, or is it possible that $15,000,000 out of the $20,000,000 may be spent by the Dominion, or under the supervision of the Dominion? Is there any limitation provided in the act as to the proportion of that $20,000,000 which is to be spent by the Dominion and the proportion which is to be spent by the provinces or municipalities?

Mr. BENNETT: No. I think my hon. friend would be the first to admit that no such limitation could be imposed. It will depend absolutely upon factors which are indeterminate at this moment and which will remain indeterminate until concrete cases arise.

Mr. ELLIOTT: Under the act as my hon. friend has it drafted all of this $20,000,000 might be spent in the construction of some Dominion work; is that correct?

Mr. BENNETT: If my hon. friend uses the word "might" in the sense of it being

possible, that is always so. However, as a great judge once said in a case which I am sure he will remember, you must construe these matters as a reasonable man. We are dealing with an immediate situation which touches all provinces and we propose to endeavour to discharge our duty in that regard as reasonable public servants and trustees.

Mr. BOURASSA: There is one point regarding highways which I did not quite catch, as to the stretches of road which are to be built, especially between Ontario and Manitoba and in British Columbia. Once the work is done under appropriation of part of this fund, such portions will remain under provincial jurisdiction and maintenance just the same as the portions of the road with which they are connected?

Mr. BENNETT: The hon. member for Labelle (Mr. Bourassa) is quite right; the property in the road will be the property of the crown in the right of the province, it will be the king's highway within the province and will so remain. My judgment is that this parliament having the right to raise revenue by any form or process of taxation could in this case make some contribution to the maintenance of these roads. I have expressed publicly and I still think that that should be so because the traffic is interprovincial and international and to that extent benefits not only the province but the Dominion, especially as it may reduce an adverse balance of trade.

Mr. EULER: Would that apply only to those portions where we assisted in the construction?

Mr. BOURASSA: That principle should apply not only to the new stretches of road which are to be built but to the highway generally. Assistance should be given to the provincial governments in the maintenance of that so-called national highway which would be the principal highway from one end of the country to the other.

Mr. BENNETT: As perhaps the hon. member for Labelle will recall, that is my view, and has been for many years, and I apply that principle not only to highways but to technical education and to agriculture. As I said during the campaign, last year we collected over $20,000,000 from tobacco and cigarettes through the exercise of the powers of taxation which we have.

Mr. EULER: It was considerably more than that.

[Mr. Bennett.]

Mr. BENNETT: It will be more than that this year. I mention that as indicating one reason why I think that in the event of the contingency to which I allude becoming an actual fact, then the contribution to maintenance of the road should be general from Cape Breton to Vancouver.

Mr. BOURASSA: There is a very interesting point in connection with railways which has not been dealt with. In what manner does the government propose to make use of any part of this fund as applied to railways? I am not speaking of railway crossings or things of that nature, but does the government intend to contribute either by way of subsidies or assistance in the issuing of bonds to the building of branch lines which would give work to unemployed people in the particular region and at the same time encourage the taking up of lands by people who are not now occupied?

Mr. BENNETT: Immediately upon assuming office I asked both the great railway systems as to their probable program of extension of branch lines. While the matter has not been in any sense definitely settled, if any work is carried on between the present date and February at a cost which would be estimated at 10 per cent more than the cost of the work at a future time, this vote might be available to assist in defraying the extra cost, but it would not be considered as a subsidy because that would be a matter which this parliament should itself authorize. It would be taking care of the enhanced cost by reason of anticipating to-day work which would in the ordinary course of events be done the day after to-morrow; doing work to-day at an added cost instead of doing it in the summer and spring. That is all that is contemplated at the present moment. The railways have partly completed a report but it is not yet available.

Mr. BOURASSA: Will it be possible to have it during this session?

Mr. BENNETT: I am afraid it will not be available. I wanted to have it as comprehensive as possible, having regard to the location of the unemployed. As I understand it, the matter is being looked into carefully by those who have to do with it but I have been told that it will not be available for some little time. I did not consider it to be a matter of great concern especially in view of the fact that the harvest has absorbed a certain number of unemployed. They are

thinking of the more serious weeks which lie before us when the weather is colder.

Mr. HEENAN: The Prime Minister is aware that the constituency of Kenora-Rainy River, which lies next to Manitoba, is very wide. In view of the fact that some of the provincial ministers promised during the campaign that the road would be built and that three different routes would be followed, and in view of the fact that the Dominion government is going to contribute something towards the building of this road, will the Prime Minister tell the committee whether the Dominion government will have any say as to the route to be followed?

Mr. BENNETT: I am not in a position to discuss the matter to which the hon. gentleman has referred. As to what the provincial ministers may or may not have promised, he will have to excuse me for passing that over. However, so far as the other matter is concerned, I would apprehend that the federal government would have something to say for the simple and obvious reason that—

Mr. HEENAN: It would have something to say?

Mr. BENNETT: It would have something to say, but that something may be very limited. We would have a very limited right to interfere with the jurisdiction of the province in connection with its highways.

Mr. HEENAN: I notice that the employment council has recommended that the work be done in close proximity to where the people live who would be employed. What assurance can the Prime Minister offer that the work would be gone on with in close proximity to Kenora, Rainy River, Fort Frances or Sioux Lookout?

Mr. BENNETT: I hasten to assure my hon. friend that I would not suppose that that would be a matter of which the federal government would have very much knowledge. The provincial authorities are charged with jurisdiction with respect to the matter and would, I assume, lay out their own roads with their own engineers, subject only to the condition that the standard of construction as to width, curves and general grades would have to be observed, just as is the case under the provisions of the General Highways Act which was passed some nine years ago. I am afraid that I cannot assist my hon. friend in this regard, but I must congratulate him upon the zeal for his constituents which he has always manifested.

Mr. HEENAN: I want to thank my hon. friend for complimenting me upon my zeal, because the fact is that I have a rather zealous feeling for the people up in that part of the country. While we are on that subject I might say that they are going to be very much disappointed, because I have before me an editorial from the Kenora Miner and News which would lead me to that belief. This paper is the Conservative organ in our riding, and in the issue of June 25, 1930, I find the following:

> Bennett To Call Early Session Of Parliament
>
> There is a reassurance for the whole Dominion in Hon. R. B. Bennett's undertaking at Edmonton to face the unemployment problem without delay, in his pledge to summon parliament as soon as possible after July 28th, in his promise to present a well-rounded program for immediate relief and lasting prosperity.

Then it goes on to say:

> He will go on with the construction of a national highway across the Dominion.

That is written by the late Conservative member in the Ontario legislature, who is editor of that paper. I want to assure my hon. friend the Prime Minister that it is my desire to help him with the $20,000,000 or any sum of money he wishes to vote upon the floor of this house to relieve unemployment. However when he does that I would like to know that at least some of the recommendations of the employment council will be adhered to. If we are going to contribute money from this parliament to assist the provinces I would like to know for instance that if there is unemployment at Kenora, the town of Sioux Lookout, Rainy River, Fort Frances, or in any part of the Rainy River district, the work will be proceeded with in that particular part of the country rather than in some other constituency just because it returned a Conservative candidate. I think my hon. friend will realize that that is a fair proposition. Also I would like to know which of the three routes promised by the Ontario Minister of Lands and Forests will be the one to which this government will contribute. Further I would like to know whether this expenditure will be used by the Ontario government to purchase American-made machinery to take the place of labour. Also I would like to say, and I am sure my hon. friend the Prime Minister will agree, that there ought not to be very great financial assistance given to the province of Ontario, when that province is paying its employees who are digging ditches on the highways only at the rate of twenty-five cents an hour, and those employees work ten hours a day. I think we ought to take cognizance of this fact. Besides we ought

to know whether or not the provincial governments to which we are going to contribute will discriminate in the choice of their employees because of political persuasion.

Mr. BELL (Hamilton): Oh, we do not do that; those are your tactics.

Mr. HEENAN: Mr. Chairman, this is not strange. I said before and I say again that there were no more rotten politics in the world than those practised by the government of the province of Ontario during the past federal election. We do not need to search for evidence of that. The people of my riding elected me to protest against those rotten tactics.

Mr. BELL (Hamilton): It was a bad mistake, then.

Mr. HEENAN: It may have been a bad mistake. If we want other evidence we may take the words of Mr. J. J. Carrick, an old time Conservative.

Mr. MANION: He was the Liberal candidate in Port Arthur in the last election.

Mr. HEENAN: I refer to the year 1926 when he was Conservative candidate. This gentleman sent a wire to the Lieutenant-Governor of Ontario, because he could not get any attention from the Prime Minister or the ministers of the cabinet in that province. The following is a telegram which he sent to the Lieutenant-Governor:

> The honour of the crown is being besmirched by the Port Arthur Conservative machine. An announcement of the Nipigon pulp limit tenders is being withheld from the public to be used here for the advantage of the machine candidate. No party owns our government resources, they belong to all alike, Liberal and Conservative, and should not be used for the advantage of any party. The Conservative machine advertises that Hon. James Lyons, Minister of Lands and Forests, will address a meeting in the Colonial theatre here Friday and will have a message "re the sale of pulpwood to our mills." The announcement of any government tenders have always been made through the press. Why should Mr. Lyons come here to make the announcement on the public platform except to influence votes for the Conservative machine candidate? Mr. Lyons spoke at Hornpayne and Sioux Lookout and promised them road grants, bounty on iron ore, and to survey agricultural lands, to influence votes in this constituency. The provincial Conservative machine are intimidating their employees in this constituency and coercing their support to the machine candidate with a threat of dismissal. On behalf of the self-respecting citizens of this constituency I respectfully enter a protest to you as our Lieutenant-Governor of the province of Ontario.

That was the telegram sent in the year 1926 by an independent Conservative candidate who saw the rottenness of the whole situation, and wired to the Lieutenant-Governor.

Mr. BENNETT: You do not happen to have the answer, I suppose? The answer is not there, is it?

Mr. HEENAN: He did not answer it.

Mr. BELL (Hamilton): I would like to know what connection it has with this debate.

Mr. HEENAN: I will agree that so long as the people of the province of Ontario wish to allow their premier to invest their funds in that way, they have a perfect right to do so. On this occasion however we are going to vote Dominion funds and we want to take care that they are not used in the same way.

Mr. BELL (Hamilton): That is very funny.

Mr. HEENAN: I have lived in other countries before. I lived down in the tropics where there is peonage, but I never thought I would live to see the day under the British flag where men would be treated as peons as they were during the last Dominion election in the riding I represent. Men were brought into the polls who had lived or worked in the constituency for about a month. They were lined up on the sidewalks before the poll. The Conservative candidate, the engineer and the road foreman stood on each side of the sidewalk and called them by number. After ascertaining their number on the roads they found their names on the pay-roll and as they were going into the poll those labourers were asked if they desired to continue working for the Ontario government. However I will have more to say on that point before the session is over. When I reflect that those men were paid the magnificent sum of twenty-five cents an hour and board for ten hours a day and were carried to the polls in that way, as one of the members of this house I want to say that I am prepared to stay here until Christmas to see that those men receive a square deal. There was a resolution of this house passed in 1900 to the effect that money grants of any description would carry with them a fair wages policy. The fair wages policy in Canada to-day rests with the Minister of Labour of the Dominion house, and should be inserted as a condition of these grants. If we are going to give grants to provincial governments which employ men under conditions of slavery, we should see to it that the men are given proper wages and the eight-hour day.

Mr. POULIOT: As the hon. the Prime Minister has come back to the house to-day

in his usual genial and happy mood, I shall take the liberty of offering him a few suggestions.

First, as to unemployment. Some moneys were voted by parliament last session for important public works in Temiscouata county, especially for repairs to the public wharf and the building of a new station on the Canadian National railway at Riviere du Loup, and a new post office at Trois Pistoles. On Sunday last when I left home to come here, very little money had been spent on the wharf and only four people had been working on it during the previous week. Work on the new post office at Trois Pistoles and on the new station at Riviere du Loup had not yet been started. If the government is serious in undertaking its program to relieve unemployment, I hope that these public works which I have mentioned, and which are of the utmost importance to that part of the country, will be proceeded with at the earliest opportunity. I am very much surprised indeed that so little work has been done on them to date.

One fact that I wish to stress is that the number of the unemployed has been increased by the present government discharging many men who were engaged on public works and replacing the working force with smaller gangs. I hope that in the future the government will see that a larger number of men is employed wherein it is possible to do so.

I have a further suggestion. When the unemployed are spoken of in this house, one generally thinks of day labourers; but there are many other unemployed. After the stock market crash not long ago, several stock brokers dismissed half of their staff, and these people are still out of work. Many bank clerks and people with commercial training are also out of employment. They are not suited to blasting rocks in northern Ontario around the shores of Lake Superior, but I should like to see work found for them also.

There is another class of unemployed, men who have been dismissed for one reason or another from the Canadian National Railways. The present Prime Minister, speaking at Brandon, in the constituency of the former Minister of Railways, said that there would be less political interference by his government with the Canadian National Railways than by the late government. I have not his exact words; I am speaking from memory, but that is the idea he expressed. To my knowledge, Mr. Chairman, the Liberal government never played politics with the Canadian National Railways. I would point out, however, that very often employees of the Canadian National Railways have come to me and asked me to state their cases in English before the Canadian National Railways. I have prepared their cases with the utmost care, not as a politician, but as a lawyer, with a view to seeing justice done. There should be distinction made between a dishonest man and a man who has simply made a mistake. Sometimes an honest man may make a mistake in his accounts, and whenever such a case has come before me and the man has asked me to prepare his case, I have always done so with the utmost care in the interest of justice. When I went to the Canadian National Railways, I always got that famous answer, non possumus —we cannot do it. After the Prime Minister had delivered his speech at Brandon, the Canadian National Railways adopted an even more, shall I say, isolated position, and one could not bring these cases before them at all. Their position was: These people have been discharged; we cannot take them back. These people are now unemployed and are deserving of consideration. The Prime Minister says: Give Canada a chance. That is all right, but Canadians should be given a chance by the Canadian National Railways just as much as by any other corporation, and when these employees are in trouble, it is our duty, not only as members of this house but as good citizens, to come to their assistance and to ask the Canadian National Railways to show the same clemency that any private business man would. No man engaged in business would discharge a good servant who had been with him for twenty or thirty years simply because he made a mistake of two or three dollars in his accounts. Some of the men who report these discrepancies to the head office of the Canadian National Railways might be stool pigeons out of jail, and the accused is very often less of a thief than his accuser. Of course, I understand that accounts should be properly kept, but it is pretty hard for a man to be dismissed without a satisfactory investigation after he has been in the service of the railway for twenty or thirty years. I appeal to the Prime Minister in the name of humanity, and speaking to him as a human being and not as a politician, to try to improve the living conditions of these people. If a man makes a mistake in his accounts, and he is an honest man, he is punished sufficiently by being out of employment for a few months. When a man is well known to be a thief, it is an entirely different thing; but I am speaking of honest people.

My hon. friend the Prime Minister has spoken of the causes of unemployment. May

I say a few words on that? It is caused by overproduction and similar factors, and especially by the exodus of people from the country to the large cities, where they go to get jobs but cannot find them. Those who are in a position to influence people in the rural parts of the country will be rendering them a great service if they tell them that they are better off and much happier living in the country.

No one has said anything about how those who are to be entrusted with the spending of such large amounts of money will be appointed. Will they be appointed by the Civil Service Commission?

As to the proposed grants to the provinces, the federal government by some people is considered as a sort of Santa Claus, to give everything that the provinces ask for. It should not be forgotten that the provinces enjoy a substantial revenue from the sale of liquor, from the gasoline tax, from automobile licences, from succession duties and so on; moreover, we must be very careful in dealing with the provinces not to interfere with provincial rights.

Another cause of trouble is the low wages that are paid to day labourers and to other men. The only province that has a minimum wage law for men is British Columbia. The act was passed when the Oliver government was in power. In making the proposed grants to the provinces would it not be possible for the government to require that they pass a minimum wage law similar to that now in force in British Columbia. I think such legislation would very substantially help labouring men.

Mr. HANSON (York-Sunbury): Why don't you ask Mr. Taschereau to do so?

Mr. POULIOT: I believe that since the election Mr. Taschereau is better than he was.

Mr. HANSON: He has had a lesson?

Mr. POULIOT: Moreover he is not as bad as the Tories in my constituency and the Tories in this house. My hon. friend the Prime Minister is in a particularly happy position to deal with the provinces in regard to inducing them to pass minimum wage legislation, because in the cabinet he represents not only finance—he is the acting Minister of Finance—but he is also in this house the representative of his colleague the Minister of Labour (Senator Robertson), and it is the first time since confederation that the same minister has represented capital and labour. In that respect it will be very easy for him to proceed along the lines I have suggested. It will be easy for him to pass an order in council, because he alone will be a quorum of the cabinet. I wish him success in his undertaking, and as he said if he did not succeed he would perish in the attempt, I do not wish him to go to the undertaker.

To sum up in a few words, Mr. Chairman, I ask the Prime Minister, first, to see to it that the money that has been voted for public works in Temiscouata county shall be spent at the earliest possible opportunity. I make this request in the public interest, but I do not recommend anybody in connection with those public works; I leave it to the gentlemen opposite to do what they think best about it. In making this request I am voicing the sentiments of my people. I would also ask the Prime Minister to see to it that the provinces enact minimum wage legislation.

Mr. HEAPS: There are one or two points, Mr. Chairman, on which I would like to have information from the Prime Minister. During the winters of 1920 and 1921 as well as in 1926 the federal government gave assistance to the municipalities for relief purposes. I believe they contributed one third of the cost of such relief. Is it the intention of the federal government to continue that for the coming winter?

Mr. BENNETT: If it becomes essential to deal with it in that way it is proposed at least to provide a third by the province, a third by the Dominion and a third by the municipality. That was as recommended by the conference the other day. I was very frank with the committee when I said a little while ago that if conditions were so exceptional that the provincial authorities would regard the matter as warranting extraordinary aid being given the matter would be considered. That was explained, but no promise to that effect was given. I should not like to see the door entirely shut against an extraordinarily difficult case such as did arise once by reason of a band of construction men finding themselves without means and being compelled to remain for the winter in a locality where they were unable to find work and had to be taken care of. But with the province, the municipality and the Dominion each contributing a third, which is the general rule, the matter might have consideration.

Mr. HEAPS: There is another matter on which I should like further information. There may be certain large municipalities which would undertake certain improvements in their particular locality. So far as I have been able to gather from the discussion this after-

noon, the Prime Minister has intimated that the federal government would be prepared to give what was the equivalent of two or three years' interest that would not have accrued had the improvements taken place two or three years hence. Is that all the federal government is prepared to give to those municipalities which at the present time may undertake improvements for the sole purpose of providing work for their unemployed?

Mr. BENNETT: The door would not be closed to cases of that kind.

Mr. HEAPS: A municipality may wish to undertake certain improvements for the sole purpose of providing work for its unemployed. It probably would not have undertaken those improvements at all had there not been an emergency such as there is at the present time. I am inclined to think that the giving of two or three years' interest charges for such improvements will be no inducement for municipalities to undertake works of that character. If the federal government wishes to give aid to municipalities undertaking construction work for the purpose of providing relief for employment, that aid should be in the form of contributing say, one third or 25 per cent of the cost of such work.

Mr. BENNETT: I think the suggestion is well founded. But I explained that as the federal authority had not the machinery and did not propose to set up machinery to investigate each of these various claims, whereas the provinces had the facilities, it was proposed to untilize the provincial authorities' staff and knowledge; and if a provincial government made a report along such lines as the hon. gentleman has suggested I am disposed to think it should be entitled to very great consideration. I would not make a promise, because I think that would be a wholly improper thing to do, but the door is not closed to favourable consideration.

Mr. DONNELLY: Is any part of this twenty million dollars to be used to help the farmers?

Mr. BENNETT: It will be observed in the report made by the council which met on August 21 that a recommendation was made which might be construed to involve that very meaning given to it. The bill will provide that a certain proportion of the fund may be used for the purpose of assisting in defraying cost of distribution as well as for various purposes in connection with farm, forest, mines and so forth. The provision meets the recommendation made by the conference.

Mr. DONNELLY: I ask the question for the reason that I have received a telegram from the business men and farmers of my constituency inquiring whether anything has been done or whether it is the intention of the government to do anything in relation to the cost of production, with a view to safeguarding the investments of the farmers and not forcing them to join the ranks of the unemployed.

Mr. BENNETT: I should like to see a copy of the telegram..

Mr. IRVINE: I wish to ask a question of the Prime Minister, and so that there may be no misunderstanding as to the purport of it I will spend just a few minutes explaining it. The Prime Minister has been so frank with the house in regard to the purpose of the legislation proposed that there is no room for misunderstanding. He is not offering this legislation as an ultimate cure for unemployment, but as something distinctly palliative in character. But even as a palliative I fancy it would have to give real relief. In my opinion there can be no real relief of unemployment unless there is an increase in purchasing power. The only way to give people more work is to enable the people of Canada to buy more goods in order that there may be some need for them to engage in further work. The expenditure of twenty millions proposed is to be taken from the consolidated revenue fund. That fund must be maintained by a tax on the pockets of the people. Therefore there cannot possibly be an increase in purchasing power, for every farmer who pays a share of the $20,000,000 in taxation must buy that much less in goods than he would otherwise be able to purchase. So that the only thing that is being done is that something is being taken from people who have already too little and being given to assist people who now have nothing. That may be all right; I have no objection to making the sacrifice. But I want to point out that this legislation will not be really even a palliative nationally considered, if it is financed in the way suggested in the resolution. I would ask the Prime Minister if he would not consider financing this expenditure in exactly the same way as was done in connection with the Canadian Northern and the Grand Trunk Pacific and in connection with certain necessary expenditures of the government of that day under Sir Robert Borden, while Sir Thomas White was Minister of Finance. I have here the statute providing for an expenditure of $26,000,000, which was issued in Dominion

notes, when there was no security behind them except the security of Canada. I do not suggest that the way to cure unemployment is to start a dollar factory or mill in Ottawa, turning out all the dollars we can spend. I know some ignorant critic might understand me to mean that, but surely we have no such critics in this house. I would suggest that the same thing might be done in this instance as was done in the case I have cited, which would in the immediate present create an increased purchasing power. Then subsequently it could be taxed back through the consolidated revenue fund, providing for a retirement of part each year, extending the cancellation over a number of years. Will the Prime Minister give consideration to that suggestion?

Mr. BENNETT: The suggestion which my hon. friend has made is one of which I was not enamoured when first it was proposed and which at this moment I do not think is sound. Unless the paper money of this country has behind it an adequate reserve of the only commodity that passes in the settlement of international exchanges, namely, gold, I would suggest that it is of very little value; and to the extent to which the reserve may be depleted or the ratio decreased by the issue of legal tender or of Dominion of Canada bills, to that extent is there a possibility of the money of the country becoming debased and not of par value in the countries of the world. I shall give due consideration to my hon. friend's suggestion, knowing as I do that it is one of his favourite subjects and that he is not alone in proposing it—that by the use of the printing press many of the ills of the country might be overcome. I recall in my youthful days a friend of mine observing: "A shortage of money? Nonsense. Why don't we print more bills?" Perhaps that is what my hon. friend has in mind, but that would hardly serve as a palliative in the present situation.

Mr. IRVINE: I thought I had adequately provided against the possibility of the reply which the Prime Minister has made. I do not for one moment suggest that the cure for any economic ill could possibly lie in an unlimited issuing of paper money. The Prime Minister has not refused to consider the suggestion but the manner in which he has promised to consider it leaves the impression that all the consideration which the matter will get has already been given.

I am going to take up a few minutes discussing the matter, because I do not believe I can spend my share of the cost of the session any better than in pointing out what my view is on a subject of this kind. I congratulate the Prime Minister and the government on their attitude to the unemployment situation. I think the Prime Minister has done Canada, and perhaps other nations of the world, a real service in declaring this question to be a national one and one for this government to take into consideration. To that extent I am in accord with him. I am also in agreement with anything the government may attempt to do to alleviate the human suffering which is entailed in all such periods of depression as the one through which we are passing at the present moment. But when the Prime Minister says that for the time being he is not inquiring into causes, I think perhaps it would be better if we did; for in proposing any form of relief or suggesting palliatives, I am satisfied that, if our efforts are to succeed, we must of necessity have some real understanding of what is responsible for the trouble.

Now let me take a few moments to state what our industrial problem appears to be. Unemployment, of course, is the most vicious symptom of our industrial discord, but unemployment is only the industrial manifestation of the same economic difficulties from which business, agriculture and other classes of the people in the community are suffering constantly. This question of unemployment is inevitable as things are to-day, and I may say that in my opinion the reason why a solution for this problem has not yet been found in any country of the world is because we are approaching it with a firm determination that there shall be no alteration in the system which produces it, and that we shall continue to carry on with the same system which has given us unemployment. There can be no hope in carrying on in that way. In one sense unemployment represents the real fruits of human progress and advancement; that is to say, it means that machinery has been substituted for man power, but as soon as man power becomes unnecessary for the work the man power has to starve because it is not permitted to use the commodities which are produced by machinery instead of by its own labour. If a solution of this problem is not found I can conceive of only about three possible results: Either there will be internal revolution in all the countries of the world concerned, there will be recurring wars at shorter and shorter intervals, or else there must be

a silent acquiescence on the part of a large percentage of the population in starvation.

The problem as I see it is this: The purpose of industry is the point which must first receive our attention, and the purpose of industry is—or I hope it is, and if it is not we must make it so—to produce the goods which are required for the life of the people. Of course it is true that some people think they work for money, just as some people think the nation works for an increase in its gold reserve, but as a matter of plain, honest, common sense fact, people do not work for money. They work for goods, and they do not make money; no man ever makes money except the banker. Our work is for the goods necessary to life, and that is the industrial aim of a nation as well as an individual. Nationally speaking, the purpose of industry is to make the producing machinery of the country work for the people of the country in order to satisfy their needs. This must include all export trade as well.

I might make a closer analysis and show that there are two kinds of goods which we produce, goods which might be called ultimate goods and those which might be called development or capital goods. However, I am going to shorten my remarks as much as possible in order to make my contribution to the speed of the session, and I will emphasize only the ultimate goods. The aim of industry is to produce ultimate goods, and next I have to inquire whether or not the people of Canada to-day have all the ultimate goods they can consume. If they do not have those goods, what is the reason? Is it because we have not the material out of which to manufacture these goods? Is it because we have not the plant equipment necessary? Is it because we have not the men and women ready to work in order to manufacture them? If it is not due to any of those reasons, what is the reason? Naturally, no one under a profit system will produce goods that cannot be sold. I think I may speak for all the manufacturers in Canada in this respect when I say they are very anxious to sell more goods and that they have much more goods standing on their shelves to-day than they can sell. They are very anxious to remove those goods, and if they can remove them they will employ more men to-morrow to make more goods to take the place of those sold. So I think we may be sure that what the manufacturers of Canada desire is a greater market, whether it be in Canada or elsewhere, for the goods they can produce.

Then we have to ask ourselves next whether the people of Canada have satisfied to the utmost their capacity to consume, and if you ask that question it is not so very difficult to answer it. I can take you over the three prairie provinces and show you hundreds and thousands of farm houses that should be rebuilt; I can show you hundreds of schools that ought to be rebuilt and made decent and seriviceable for the coming generations; I can show you many highways and roads that ought to be repaired. Let us suppose for a moment that every farmer in the three western provinces had an up to date, well furnished, modern house; that he had three suits of clothes, two suits of underwear and four pairs of boots. That would give Canada all she could do for the next two years. The trouble is, however, that these people cannot buy these goods. They cannot afford to build new houses and schools, and so the lumber stays in the mill yard and the trees grow in the forest. They cannot buy furniture, and so the furniture is not manufactured and the wheels of industry stop. They cannot buy more clothing and so the textile industries are held up. Surely anyone will agree with me to this extent, that if the people have the money they can get the goods. If goods are produced to satisfy the real demand, people must be employed in their production. Unemployment is therefore a question of finance.

So if we examine the industrial problem of Canada we must come to the conclusion that we have natural resources sufficient to manufacture much more goods than we are now manufacturing; that under certain conditions the people of Canada can consume a great deal more than they are now consuming; that we have the plant equipment, the natural resources, the man power and the intelligence to produce probably all that we can consume, but the thing that stands between us and that consumption is the purchasing power. Perhaps someone will again suggest, "Do you mean to say that the treasury of the state should start a mill and turn out sufficient money to buy all these goods you have mentioned?" Certainly I do not mean that, but let us examine the weak factor in the industrial problem I have just outlined. I think everyone will agree that the weak point is in the financing, and how does that come about? As I have indicated, there is a real demand for goods, which is limited by the effective demand for goods. That effective demand is measured by the purchasing power in the pockets of the public. Where does

this purchasing power which they do have at any time come from? I will say again, and challenge anyone to refute it, that the purchasing power enjoyed by the people of Canada or any other country under the present industrial system is circulated in the main in the processes of production, that all the money in circulation in Canada under the industrial system is paid out in the processes of production.

Now let us look at that for a moment. We are living under a profit system; in the processes of production the purchasing power of the people is circulated, and it is circulated in no other way. Under the profit system, then, when a manufacturer sells his product he must include in the price of that product all overhead charges, all wages and dividends, all interest on the investment and his profits. All this must be included in the price of his commodity. The only money left with which to buy commodities is the wages which have been circulated in the production of those commodities. How then can the wages buy back those commodities at a price including the cost of overhead? What is the result? The result is that at the end of every producing year there must be a certain surplus of goods which cannot be sold because there has not been sufficient money put in circulation with which to buy them. That surplus of goods is placed upon the warehouse shelves and next year another surplus occurs which is added to it. Before long the warehouse shelves are filled and then the workmen are discharged and unemployment becomes chronic and we arrive at a condition such as we have to-day, a condition so drastic and so terrible in its nature as to warrant the calling of this special session of parliament.

I know that the committee is particularly interested in this question. We have come here to deal with a very grave problem which has been born of the industrial conditions of the age in which we live. As intelligent people, I assume we are willing to examine the factors which enter into the problems with which we are faced. There can be no intelligent solution of the problem arrived at nor any assistance given unless those factors are examined. I shall illustrate. Let this chamber represent the storehouse of all the goods produced in Canada. From one end there comes out a stream of goods to which is affixed a tag with a certain figure. From the other end comes a number of tickets called money, each marked with a certain figure. Unless the tickets coming out from this end tally with the tickets from the other end, difficulty will arise. If they do not tally exactly you can-

not sell your production. If there are fewer tickets from one end than goods from the other you will have a surplus. That surplus is not a surplus over the consuming capacity of the nation, but it is a surplus over the purchasing power of the nation and thus the basis is laid for another unemployment period. That is the situation I want to put clearly before the house. There may be economists of the school of Adam Smith, who will question this. Adam Smith wrote a wonderful book called Wealth of Nations, which when it is examined is discovered to deal with the debts of nations, and the system of finance which he introduced in his time has led us into the difficulties with which we are confronted at the present moment.

In my opinion one of the essential factors to be considered in all unemployment questions, whether merely palliative or fundamentally remedial, is the question of money. If the analysis given be in part correct, then it follows that nothing that this parliament can do can assist unemployment except the purchasing power of the people be increased. The legislation now before this parliament does not increase the purchasing power of the people. It means simply this; the people who are to be taxed to make up this $20,000,000 will buy less shoes and perhaps less food than they would have bought had the tax not been imposed upon them. The $20,000,000 so taxed will be expended in other ways but it will not in the slightest degree increase the total business done in Canada during the year, nor will it add one cent to the purchasing power of the people of Canada as a whole, and therefore cannot in a national sense be of any possible assistance, even as a palliative, to unemployment. Even though this may be a pet subject of mine, I urge the Prime Minister to give it actual consideration and disregard the fact that he has already declared it to be very unsound financially. I have before me the statute by which it was proposed to increase the purchasing power of the Canadian people by $26,000,000 in connection with the Canadian National railway and the Grand Trunk Pacific in 1914-15. The conditions which made that procedure advisable are clearly indicated, and Sir Robert Borden pointed out that it was as sound a procedure as if they had gone to the bank and borrowed the money. Since Sir Robert Borden took the course I am suggesting I will comfort myself with the fact that there are authorities within the party of the Prime Minister who will agree with me and disagree with him when he says that it is not sound practice. I believe that it is a sound practice and that all other practices are unsound. If this money

is raised by the issuance of bonds, the people of Canada will be paying tribute perhaps for all time. If it is taken from the consolidated fund, no real assistance is given to the unemployed. The only way to do it is to issue the necessary money on the strength of our own credit.

Mr. SPEAKMAN: Mr. Chairman, I do not propose to follow the subject introduced by the hon. member for Wetaskiwin (Mr. Irvine), but I would like to ask a question or two of the Prime Minister (Mr. Bennett). I did not hear the Prime Minister quite distinctly when he outlined the purposes for which this money might be spent, but I gathered that one of those purposes would be the transporting or assisting in the transport of feed or other farm products from one district to another. The Prime Minister knows this country so well that I need not point out to him that the need is very real and very acute in some of the rural districts where hail and cutworm have taken toll of the crops. If it lies within the scope of this resolution, some money should be expended in giving assistance in transporting feed and seed from the districts where these commodities are plentiful to those districts where the crops have been entirely destroyed.

I have one other suggestion to make, and that is to use a small part of this money to encourage the use by our railways of Canadian steam coal in the place of American coal. I am familiar with the Brazeau coal area, where the extent of potential unemployment is very great. A very good grade of coal is produced in this area, and I suggest that consideration be given to the payment out of this fund to the railways of Canada of an amount equal to the difference in cost between the Canadian and American coal, especially in those areas where it is just on the balance line as to which coal will be used. I believe that a small payment would make up the difference and I do not think that any money could be better spent or would bring better results in the way of increasing employment.

Mr. BENNETT: One of the objects in inserting in the proposed measure the words which I read was to meet that situation.

Mr. SPEAKMAN: I am very glad to hear that. I did not hear distinctly and I did not want to take the risk of this matter being passed over.

Mr. MacLEAN: Mr. Chairman, the proposed resolution that $20,000,000 be expended on a national highway has been discussed in this house on different occasions. This national highway has been spoken of as a highway running from Halifax to Vancouver, but the province of Prince Edward Island seems to have been left off the map. As far as this proposed resolution is concerned, I would like to ask the Prime Minister (Mr. Bennett) what consideration will be given to that province in connection with this work? Some papers may advance the theory that we have no unemployment down there. I cannot agree with that statement because we always have a considerable number of men who are willing to work at some other employment, and we would be glad to get assistance in the same manner as the other provinces. Then is it fair to one province if that particular province is overlooked and money is spent in another? I noticed that when my good friend the present leader of the government was in our province the papers featured the statement that Mr. Bennett would provide the total cost of a national highway from Georgetown to Tignish and Borden.

Mr. BENNETT: Does the hon. gentleman say I made that statement?

Mr. MacLEAN: No, the papers which were friendly to the hon. gentleman made that statement. I did not say that he made it himself, but the Conservative newspapers featured the statement in a very striking manner. Daily advertisements appeared in the paper in connection with this matter. A number of members were elected in that province largely on account of the inducements which were held out. The total cost of building permanent highways in the province is very large, and if there is any province in the Dominion which should receive the benefit of highway construction from the federal treasury it is the province of Prince Edward Island. I would like to know from the Prime Minister the intentions of the government in connection with this matter, and if the province of Prince Edward Island through this proposed resolution will be given the same aid as the other provinces of the Dominion.

Mr. BENNETT: So far as this resolution is concerned it deals with the problem of unemployment. If unemployment arises in the province of Prince Edward Island it will be dealt with in the same general and generous way as it will be handled in the other provinces.

Mr. GERSHAW: The Prime Minister stated that the railway companies would be encouraged to begin construction, and the enhanced cost would be met from this fund. I would like to know if the railway companies

would be treated as municipalities in this respect. That is, would the interest on their outlay be paid from the time the work was begun until the time it would reasonably be completed?

Mr. BENNETT: My hon. friend from Medicine Hat (Mr. Gershaw) realizes how difficult it would be to deal with every detail or to do other than to endeavour to lay down a general principle. So far as the railways were concerned they were asked to prepare a list of the works which they might reasonably undertake within the immediate future. This refers to work which otherwise they would not undertake for a considerable period of time. The measure of assistance which might be given obviously has not been determined. To some extent however it depends upon the amount involved by way of cost, and the estimated increased cost of doing work in the immediate future which they had not intended to do until a later date. I cannot answer the question with any degree of precision, but I think I know what my hon. friend has in mind. I trust the matter will be given favourable consideration by those who have it in charge.

Mr. MACKENZIE (Vancouver): I wish to ask the Prime Minister two questions. First, from the figures supplied to the house by the hon. gentleman I learn that during the winter there will be approximately 14,700 unemployed in British Columbia, and that in the province of Alberta there will be about 6,000. Is any portion of this $20,000,000 to be used for the construction of an outlet from the Peace River area to the Pacific coast?

Mr. BENNETT: That depends upon the report to be received from the railway company, which has not yet come to hand. It may be that that will be done; however, as parliament will be reconvening at a not too distant date after the new year it was thought that whatever might be necessary could be attended to at that time.

Mr. MACKENZIE (Vancouver): If I understand the Prime Minister correctly the money vote in connection with highways is partly for new construction, partly for increasing the quality of the highways, and partly for maintaining the highways after the approved standard has been acquired. May I ask the Prime Minister if he has considered the question of granting compensation to those provinces which have already fulfilled to a complete degree their portion of construction?

Mr. BENNETT: He certainly has. I am sure the hon. gentleman would be the first to say there is no claim for compensation there.

Mr. REID: There is one question I would like to ask the Prime Minister. Will the municipalities have to receive approval from the provincial government before doing any relief work on municipal roads or will they be granted a contribution equal to or in proportion to the sum they propose to spend for relief?

Mr. BENNETT: I endeavoured to make it quite clear to the hon. gentleman that it was not proposed that the federal authorities should deal with the municipalities. That would be quite impossible and wholly at variance with the situation in that regard. Whatever action may be taken for relief as distinguished from work would be dealt with in accordance with what the hon. gentleman has said. The province would contribute one dollar, the municipality would contribute one dollar and this fund another dollar.

Mr. REID: I ask the question because of the experience we have had in the municipalities to get relief from the different governments.

I was going to make a suggestion regarding the buying of goods in Canada. I learn from the remarks of the Prime Minister that some encouragement will be given the Canadian National Railways to proceed with construction. In the west they are contemplating the installation of oil burners to the exclusion of coal. I would suggest that the coal consumption be revived or kept where it is so that work may be started on Vancouver island and in other coal fields instead of sending our money to the south.

Mr. BENNETT: In answer to my hon. friend I would say that it would be improper to interfere with the management of the railways in the conduct of their business. On the other hand I would say that every effort is being made and will continue to be made to ensure the use of Canadian coal by railways. To that end a proposal in connection with the use of coal as far east as Fort William which was submitted to me when I was in the west has engaged the attention of those who will be able to give me a report. Every possible effort to ensure the use of Canadian made goods will be made by the measures which will be submitted to this parliament at a not too distant date.

Mr. BEAUBIEN: May I tell the Prime Minister that at a public meeting the Conservative candidate in the county of Provencher said that if Mr. Bennett was returned to power the national highway would pass

through the town of Vita. Having been elected and Mr. Bennett's candidate not being present I feel it my duty to give the Prime Minister this information so that when the route is chosen he will not forget this particular town.

Mr. MACKENZIE KING: May I ask my hon. friend a question or two about some classes that up to the present time appear either to have been overlooked or, at all events, not mentioned? Most of the references that have been made to the relief to be granted have been with respect to people engaged on works of construction. Naturally, there will be unemployed people in many different occupations and callings. I have in my hand the report of the Employment Service Council of Canada covering the period from April to June, 1930, and giving a list of the different industries in which there are vacancies and in which there have been placements. First on the list of occupations are those who come under the head of manufacturing. May I ask my hon. friend whether any portion of this money will be used to provide employment for those who may unfortunately be out of employment in the manufacturing establishments of the country?

Mr. BENNETT: I endeavoured, Mr. Chairman, to make clear to the committee that this measure and the measure dealing with dumping, together with the proposed tariff changes, will be considered as one effort to deal with this problem of unemployment. As to those who are employed in industry and who are now idle, we shall endeavour to secure employment for them by making it possible for Canadians to use the products of Canadian factories, thereby returning these people to employment. If, however, as my right hon. friend said, there are any so unfortunate as to find themselves compelled to require relief, then this fund must, through the provinces and the municipalities, be available for granting relief. In other words, there is no regard to the former employment of the person to whom relief is given by the municipality. If relief is given, the municipality bears one-third of the cost, the province one-third, and the Dominion one-third.

Mr. MACKENZIE KING: That is not work; that is a form of relief.

Mr. BENNETT: Quite so. I understood my right hon. friend was speaking of relief.

Mr. MACKENZIE KING: If, in the event of my hon. friend's tariff policies operating in a different way from that which he anticipates, there should be a larger number of unemployed than at present, will any portion of this $20,000,000 go to support those who may be so unfortunate as not to be employed in industry, other than simply to give them relief through the municipalities?

Mr. BENNETT: I gather that what the right hon. gentleman means is, are we considering the question of giving assistance to manufacturing industries for the purpose of providing work? That is really what it comes down to, is it not?

Mr. MACKENZIE KING: That is not what I have in mind. What I have in mind is this: Up to the present time it has been indicated that persons will be able to find work on the highways or on railway construction or on public works. But there are also many persons working in factories; for example, in cotton mills and the like, women operatives as well as men. Assume that some cotton mill is temporarily closed, and that there are unemployed operatives; will part of this $20,000,000 go to provide work for these cotton operatives rather than providing relief?

Mr. BENNETT: If the right hon. gentleman means to inquire as to whether we propose to run cotton mills, the answer is in the negative. If he means, do we propose to assist in the running of cotton mills, the answer is in the negative. But we do propose by the fiscal measures that we shall submit to ensure that those now idle in the cotton mills will be able to find employment, and we have some assurance in that regard from those who are responsible for the operation of those mills. Certainly the question of the suitability of the person for the work that is provided is a matter over which we cannot be expected to exercise control, and if, as a result of there being no suitable work, people unfortunately become a charge on the community, then this fund would be available to the extent that my right hon. friend mentions for the purpose of making our contribution to that relief fund.

Mr. MACKENZIE KING: If I understand my hon. friend aright, in regard to manufacturing generally the remedy by which he hopes to bring about the cessation of unemployment is by changes in the tariff and by such effects as the anti-dumping measure may produce.

I notice that the next class of industry mentioned here is logging, fishing and hunting. May I ask my hon. friend if it is the intention out of this fund to take care of all fishermen who may be out of employment and at

all seasons? Does the proposal take account of seasonal possibilities in the matter of unemployment?

Mr. BENNETT: In the administration of this fund no differentiation will be made as to the occupations of those who are now unemployed. If they are unemployed, they come within the scope of the fund. If work is provided, furnishing them with employment, they are no longer unemployed; but if they are unsuitable for the work provided, they continue unemployed, and if their resources ultimately become exhausted and they have to make claims upon the community, we make the contribution which the right hon. gentleman himself suggested is the proper one, and which we propose to continue.

Mr. MACKENZIE KING: I am anxious to see how extensive the application of this relief is to be. The next class comprises those engaged in mining; coal miners, for instance, and those engaged in work on metallic ores and non-metallic ores. Up to the present it would appear as though we had been considering primarily those persons who reside in cities and in the larger municipalities. Many of these mining operations are carried on in remote districts. In the event of the mines not operating to the full, is any portion of this $20,000,000 to be used to take care of miners who may be out of employment, either coal miners or those working on metallic or non-metallic ores?

Mr. BENNETT: I tried to make clear that the fund was not directly available for the purpose of taking care of unemployment relief work, that being the duty of the municipality and of the province, but that a contribution would be made to the province, which spoke for the municipality. An effort will be made through another clause, to which I direct attention, to ensure mining operations being carried on upon such a scale as will ensure employment for miners, coal miners, at any rate; and so far as our advices go, if the stimulus that will be given to business will ensure the utilization of Canadian products by Canadians, rather than affording work to people in other countries to produce our requirements which can be met at home, there will be no necessity of contemplating the difficulty which my right hon. friend suggests.

Mr. MACKENZIE KING: My hon. friend has suggested that with respect to mining he has assurances that the measures that he will introduce will result in employment of all engaged in the mining industry.

[Mr. King.]

Mr. BENNETT: I did not say all.

Mr. MACKENZIE KING: Then I misunderstood my hon. friend. I thought he made a very similar statement with respect to those engaged in manufacturing.

Mr. BENNETT: I said, a large number, in both cases.

Mr. MACKENZIE KING: Let me take the words of my hon. friend. He has assurances, he says, that the measures which he will introduce will lead to a cessation of unemployment in manufacturing and in connection with mining operations as well. Will he tell us by whom those assurances have been given, and the nature of them?

Mr. BENNETT: That is a matter which perhaps more properly may be considered when the tariff measures are before the committee. I intended at that time to endeavour to make as full a statement as the nature of the case made it possible for me to make, and I shall do so. I shall endeavour to indicate to what extent the action taken will result in employment, and give the numbers of those now idle that we believe will find employment by reason of the action so taken. I may say to the right hon. gentleman that we believe it will exceed 25,000 people within a very short time.

Mr. MACKENZIE KING: Let me speak then of another class. Those who are engaged in transportation, for example, under the head of transportation, in this report are classified as forwarding and storage, railways, shipping and stevedoring and air. Take railway transportation to begin with; is any part of this $20,000,000 to be used to help railway employees who may not find employment during the coming months? Is it intended to assist railways to help their employees or is it intended to contribute direct to the employees of the railways who may be out of work, or what is the method the government proposes in order to ensure that all employees on the railways will have work during the coming winter months?

Mr. BENNETT: Surely the right hon. gentleman is not sincere in the question he asks, because when he says to ensure "all" the employees of the railways work he must know that such a condition is something that never happens in any country at any time. So far as we are concerned the method adopted by the hon. gentleman himself will still be adopted along the lines suggested. If the added stimulus to business as the outcome of our policies does not result in added traffic on the

railways and a corresponding increase of employment for the employees, and if their resources are exhausted and they have to rely upon the municipalities, then the contributions mentioned will be to the municipalities. We are not dealing with individuals, as I explained, and with municipalities only through the provinces.

Mr. MACKENZIE KING: My hon. friend says I am not sincere in my question.

Mr. BENNETT: I meant when the right hon. gentleman used the word "all."

Mr. MACKENZIE KING: I am sincere; I am speaking on behalf of a very large class of labour in this country, namely, the railway employees. I know last year that the government then in office took measures to assist railway employees, but those measures were not taken under legislation such as that which is being introduced. I desire to ascertain from my hon. friend whether he purposes to have the railway employees who may be unfortunate enough to be out of employment receive aid from this $20,000,000 or whether, on the Canadian National Railways, for example, he would expect the management itself to keep on as large a number of men as they can with the understanding that if their accounts are not all that we might hope they would be the reason for the shrinkage would be appreciated and approved. I want to find out how this $20,000,000 is to be used and what classes it is going immediately to help and benefit. I see it is six o'clock.

Mr. BENNETT: It is not proposed to let this resolution go out of committee?

Mr. MACKENZIE KING: I have not finished my question.

Mr. BENNETT: Then I move that the committee rise and ask leave to sit again.

Progress reported.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, September 11, 1930

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

On the orders of the day:

Mr. JEAN-FRANCOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a question of privilege. In the last issue of the Ottawa Journal I am quoted as follows:

Mr. Pouliot attributes a great deal of the success of the Conservative party in Quebec to Premier Taschereau.

It is a painful duty to correct the mistakes of those who are supposed to criticize our own, but the only thing I said to that gentleman was, "Glad to see you; how are you, old man?" I was evidently wrongly reported, to use the Prime Minister's words.

BUSINESS OF THE HOUSE

ELEVEN O'CLOCK ADJOURNMENT—PROPOSED SUSPENSION OF STANDING ORDER 7

On the order, government notices of motion:

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I regret that pressure of work has made it impossible for me to have an opportunity to discuss with my right hon. friend the leader of the opposition (Mr. Mackenzie King) and the leader of the group to my right the substance of the motion standing in my name. I should like it to stand, and I will later have an opportunity to do so.

Motion stands.

CUSTOMS ACT AMENDMENT

VALUATION FOR DUTY OF GOODS IMPORTED INTO CANADA

Hon. E. B. RYCKMAN (Minister of National Revenue) moved that the house go into committee to-day to consider the following proposed resolution:

That it is expedient to amend the Customs Act in respect to the provisions relating to the fair market value for duty of goods imported and subject to ad valorem duty, and goods imported the prices of which are published or listed by the manufacturers, producers or persons acting on their behalf, the allowance of discounts, and the valuation of imports prejudicially or injuriously affecting Canadian producers.

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

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, in order to have the motion adopted and to have this resolution considered to-day it would be necessary to have the unanimous consent of the house. I do not rise to object to the procedure; we ought however to have been asked whether we would give unanimous consent at this stage. I have a question or two to ask of my hon. friend before we con-

sider that point later on. As I understood him yesterday, he indicated that the resolution having to do with unemployment relief, the resolution which has to do with the dumping of goods into Canada, and the amendments to the tariff act were the parts of one program which would constitute the sum of the legislation which he proposes to place before the house this session.

As I have said repeatedly, we are anxious to expedite the work. It is of course not for us to suggest the order in which business shall be taken up, but I should like to know from my hon. friend if it might not be possible for him to-morrow to move the house into committee of ways and means so that he could place before us at the earliest date possible the amendments to the tariff which he proposes. If that were done to-morrow, the amendments could then stand for consideration until the following week; that would give us a little time to consider the amendments and we would then be in a better position to expedite their consideration than we would be were we expected to take them up immediately after the disposition of these two resolutions.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think the right hon. gentleman has perhaps misunderstood the purpose of the motion just made by the Minister of National Revenue (Mr. Ryckman). His motion was not to proceed with the resolution, but to set up the committee in order that if we conclude the other business we may be able, with the consent of the house, to proceed with this resolution. We propose to ask for the consent of the house when the occasion arises but not at this moment, as I am advised by the clerk of the house is the proper procedure. We can only proceed with the consent of the house, but the committee may be set up, because forty-eight hours' notice of this motion has been given. I may assure my hon. friend that it is proposed to ask for consent before the motion is proceeded with and the discussion carried on; I can assure him of that. It may be that in the desire to expedite business there is no evidence of that intention, but it is not the intention to endeavour to cease to be courteous in asking the permission of hon. gentlemen to proceed when the time comes. However, we do not think that moment has arrived as yet, until we make the motion for the adoption of the resolution.

With respect to the other point mentioned by the right hon. gentleman, I assure him that the order in which we propose to take up the business was first the money bill of $20,000,000, secondly the amendment to the Customs Act, and thirdly the customs tariff, for there are sections of the customs tariff that refer in terms to numbered sections of the Customs Act, and therefore the Customs Act should be proceeded with first and the customs tariff should follow later. I have already anticipated the request made by the right hon. gentleman, and if it is at all possible I propose to proceed to-morrow to move the house into committee of ways and means. I may or may not be able to do so, but if I am not able to do so it will be because I cannot complete the information which I desire to present to the house. If it is completed that motion will be made for the very purpose the right hon. gentleman mentions, which I think is not an unreasonable expression of opinion having regard to the facts of the case.

Mr. MACKENZIE KING: May I ask my hon. friend one other question? He mentioned that he was desirous of concluding the session before leaving for the imperial conference. Could my hon. friend give us the date at which it will be necessary for him to leave in order to attend the imperial conference? Could he tell us whether it might not be possible either for him with certain of his colleagues or certain of his colleagues by themselves to proceed to London and leave the business of the house in the hands of other members of the government? With the large majority he has behind him, my hon. friend would be assured of the accomplishment of the purposes he has in view.

Mr. BENNETT: I was advised this morning that certain preliminary discussions in connection with the conference would be held on September 29, the conference to open on September 30. If I left Quebec on the 23rd, I would be able to reach London by the 30th. That is all I can say on that point. As to the second point, my mind is firm and is settled; I shall stay here until this house prorogues.

Mr. MACKENZIE KING: The answer just made by my hon. friend is not a complete answer to the question which I asked. Assuming that he might wish to stay here himself, would it not be possible for him to have his government represented at the imperial conference by certain of his ministers should he find it impossible to be in London at the commencement of the conference?

Mr. BENNETT: I am not unwilling to consider that, but my information is that the first minister, whoever he may be, is regarded as essential for the completion of any delegation which may represent this or any other country. That has been the practice in connection with these conferences. I am not definitely settled in my own mind as to whether or not it should be done, but that is my view at the present moment.

Mr. BOURASSA: Has any information been given to the government as to whether or not the Prime Minister of Australia will attend the conference? The report appears in the press that he will not.

Mr. BENNETT: My information at the moment is that he is pursuing his journey to Great Britain and is expected to be there by the evening of the 29th. If I receive any further information in that regard, I shall be glad to communicate it to the house.

Mr. LAPOINTE: The hon. gentleman has moved that the house form itself into a committee to-day, and has stated that it will be only with our consent. If the house adopts the motion as it is, it will be to consider whether we should form ourselves into a committee, but no consent has been asked.

Mr. BENNETT: No. I once more assure my hon. friend, the former Minister of Justice (Mr. Lapointe) that it was not intended to proceed with this resolution without the consent of the house, and if it is desired that that consent be asked at this moment rather than later, I shall be very glad to do so.

Mr. LAPOINTE: Thank you.

Motion agreed to.

VANCOUVER HARBOUR COMMISSION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I would like to inquire of the hon. Minister of Marine (Mr. Duranleau) whether resignations have been requested or received from the members of the Vancouver Board of Harbour Commissioners.

Hon. ALFRED DURANLEAU (Minister of Marine): We have received no resignations and they have not been asked for up to date.

APPLE INSPECTORS IN NOVA SCOTIA

On the orders of the day:

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I would like to bring to the attention of the hon. Minister of Agriculture (Mr. Weir) the fact that a large number of apple inspectors are to be appointed in the province of Nova Scotia in order to meet an exceptional situation which has arisen. At a meeting of the Nova Scotia Fruit Growers Association held on Monday night, the hon. minister's fruit commissioner gave assurance that appointments would be made not for political reasons but because of the merits of the applicants. The following report has appeared in the Halifax Herald—

Some hon. MEMBERS: Order, order.

Mr. ILSLEY: This report reads as follows—

Mr. BENNETT: My hon. friend knows that that is not in order.

Mr. ILSLEY: Will the hon. Minister of Agriculture confirm the assurance given by his fruit commissioner, namely, that the inspectors will be chosen on their merits and not for political reasons?

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, there is no doubt, as far as I am concerned, that every appointment will be made on an efficiency basis, and upon that basis alone.

ST. LAWRENCE WATERWAY

On the orders of the day:

Right hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the hon. Prime Minister (Mr. Bennett) has doubtless seen in the press of this morning a reference to representations having been made to the government by the United States minister with reference to the immediate construction of the St. Lawrence waterway. I would ask my hon. friend whether he has made any representations to Washington on the matter, and if not, whether representations have been made to him from Washington. If either be the case, will he state whether or not it will be possible for the house to be acquainted with the nature of those representations?

Hon. R. B. BENNETT (Prime Minister): The question asked by the right hon. gentleman is asked without notice. I decline to be drawn into a discussion of international matters without notice and without opportunity to consider the matter. That was the attitude taken by the right hon. gentleman, and I fancy it to be correct.

Mr. MACKENZIE KING: I did not intend to ask my hon. friend to give an immediate answer. Will the present question as reported on Hansard serve as a notice?

Mr. BENNETT: Quite so.

UNEMPLOYMENT RELIEF

APPROPRIATION OF TWENTY MILLION DOLLARS

The house resumed from Wednesday, September 10, consideration in committee of the following proposed resolution—Mr. Bennett—Mr. LaVergne in the chair.

That it is expedient to provide that a sum not exceeding twenty million dollars be appropriated and paid out of the consolidated revenue fund for the relief of unemployment in constructing, extending or improving public works and undertakings, railways, highways, etc., that will assist in providing useful and suitable work for the unemployed, all as set forth in a bill founded on this resolution.

Mr. MACKENZIE KING: Mr. Chairman, when the committee adjourned last night, I was asking my hon. friend some questions as to the classes of labour in the country to be benefited by the $20,000,000 being asked for by this resolution.

Mr. WOODSWORTH: Mr. Chairman, perhaps it might be well to state that there are some of us in this corner of the chamber who find it absolutely impossible to hear the discussion going on across the aisle of the chamber.

Mr. MACKENZIE KING: I had asked my hon. friend yesterday whether any portion of the $20,000,000 being asked for in this resolution would be used, if necessity arose, in giving work to railway employees who might be so unfortunate as to be unemployed during the course of the approaching winter. My remarks had reference specifically to the employees of the Canadian National Railways, and as I understood my hon. friend, his reply was to the effect that so far as the employees of the Canadian National Railways were concerned, they probably would be dealt with in a manner similar to that in which they were dealt with last year.

Mr. BENNETT: No, I did not say that.

Mr. MACKENZIE KING: May I ask my hon. friend what was his answer?

Mr. BENNETT: Hansard will show.

Mr. MACKENZIE KING: That is my reading of Hansard.

Mr. BENNETT: My right hon. friend had better read it again. Let us have no misunderstanding about this.

Mr. MACKENZIE KING: May I ask my hon. friend now—

Mr. BENNETT: Hansard will indicate what I said.

[Mr. Bennett.]

Mr. MACKENZIE KING: He will have to wait till I read it again.

Mr. BENNETT: I am not going to be misstated.

Mr. MACKENZIE KING: I find my question at page 84 of Hansard.

Mr. Mackenzie King: Let me speak then of another class. Those who are engaged in transportation, for example, under the head of transportation, in this report are classified as forwarding and storage, railways, shipping and stevedoring and air. Take railway transportation to begin with; is any part of this $20,000,000 to be used to help railway employees who may not find employment during the coming months? Is it intended to assist railways to help their employees or is it intended to contribute direct to the employees of the railways who may be out of work, or what is the method the government proposes in order to ensure that all employees on the railways will have work during the coming winter months?

Mr. Bennett: Surely the right hon. gentleman is not sincere in the question he asks, because when he says to ensure "all" the employees of the railways work he must know that such a condition is something that never happens in any country at any time. So far as we are concerned the method adopted by the hon. gentleman himself will still be adopted along the lines suggested.

That is what I have just said. By those words I would assume that the method adopted when we were in office is the method which my hon. friend now proposes to adopt. If that is not what he means will he please tell us what he does mean.

Mr. BENNETT: For the information of the right hon. gentleman and those who sit beside him may I say that we are dealing, as a whole, with the problems of relief and unemployment. We are not dealing with them in sections. When I said we would deal with unemployment as a whole I meant just what I said. When I said we would deal with it as the right hon. gentleman had dealt with it, whereby contributions were made by the provinces and the municipalities, on the basis of our contributing a third for relief work, I had previously made it clear that we would propose to adopt the same plan. It must be apparent to every one who has listened that these proposals are such that they must be treated as a whole, and that we are dealing with an acute situation. We have before us an extreme degree of unemployment and it would be idle to lay down a fixed rule to apply to all conditions which might or might not arise. There must be elasticity, because suffering must be avoided. The very considerations that influenced the government in making the proposals which have been sub-

mitted to this house were the conditions referred to by the hon. gentleman from Winnipeg North Centre (Mr. Woodsworth), by others in this house and by the right hon. gentleman himself, namely, an acceptance by the parliament of Canada of the obligation to assist the provinces and the municipalities to prevent suffering during the coming months, and to provide relief for unemployment. That relief is to be provided, first by work if it is possible to do so and secondly by relief measures such as were practised in the years 1919 and 1920 under the conditions to which I referred yesterday, and measures which the right hon. gentleman says were those adopted by his administration under similar circumstances.

Mr. MACKENZIE KING: That is a very different statement from what one would assume would come from the lips of my hon. friend in view, first of all, of the resolution which is before the house at the moment, and secondly in view of his declarations concerning the purposes for which this special session was called. In his own words it was called to end unemployment. It was not called merely for the purpose of affording relief. Men were to be given work, not charity. That was the purpose of this session—work, not charity. I have asked my hon. friend questions with respect to many classes of labour and the answer I have received from my hon. friend to each of my questions has been that it is not to be work, but that it is to be relief given by the municipalities as a result of representations which they will make to provincial governments, and which provincial governments will make to the federal government. That is not work. If the municipalities follow the form of relief which they have used previously they will go on with the construction of municipal work in connection with which the federal government would bear a proportion of the additional cost. I think that is the extent to which they have given relief in the past. The point I wish to have perfectly clear from my hon. friend is this: Obviously women who are working in cotton mills, stenographers in offices and female employees generally cannot be expected to work on construction work, whether it be in the nature of highways, public works or the construction of subways. However, though they are employees to-day, many of them may be out of employment this winter. My hon. friend addressed his remarks specifically to women and clerks in shops and stores. At this time I want to ask him if any part of this $20,000,000 which he requires will go to provide work for this class of employees, should they be out of employment this winter.

Mr. BENNETT: I think I have already answered that question.

Mr. MACKENZIE KING: My hon. friend has not answered it.

Mr. POULIOT: Mr. Chairman—

Some hon. MEMBERS: Let him answer.

Mr. MACKENZIE KING: Not only the house but the country is entitled to an answer from my hon. friend.

Mr. BENNETT: One would have thought, Mr. Speaker, that the hon. gentleman had heard enough from the country.

Mr. LAPOINTE: We want to hear from you now.

An hon. MEMBER: The hon. gentleman has a very short memory.

Mr. BENNETT: The bad temper of the hon. gentleman is quite apparent. There is no short memory, no, no; on the other hand it is rather a long memory, Mr. Speaker. Yesterday I endeavoured to make clear what I shall now repeat. The motion submitted to this house involves the expenditure of $20,000,000; this sum is to aid in providing work and relief. If work is not provided by the means taken to carry into effect the proposals submitted, and if the necessity for relief arises a portion of the money will be available for that purpose. The terms under which relief will be afforded are those I indicated yesterday.

Mr. MACKENZIE KING: Perhaps my hon. friend will tell me if I am right. I want to understand the hon. gentleman correctly with regard to what may be done for the following classes of persons if unemployed. Apparently they are not to receive work, the only form in which they may be expected to get relief is by application to the municipalities for a part of this $20,000,000. This money would first go through the hands of the provincial government and from there to the municipalities. The classes to which I refer are those set forth in the report of the Employment Service Council of Canada for the period of June, 1930. This list includes governmental employees; hotel and restaurant employees; professional persons, such as nurses; recreational services; personal services, which no doubt includes domestic servants; household servants, and farm household help. From what I understand the hon. gentleman to say, these classes cannot expect to have work secured for them, but they will be entitled to some form of relief from the municipalities. The next class is that engaged in the retail and wholesale trade. If my hon.

friend does not know the source from which I take this list I may say the Prime Minister read to us a statement which he said had been prepared for the government by the Employment Service Council of Canada and it is from a report from that source that I get my information.

Mr. BENNETT: No, they arrived at certain results.

Mr. MACKENZIE KING: Yes, but it was the Employment Service Council.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: I have now before me a report which is published in the Labour Gazette of August, 1930. It deals with unemployment conditions as they were indicated by officers of the Employment Service Council of Canada. I am taking these classes because I assume the Employment Service Council of Canada to be familiar with the classes which were likely to be out of work. They have included under the heading of trade the retail and wholesale trades. It is possible that if there is a period of depression at all, owing to exceptional conditions, there may be many out of employment in the retail trade.

Mr. STEVENS: Will the right hon. gentleman permit a question?

Mr. MACKENZIE KING: Yes.

Mr. STEVENS: Does the right hon. gentleman for one moment suggest that it is impossible to supply employment to a person in some branch of activity other than that in which he has ordinarily been engaged?

Mr. MACKENZIE KING: No, I am not suggesting that. That is exactly the information I am trying to get from the Prime Minister. I want to find out whether this $20,000,000 is to be used for finding employment in other work for those who lose their regular employment. That was my understanding of what the $20,000,000 was for. That was my understanding of the pledge given by the Prime Minister when he was leading his party in the recent contest, and by virtue of which he is in power to-day, that he would find work for everyone, that there would be no unemployment and no charity, but that everyone would have work who might be willing to work.

Mr. STEVENS: The right hon. gentleman is restricting his argument as if individuals had to be kept strictly within their own categories, which is nonsense.

[Mr. King.]

Mr. MACKENZIE KING: What I am seeking to do is to make perfectly clear to parliament what the classes of labour are that may be unemployed. We are going to be asked to vote $20,000,000 to make sure that everyone has work. I want to know before supporting the resolution whether we are voting money for the purpose of securing employment for people, or whether the money is being voted simply for the purpose of furnishing relief in the form that a municipality may give relief to those who may be out of work within its own borders, and may apply for relief. That surely is a proper question and a matter to have thoroughly understood.

Mr. BENNETT: It has been answered several times.

Mr. MACKENZIE KING: I am just putting on record what my present understanding is of the position taken by the government at the moment. I think I have made it clear —if I am wrong, I hope to be corrected— that the government does not now intend out of this $20,000,000 to guarantee work to everyone who may be unemployed.

An hon. MEMBER: Not to everyone.

Mr. MACKENZIE KING: Yes, to everyone who is willing to work. That was the pledge.

Mr. LAPOINTE: Or he would perish in the attempt.

Mr. MACKENZIE KING: May I ask my hon. friend another question? This special session has been called, as I understand it, to meet conditions that may prevail between now and the next session of parliament. I assume, therefore, that what is being asked in this resolution relates to expenditures that will of necessity be made between now and that time. To make it perfectly clear, I assume that this resolution, or rather the bill to be based upon it, will be restricted in its application to monies to be paid out between the present time and the 31st of March next, and that when we get into the next fiscal year any situations that may arise with respect to unemployment or other matters will be dealt with in the regular way by appropriations obtained through the committee of supply. Is that correct?

Mr. BENNETT: The right hon. gentleman, I take it, is familiar with the provisions of the statutes. When you expend large sums of money, there should be parliamentary sanction for the expenditures. That has been a cardinal principle of Liberalism at least. It is for that purpose that the sanction of

parliament is now being asked to spend $20,000,000 for two purposes: (a) to provide useful work suitable so far as possible to engage the energies of the unemployed; (b) to provide for relief for those for whom there is no work, and who are unable to find useful work. I have said that several times; I repeat it, and I hope it is satisfactory.

The question as to the extent to which the money will be used will depend upon the necessities that arise for its use. So far as public works are concerned, using the word in the broad sense, they will undoubtedly provide employment for some, not all; but every one knows, or should know, that if you put money into circulation for useful purposes it will increase the demands for food; it will give employment to restaurants; it will give employment to those who have to provide the necessities not only of food but of clothing of those who are so employed. Economists tell us that every dollar that is put into circulation will probably lead to ten or twenty dollars being put into circulation in the communities in which that dollar is spent. It is for that reason that we cannot with exactness say whether or not the classes to which the right hon. gentleman referred would directly benefit; but it is conceivable that that may happen, and in my judgment it will happen. That is, if a public work is undertaken in a community where there is considerable unemployment of one class, and that class thereby finds employment, then there will be a reaction of course, for the benefit of other classes who are also unemployed. By reason of the fact that employment is given to the workers in class A, the workers in other classes will benefit from the result of that employment. In other words, moneys will circulate through the productive effort of those who are paid for their services, and enure to the benefit of other classes in the community, both men and women, whether they be clerks, of whom more will be required in offices, stenographers, of whom more will be required in the counting rooms, or those who work in restaurants, or those who provide food or clothing. That has been the experience of the world, and no one knows it better than the right hon. gentleman himself. It is for that reason that the primary purpose of our effort is work. That is the primary purpose, I repeat. But we realize that a condition may and will arise in this country, not only to-day but perhaps during the winter, as it arose in 1919-1920, and in order that there might be no doubt as to the right to apply a portion of this money to relief purposes to assist the provinces and the municipalities, provision in that regard is made. I do not know that I can usefully add anything to that statement. I have already said it so frequently that I trust I shall not be asked to repeat it, although I shall do so if it is desired. The grant is to be used for two purposes, I repeat; primarily, to provide work and to assist the municipalities and the provinces which are providing work; and secondly, for the purpose of providing relief, if unhappily, that becomes a necessity.

As to whether or not this money will be exhausted by the 31st day of March, that depends, as I have already said, upon circumstances and conditions that are beyond the foresight of any member of this house. That is clear. If the money is not exhausted by the time parliament next meets, obviously it will be still available. But in any event it is also clear that in preparing estimates for 1931-1932, parliamentary appropriations would be sought through the committee of supply rather than by this bill, which is not in any sense a supply bill in the technical sense of the term. It will be recalled that the government in 1919-1920 made an appropriation by warrant of a small sum of money to meet the situation, and then, of course, sought parliamentary sanction for the additional moneys expended for the purposes of relief during that period.

Mr. LAPOINTE: Did they do it through a special bill or through the estimates?

Mr. BENNETT: My memory is, through the estimates. Having regard to the attitude taken by the right hon. gentleman as to the desirability of having antecedent parliamentary sanction for expenditures, I am sure that he will agree that any effort to appropriate so substantial a sum as that mentioned in the resolution should have parliamentary sanction before the money is expended. I think that is a cardinal principle of representative institutions and of responsible government.

Now, if there is anything I can usefully add to that summary of the situation, I shall be glad to do it. But there it is, just as I have mentioned, and I repeat: we are not endeavouring to provide for classes but for the unemployed, and we are doing it by the method that I have indicated. I can do nothing more than repeat what I think might fairly be said—shall I say?—to be a reasonably clear explanation of the purposes in mind, having regard to the inability of anyone to speak of a situation or condition that might arise from time to time. There must be elasticity. If you have no flexibility in the administration of such a fund obviously great hardships might arise, and to meet that words

are used, general in their character, as comprehensive as possible, involving the application of two principles; assistance to provide work and wages; and relief where work and wages are impossible.

Mr. MACKENZIE KING: The Prime Minister has made more than once in the course of his present remarks a reference to representative institutions and responsible government. I think he will agree that the manner in which parliament maintains its control over the executive is by having moneys voted by the House of Commons in committee of supply. What I want to ask my hon. friend specifically is this: Is it the intention that any part of the money now being voted under the bill to be introduced, based on this resolution, will be used for work done after the 31st March? Or is it intended to maintain the fundamental principle of responsible government whereby supplies are voted annually and that provision for the needs of the fiscal year 1931-32 shall be made in the supply bill of that year?

Mr. BENNETT: I think the right hon. gentleman will recall that in a previous session I did direct attention to the fact that where a contract is made for the construction of a public building at, say, a cost of $2,000,000, the appropriation for the year is sometimes $250,000 or $300,000, but it follows of course that Canada is committed to the expenditure of the whole sum by reason of having executed the contract, although parliament has only granted by supply bill a very small portion of the sum for which the contract has been let. Now, that has been the practice, the then Minister of Public Works explained, for many, many years in all matters of this kind. I could name obligations which have been placed upon the incoming administration in connection with contracts of a very onerous character. In fact the first duty that I endeavoured to discharge when I assumed office was to ascertain what the contractual obligations of this country were, and I asked to have prepared for me by the departments a statement showing what contracts had been executed by the outgoing administration up to the seventh day of August, what appropriations had been made by parliament to defray those obligations, and the balance for which no appropriations had been made. I may say that it amounts to many millions of dollars. That, I am advised, by the departmental officials, is a common practice. That is, an obligation is assumed because parliament has made the first vote toward defraying the cost of undertakings and successive parliaments must meet the obligations thus created. But parliament then has no option but to meet those obligations or pay for not doing so. There is the other class of appropriation where a given sum per annum is granted, such as that provided for the Ottawa Improvement Commission, which is a charge upon the consolidated revenue fund, and that annual charge and the interest are voted as a matter of course. Now this $20,000,000 is not a supply bill; it is an appropriation bill which is in a sense technically a supply bill for $20,000,000 and if contractual obligations have arisen which will not be discharged until after the 31st day of March, they are chargeable against this vote. But obviously it would be impossible for anyone to say that after the 31st day of March no payments would be made out of this fund, assuming the fund was not depleted, because obligations might and probably would have been created by the provinces through the authorization given by the federal authority to the provinces to go forward with certain undertakings that would involve payments not being made at one time, but over a period of time. If any of those payments are not made after the 31st day of March, they will be charged against this appropriation. That, I think, is abundantly clear, and unless it were so I do not see how government might well be carried on. But we do know this: that the maximum obligations that may be incurred under this bill will aggregate not more than $20,000,000. That is all I can with certainty say, and I make these explanations in order that it may not be thought for a single moment that there has been any departure from well established parliamentary practice in this regard, the whole point being that no obligations can be met under the authority of this measure that exceed the sum total of the appropriation, and that it well may be that after the 31st day of March accounts will have to be met representing the balance of contractual obligations incurred under the authority of this measure.

Mr. MACKENZIE KING: I want to be quite clear as to what my hon. friend means by his last sentence. Does he now mean that all contracts, in order to be paid for in whole or in part out of this money, must have been made between now and the beginning of the next fiscal year, and that the only moneys to be paid under those contracts will be such moneys as will be due on the 31st of March, next year, not moneys which become due after that date—moneys due for services rendered up to that date—and if after the

31st of March some of the works are continued, that they will appear in and be provided for in the estimates of next year?

Mr. BENNETT: I was very specific, Mr. Chairman, in endeavouring to say that the 31st of March would not be the limit of time within which moneys would have to be paid out of this vote, if the vote were not depleted, to meet obligations incurred antecedently to that date. I make that clear.

Mr. MACKENZIE KING: Does the Prime Minister wish this house and the country to understand that parliament is to vote $20,000,000 for unemployment and that he and his government are to be free to use that $20,000,000 as they please over an indefinite period of time? Parliament has been called in special session to deal with an exceptional condition of unemployment which may arise this winter, called now because probably it will be February before the regular session will be held. But at this special session, according to the statement now made by the Prime Minister, we are to be asked to vote $20,000,000, not to meet a situation between now and the end of the present fiscal year, but to vote $20,000,000 which the government may use as it pleases and, as the Prime Minister has just said, which it may give to provincial governments or municipalities to do with as they please; and that whatever they do with it, still this country is to be obligated to meet payment, no matter whether those obligations are incurred after the 31st of March or before.

Mr. BENNETT: That is exactly what I did not say.

Mr. MACKENZIE KING: If I have misinterpreted my hon. friend in any way I hope he will correct me.

Mr. BENNETT: It should not be necessary.

Mr. MACKENZIE KING: My hon. friend has referred to previous governments having made contributions from the public treasury to aid in the relief of unemployment. I have here a statement of the amounts contributed by the federal government for unemployment relief in the various provinces during the ten years ending March 31, 1931. I think that includes all the moneys that have been paid out for unemployment relief by the federal government over that period of time. It takes in part of the period during which the previous Conservative administration was in office and the entire period of the Liberal administration up to March 31 of this year. It includes the period 1920-21, 1921-22, 1922-23 in which, as hon. members will recall, there was very serious industrial depression throughout Canada. The amounts paid out to all the provinces, and through the provinces to the municipalities or direct to municipalities in relief, and including administrative expenditures, were, in the following fiscal years as follows:

1920-21	$343,036 55
1921-22	500,000 00
1922-23	924,025 29
1923-24	4,273 83
1924-25	.....
1925-26	.....
1926-27	77,684 66
1927-28	.....
1928-29	.....
1929-30	.....

The total of contributions by the federal government to unemployment relief were therefore, in the years 1920-30 inclusive, $1,849,020.33.

My hon. friend is asking us to vote $20,000,000 for unemployment relief. The purpose for which this session was called, according to the words he has put into the mouth of His Excellency the Governor General, is not to deal with a situation that may run on through the years to come but to meet the exceptional economic conditions existing at this time, with the resultant unemployment. That, it was to be expected, meant until the beginning of the next fiscal year, a period of six months. Now, as I have shown, the total amount paid out in a period of ten years, from 1920 to 1930 inclusive, was $1,849,020; and three or four years of that period, as hon. members will certainly recall, were years of great industrial depression in Canada resulting from the conditions that prevailed immediately after the war.

May I take the further payments made from the federal treasury indirectly to meet conditions affecting unemployment in Canada, and give in addition the amounts paid out from the federal government to the various provinces under the Employment Offices Coordination Act. I will give the figures for the twelve fiscal years beginning from the time at which the act came into force:

1918-19	$ 53,615 99
1919-20	169,207 61
1920-21	233,890 75
1921-22	239,269 01
1922-23	237,032 60
1923-24	200,000 00
1924-25	150,000 00
1925-26	150,000 00
1926-27	150,000 00
1927-28	150,000 00
1928-29	150,000 00
1929-30	75,000 00

That makes a total of $1,958,015.96 over a period of twelve years. These are contributions that have been made directly or indirectly over a period, in the one case, of ten years, and in the other of twelve years in connection with these two services. Moneys will be continued to be paid, I assume, in the regular way under the statute for these services in connection with the Employment Offices Coordination Act, so that they will be in addition to the $20,000,000 we are now asked to vote. I think my hon. friend will see that it will be necessary for him, if he expects to secure the cooperation of parliament, and if parliament is to maintain control over public moneys, to add to the bill he has at present in mind, some clause which will ensure that whatever payments are made out of these moneys will be for a definite period of time and made in a manner which will enable this House of Commons to exercise that control which it is entitled to have, first of all, over the issuance of grants and, in the second place, over their expenditure.

Mr. HEPBURN: Has the Prime Minister taken into consideration the fact that there are now in the United States thousands of unemployed Canadians who undoubtedly, when public works of the nature indicated in this resolution are begun, will return to Canada? Could there be some system of registration whereby unemployed Canadians now in Canada will be given the preference in connection with any jobs created?

Mr. BENNETT: The matter has been considered and so far as it may be legally possible to deal with it it will be dealt with.

Mr. LAPOINTE: I asked my hon. friend yesterday a question in regard to new federal public works which might be undertaken. He told me there might be some new works. He says that part of the money which is going to be appropriated by means of this legislation may be used, for instance, to complete works which have already been undertaken. He mentioned, for example, an elevator at Lethbridge or other works of that nature. But my hon. friend will realize that these works have already been passed upon by parliament; we have exercised control over that expenditure. What I want to know is whether any part of this money will be used for the purpose of starting new public works as to which the House of Commons has not been consulted. Of course, at this stage we rather desire to have information and it will facilitate the discussion of the bill when it is before the house if we can be given that information. I should like to know whether any public work in Canada will be undertaken by the federal government without having been first passed upon by the House of Commons.

Mr. BENNETT: I assure my hon. friend that this proposal does contemplate the possibility of constructing new works—in the very nature of things that must be so—which otherwise, as I pointed out yesterday, would not be undertaken at this particular moment. The conditions that prevail now are abnormal. And that question, I take it, also embraces its corollary, which was referred to by the right hon. the leader of the opposition (Mr. Mackenzie King). These expenditures, of course, can be made only through the Auditor General's office; it requires no section of any statute to make that clear; these are payments out of the consolidated revenue fund. Under the provisions of statutes in that regard the Auditor General must, of course, check all accounts; and in addition to that there are the statutory safeguards with respect to tendering, and matters of that kind. But, as I said yesterday, it is proposed to continue existing contracts upon the unit basis upon which they have been let by my hon. friends opposite, in cases where by so doing employment will be provided which might not otherwise be available. And I gave an illustration. It happened to be the illustration of a breakwater which had been brought to my attention. That is, the appropriation for the year is exhausted. The work was let by tender on a unit basis.

Employment could be given to a few hundred men from now until the close of navigation by continuing the present contractors in their work under the same unit basis. That I conceive to be a proper case to deal with, and I mention it as one of those it was proposed to deal with. However, there is no doubt that it would be impossible to give in detail an estimate as to where and how and when the money would be expended, but I can assure the hon. gentleman that as custodians of the federal purse as little money as possible will be expended consistent with the discharge of the purpose for which the measure is submitted. That is all, and that is the reason why I said yesterday, that in connection with the elimination of level crossings and the providing of grade separations, the Board of Railway Commissioners would approve, and we would inform them that we would supplement the grade crossing fund by grants from this $20,000,000 if it became necessary for the purpose of enabling the orders of the board to be carried out.

I should have said to my right hon. friend something that I think he will at once realize:

All the expenditures in connection with such work might not be payable by the 31st day of March, but I further assure him that no undertakings will be incurred merely for the purpose of providing expenditures subsequent to that date, for the simple and obvious reason that there is a triple check upon these expenditures outside of the public works undertaken by the Dominion. Those checks are first of all the municipalities, secondly the provinces through whom the municipalities speak and lastly the acquiescence of the federal authority in the granting of the assistance sought. That is apart altogether from the direct payments made by the federal authorities in connection with the continuance of existing works where it is desirable and necessary, or the institution of new works where it is necessary for the providing of employment involving the doing of something this year or this winter which, but for the abnormal conditions to which reference has been made, might not be commenced until a future date.

Mr. LAPOINTE: Mr. Chairman, the hon. gentleman has referred to the government as being the custodians of the national purse. Well, that may be so, but the House of Commons is the custodian of those custodians; it is our duty to watch the watchmen. That is not only our right but our duty under the system of representative and responsible government. My hon. friend says there will be the Auditor General to keep a check on these expenditures. Well, the Auditor General has functions and duties, and he is there for the purpose of seeing to it that every penny voted by parliament is used for the specific purpose for which that penny is voted, and for nothing else. That is the only control that can be exercised by parliament, or rather I should say by the House of Commons, because the prerogative of the House of Commons in that respect is not shared by anybody, even by the upper house. The only control that can be exercised is to have every sum of money voted by parliament appropriated for a special destination, for a special and specific purpose.

My hon. friend is right when he says that there are two methods under the British financial system of government; first there are amounts which are taken out of the consolidated revenue fund, under special statutes all of which amounts are for purposes which are permanent in their nature or for a fixed period. Surely this is not permanent because my hon. friend is going to settle the unemployment problem at once. The other system is by way of items in the estimates, in the budget every year, and those sums are voted annually. In both cases parliament votes the money for a specific purpose, whether it is by statute or by items in the estimates. These amounts are voted for special destinations, and they cannot be used otherwise.

Mr. McGIBBON: What about our grants during the war?

Mr. LAPOINTE: My hon. friend is ill-advised to refer to the sums voted for the war. In 1914 there was a special session of parliament, and at that special session which lasted only a few days—and of course everyone knows what the circumstances were at that time—there was a statute passed appropriating $50,000,000 for the expenses of the war. However, even under such difficult circumstances the Prime Minister of the day thought it his duty to give a list, when the resolution was before the house, of the various purposes for which that amount would be used.

Mr. McGIBBON: Would the hon. gentleman be good enough to tell me if there was such a list given for all appropriations of that kind?

Mr. LAPOINTE: These moneys were voted in the estimates annually during the war. Here again my hon. friend is wrong. Now I say it is all very well for my hon. friend to say, "Well, there is a purpose for this money; it is to settle the problem of unemployment. or to palliate unemployment." Surely my hon. friend will realize that this is too vague to meet the requirements of the statute. It would be just as correct to appropriate an amount of money in order to decrease poverty in this country, or to improve the living conditions of the people, or for some similar purpose. The specific purposes should be described, and it is easy to do so in spite of what my hon. friend says. If he wants to give work to the people by means of public works it is the duty of the government to see to it that a program is made up describing all these works for which the money is voted, in order that the control which it is the duty of this House of Commons to keep on the expenditure of the public money of this country may be preserved and maintained. I understand that my hon. friend desires a blanket authorization to spend the $20,000,000 in the way he sees fit. This is Toryism with a vengeance. I think the people of Canada forgot during the last ten years what Tory government was, but they are going to have it again right away.

Mr. BENNETT: I am bound to say the hon. gentleman contributed more heat than light to the discussion.

Some hon. MEMBERS: We do not think so.

Mr. YOUNG: He is asking you to furnish the light.

Mr. BENNETT: My hon. friend from Weyburn is coming to the right source for it. I put this question to this committee: Mr. Chairman, is a government, elected by the people with a mandate, to be trusted with the discharge of a great and onerous responsibility under a most abnormal condition, which it did not create, where there were nearly 200,000 unemployed in this country the day that government took office, as much as a statutory body called the Canadian National Railway, to which this parliament has voted money by the millions at the instance of hon. gentlemen opposite, without having such particulars? What is the hon. gentleman prepared to do? I stand here in my place on behalf of this party and this government and say that we believe the people of Canada will accord to us as decent and as honourable intentions with respect to the conduct of the affairs of this country and the expenditure of this money for unemployment as they would to any body that is set up by statute. The hon. gentleman knows perfectly well that in the reasons given by successive ministers of railways as to how vast sums of money might be voted it was not thought possible to designate just where that money would go. If the measures adopted are successful in providing employment for, let us say, 8,000 out of 10,000 idle, it is not improbable that the other 2,000 will by the reactions of that employment be provided with employment without charge upon the public purse. The Premier of Alberta this morning sent me a telegram saying that the press reports indicated that the provisions of the proposed statute were for works only but having regard to the seasonal conditions and the extremes of climate it would be desirable that provision be made for relief on the basis heretofore named. I repeat once more to this committee; in the opinion of His Majesty's advisers in Canada this money is required to meet an extremely difficult and exceptional situation, one which this government did not create but to which it has fallen heir as the universal legatees of the late administration. Having fallen heir to this legacy we must endeavour to discharge the obligation which rests upon us by reason of the acceptance of that legacy, and to do that we believe that money should be available for the two-fold purpose I have mentioned. To endeavour to designate the municipalities, the individuals, the provinces or the places where work might be constructed or money expended would be to make the whole matter ridiculous. This parliament is empowered by the constitution to deal with exceptional situations, and if it is so desired it can make grants of money for any purpose for which it pleases without having before it at the moment the designation of the particular point at which the money may be expended. Our parliamentary system presupposes that the government of the day has the confidence of a majority of the members of the house, which, under our democracy means a majority of the people of Canada. That is the answer.

Mr. MACKENZIE KING: My hon. friend has stated that when he and his associates took over the government there were some 200,000 unemployed in the country. Those figures were used generally throughout the campaign, but in speaking to this house the day before yesterday he gave a figure which had been arrived at as a result of careful calculation on the part of experts.

Mr. BENNETT: I said that that figure did not include part-time workers who numbered upwards of 25,000.

Mr. MACKENZIE KING: That may be; no doubt there was the same reservation with respect to the 200,000, but the figure given by my hon friend was 117,000 unemployed at the present time. If unemployment has diminished in the space of one month from 200,000 to 117,000 without any assistance on the part of the government or hon. gentlemen opposite, why should we be asked to vote $20,000,000 to meet a situation so rapidly disappearing? I would direct the attention of my hon. friend to the fact that the estimate which he gave to parliament was that of experts who know most about this matter. The estimate made by those experts of the total number of unemployed during this coming winter is 177,000.

Mr. BENNETT: Outside of part-time workers.

Mr. MACKENZIE KING: Is the amount we are asked to vote related specifically to these supposed 177,000, or such lesser or greater numbers as there may be, or is it for any other purpose?

Mr. BENNETT: It is for whatever numbers there may be and for the purpose of unemployment relief by work or direct payments if necessary.

Mr. MACKENZIE KING: Is it intended that any part of this money which may be expended on highways shall go only to the unemployed that may be given work on the highways, or is it intended that a part of this $20,000,000 shall be expended on highway construction generally? In other words, is it to be used for the purpose of carrying out the other promise made by my hon. friend, that is, the construction of a national highway? In constructing such a highway surveying and other like work must be done, am I right in assuming that such expenditures would be met by an appropriation specifically made for that purpose? If some unemployed were given work in connection with the construction of the highway, I would assume that they would be paid out of the $20,000,000, but no others. Am I right in that assumption?

Mr. BENNETT: I have explained it already, but I suppose I will have to continue to do it as long as I am asked. The money would be used for the purpose of providing employment in connection with the very highway referred to by the right hon. gentleman. I explained that in a question asked by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and also in answer to a question asked by an hon. gentleman from Quebec. The money will be used for any purpose which might be necessary in connection with highway development for the purpose of providing employment in the locality in question. I mentioned the extension to be made from the present end of the highway in Manitoba to the boundary, and from the boundary farther east. This explanation brought about the questions asked by the former Minister of Labour (Mr. Heenan) as to the locality in which the money would be expended. May I direct attention to schedule B of chapter 2 of the statutes of 1930, which reads as follows:

Based on supplementary estimates, 1930-31. The amount hereby granted is $61,070,000.

Sums granted to His Majesty by this act for the financial year ending 31st March, 1931, and the purposes for which they are granted.

Loans to Canadian National Railway Company.

Amount not exceeding $51,600,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company,

Then follow the different ways in which the money may be spent, which are in part:

(a) Interest on securities, notes and other obligations; rentals for lease of lines and equipment;

(e) Acquisition of stock or securities of the Grand Trunk Western Railroad Company when duly issued under the authority of the Interstate Commerce Commission.

(f) Acquisition of stock or securities of the Central Vermont Railway, Inc.

The amount herein authorized may be applied from time to time to meet authorized expenditures in the discretion of the governor in council.

Sir EUGENE FISET: Surely my hon. friend realizes that those estimates were examined by a special committee of the house and full detailed information was supplied to that committee.

Mr. BENNETT: But that detailed information was not such as is mentioned by the right hon. gentleman, and the examination which took place by the committee is not indicated. Although I asked on several occasions that items should be mentioned the then Minister of Railways took the position that that could not reasonably be done. In giving his reasons for taking that position he said that owing to the, shall I say, inadequacy of the human mind to project itself into the future, any estimate would be but guesswork or conjecture. In voting that total sum of $51,600,000 the purposes are mentioned for which it is to be used without indicating how much is to be expended for any one purpose, and the final determination is left to the governor in council. Could anything be clearer than that? If that is thought to be sufficient in connection with a vote of $51,600,000 for the purposes of our national railway system which does not have to come to this parliament and stand here and be accountable, or which does not have to secure the support of the vote of a majority of members of this house, may it not in this national emergency be thought that this house can entrust those who have a fresh mandate from the people to govern this country to expend $20,000,000 in the manner indicated by the resolution and the bill founded upon the resolution, which contain substantially the same detail as set out in Appropriation Act No. 2 of the parliament of Canada for 1930?

Sir EUGENE FISET: Why could not the same procedure be followed and this present committee of the house look into the mode of expenditure of the proposed $20,000,000.

Mr. BENNETT: I hasten to assure the hon. gentleman that the public accounts committee of this house undoubtedly will be seized with jurisdiction to deal with it.

Mr. LAPOINTE: Yes, afterwards.

Mr. BENNETT: Certainly. And that is what the railway position is, because no figures are mentioned in this schedule as to how much is to be appropriated for any one purpose. When I asked that that should be done the Minister of Railways replied, and it will be within the memory of some hon. members of this house, that it would be impossible to do it with any degree of accuracy. While the accounts were discussed before that committee everyone knows that even after that discussion he declined to put in these particulars any sums of money which might be referable to payments, and it is no doubt within the memory of many members of this house why that was done. Here is a case in which the governor in council deals with these expenditures amounting to $61,000,000, and surely it might be said, when a report is to be laid before this parliament, before the public accounts committee, and before the Auditor General, which is not so with respect to the other expenditures, that those who are unemployed in this country might with some degree of assurance look to this parliament and expect it to see that this measure is enacted without further delay. In no sense can it be said that we have violated any principle which was followed by our predecessors in office. They made the governor in council the ultimate tribunal to decide upon the expenditure. We recall what the then Minister of Railways, later the Minister of Finance, said. He said that there must be somebody who would assume the responsibility. Here is a body which assumes it, the government of the day. And assuming that responsibility it has sought, and properly in my judgment, to obtain sanction from parliament for the expenditure of a sum not too large in view of the representations which have been made. Because if you have 200,000 and multiply it by ten you get $20,000,000.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Multiply by one hundred I should have said. I beg your pardon; my computations as a rule are fairly accurate. The sum of $20,000,000 is not too large an estimate when we consider the matter with which we are about to deal, and the manner in which we are to deal with it. I put it to any fair-minded member of this house, and I regret to have to qualify it in that way, that conceding the grant to be a reasonable one he could not give this house any further information than that which we have sought to give it and give anything which would be other than a conjecture or a guess.

[Mr. Bennett.]

Mr. BROWN: The Prime Minister has stated that he could only guess as to the amount which might be required under the circumstances.

Mr. BENNETT: I did not say that.

Mr. BROWN: May there not be the probability or at least the possibility that after conditions have in a short time so wonderfully improved, as we have been led to believe will be the case, the whole amount of $20,000,000 might not be needed. The hon. the Prime Minister has declined to state that all of the money will be spent by the end of the fiscal year. Would the Prime Minister fix any date as to when that money might properly be spent? In case there is an amount on hand at the end of the fiscal year what does the government propose to do? Does it propose to carry the balance indefinitely, or would a possible balance revert to the control of parliament?

Mr. BENNETT: I assure the hon. member for Lisgar that it is not intended to carry forward any balance of that nature. If the appropriation is not exhausted with the commitments that have been made of course it will not be a continuing available sum of money any more than any other sum of a similar character would be.

Mr. POWER: After the unemployed Tories are served the hon. gentleman might give us a chance.

Mr. BROWN: In that case would it not be wise to have revoted by this parliament when next it meets any amount of money not actually used?

Mr. BENNETT: The hon. gentleman has asked a question which already I have endeavoured to answer. The commitments outstanding would be chargeable against that money. Beyond that however certainly any action which might be desirable in that regard would be welcomed. There is no desire to have a continuing balance available for any purpose, because the hon. gentleman knows that when parliament is in session it could not be done. I am perfectly content that the supremacy of parliament in that regard should be made clear. Let me say this however that the very figures read by the right hon. gentleman carry the answer to the question propounded by the former Minister of Justice. The right hon. gentleman read figures indicating the sums of money which heretofore had been paid for relief purposes. There is no record in the parliament of Canada to show the designation of the money.

Mr MACKENZIE KING: Oh yes.

Mr. BENNETT: Oh no, not in detail.

Mr. LAPOINTE: No public work was originated under this.

Mr. BENNETT: No, but the principle is the same. There is no difference in the principle.

Mr. LAPOINTE: Oh yes.

Mr. BENNETT: Not a bit. There is no difference in the principle of the allotment of $900,000, if it were necessary, and the allotment of $20,000,000 if it is necessary. As will be observed the expenditures were incurred antecedently to parliamentary sanction being given for payment. In this instance antecedent authority is being secured and payment is to be made afterwards. I think you will find that there is no question as to that fact. I thought my memory was accurate, but to make sure I looked through the estimates; I did not want to be too sure about it. There are very large sums of money which from time to time have to be expended by order in council, with the approval of the governor in council, for the administration of the government. Although hon. gentlemen now do not think very much of the principle, the agricultural grant as will be recalled was in a lump sum. The highways grant was in a lump sum; the grant for technical education was in a lump sum, and they were all for specific purposes, agriculture, technical education and highways. This is a grant for the specific purpose of unemployment. Of course if the hon. member for Lisgar and those associated with him have any fear that this might constitute a fund which would be available for expenditure as the government might deem desirable and without regard to parliament, surely any safeguard which these gentlemen would desire to impose would be welcomed by any administration, whatever it might be.

Mr. FACTOR: Mr. Chairman, may I ask the Prime Minister a question? As one of the public works to be undertaken is it the intention of the government to erect a new main post office which is so badly needed in the city of Toronto. I suppose, from the silence of the Prime Minister, I may assume that he is not in a position to answer.

Mr. BENNETT: I think that is a fair assumption.

Mr. FACTOR: Probably silence gives consent. Also I wish to ask the Prime Minister a question in reference to the elimination of level crossings. He suggests that the grade separation fund be supplemented and that municipalities make application to the railway board. In the case of the city of Toronto, the railway board having already refused the application, what steps must be taken in order to eliminate the level crossings, particularly the two which the Minister of Railways must have in mind?

Mr. BENNETT: I am sure that the hon. gentleman whose first appearance in this house is so satisfactory to those who surround him, and whom we all welcome and are all delighted to hear, must realize that there is an appeal now pending by the city of Toronto from the judgment of the board, asking that the judgment by which the board declared that the city should bear the whole cost, and the railways and the fund nothing, might be set aside. I am therefore not in a position to discuss it as the appeal is taken to the governor in council.

Mr. FACTOR: One more question. Does the government intend to take any steps in the direction of using their influence with private interests to see that work is commenced during the coming months of depression?

Mr. BENNETT: I am happy to say that even in the month that has elapsed since we have been in power we have already done that, and we shall continue to do it. The gathering which took place at Ottawa on the 21st of August last, at which six provinces were represented by their premiers or ministers or deputy ministers, is an impressive indication of the interest of the provinces in the matter and of the spirit of cooperation that exists between the provinces and the Dominion in dealing with a national problem in a manner befitting the people of this country.

Mr. ELLIOTT: I did not exactly understand whether it was agreeable to the Prime Minister that any appropriations made from this $20,000,000 should lapse as ordinary appropriations for public works lapse at the end of the fiscal year. From the answer he gave to my hon. friend from Lisgar, I rather gathered that he had no objection to that course. Am I correct in that?

Mr. BENNETT: Yes, with the additional observation which I made to the right hon. leader of the opposition, that obligations contracted and not paid—the hon. gentleman will remember the discussion that took place last year—would have to be payable out of that sum. I think the hon. member for Lisgar so understood it. Certainly the appropriation would lapse on the 31st day of March in respect of any balance that might remain after the payment of the obligations contracted under the operation of the act.

Mr. ELLIOTT: Would my hon. friend permit me to point out that he has drawn an analogy between this case and the case of an amount put in the estimates, an amount that is entirely insufficient, because that is the practice, for the purpose of building some public work, and in respect to which a contract is entered into, by which contract the country is obligated to pay the balance of the amount required to complete the construction. In the latter case the grant lapses at the end of the year, and the balance is provided through the means of a new estimate which parliament is asked to vote the following year. Does not my hon. friend think that that practice is just as advisable in the case of works that have never been passed on by the house as it is in the case of public works that have been passed on by parliament and threshed out in committee of supply? Have I made myself clear to my hon. friend?

Mr. BENNETT: Quite.

Mr. ELLIOTT: It would seem to me that in the case of a public work where the minister in charge of the department has given a reasonable amount of detail to the house, there is not the same necessity for revoting the money as there is in regard to something as to which the house has received no previous notice? I would like my hon. friend's opinion on that.

Mr. BENNETT: The answer to that probably suggests itself at once to the mind of my hon. friend. The difficulties and delays in passing supply bills was, with others, the reason why the Federal District Commission has been voted a lump sum every year for a period of years, in order that no difficulties might arise in connection with its financial operations by reason of a supply bill being voted only in part, and so on. I desire, and I think the hon. gentleman himself would, that in connection with every expenditure authorized under the provisions of this statute, those who contract with the government should be able to receive their money promptly without delays in connection with matters of supply. There is this further thing to be said. Once the contract is made, the amount must be paid, or there is liability for breach of contract. The hon. gentleman will recall that in connection with the Journal building in this city, in which a contract for space was made by a previous administration and cancelled by the administration of my hon. friend, the court awarded something over $20,000 for breach of contract.

Mr. ELLIOTT: I recall that.

Mr. BENNETT: It is not desired that there should be any possibility of any question arising as to the payment of the balance which may be contracted for, and I am of the opinion that the public interest is amply safeguarded by providing for the lapse of the vote on the 31st day of March to the extent to which it may not be needed for the purposes for which the country has become obligated thereunder.

Mr. ELLIOTT: Just to have it made perfectly clear, it is not the intention of the government, then, that any part of this $20,000,000 shall be outstanding after the 31st day of March apart from the commitments actually made?

Mr. BENNETT: If my hon. friends desire, I am perfectly willing when the bill is before parliament to insert a clause to provide that the balance of the appropriation on the 31st of March, except as to the obligations contracted and outstanding and unpaid thereunder, shall lapse. I tried to make that clear to my hon. friends this afternoon. I think the hon. member for Lisgar had no difficulty in seeing that that was my understanding. The only difficulty I had was with respect to obligations contracted for that might be tied up by parliamentary action or matters of that kind. Having regard to the judgment to which I referred of $20,000 odd which this country had to pay for breach of a government contract, it must be taken, whether we like it or not, that in the absence of those conditions which vitiate all contracts, when the government enters into a contract, the country must meet the obligations thereunder.

Mr. MACKENZIE KING: May I ask my hon. friend if he contemplates entering into contracts that are likely to extend over a period of years, or simply into contracts that would run normally to the end of the present fiscal year, but which might at most, owing to unforeseen circumstances, extend a short time beyond?

Mr. BENNETT: I assure the right hon. gentleman that there is no intention to enter into contracts that involve expenditures over a period of years. This is an extraordinary measure to meet an extraordinary situation, and I assure the right hon. gentleman and this house and the country, if need be, that there will be no contracts entered into extending over years. But in view of all the difficulties in connection with the completion of a work, especially in view of our climatic conditions, the right hon. gentleman will see

that it might be that the final payments might not be made until June. That is what I tried to make clear this afternoon but I am afraid I did not succeed as I should have liked. I want it clearly understood that this is not looked upon as a continuing grant by parliament of money, but an appropriation for a special purpose, to be dealt with as I have indicated, and no contracts will be made that will extend over a period of years, or even beyond, I believe, a month or six weeks after the 31st of March. I believe that everything will then be cleared up, and certainly the intention is to deal with it in that way.

Mr. MACKENZIE KING: I thank my hon. friend for that statement. If he had made it at the start, he would have saved himself a great deal of trouble. The country may have cause to thank the opposition for saving a good many millions to the public treasury.

Mr. ELLIOTT: One other suggestion I want to make to my hon. friend. I am very glad the discussion has taken place, because I am bound to say that I did not understand my hon. friend's answer to the hon. leader of the opposition in the same way as I did his answer to the member for Lisgar. But I do urge upon the government and the Prime Minister the wisdom of following in regard to public works, and especially in regard to matters that the house has not had the privilege of approving and passing upon, the same practice as now applies with regard to the many contracts which are not completed by the end of the fiscal year and for which funds have to be provided in the subsequent year. I would suggest that in the consideration of the bill that phase of the matter be given very serious attention, because I believe it is a great protection of the country's finances that after the end of the fiscal year the house should have an opportunity of passing upon those contracts.

Mr. VENIOT: Before the vote on this resolution is taken, Mr. Chairman, I should like to have a few moments of the time of the committee. I understand this measure is for temporary relief; it is not to end unemployment as was promised during the election. As a measure of relief I welcome it, but I would have been better satisfied if the government, in introducing this resolution, had left entirely aside that part which establishes the principle of permanent aid for highway construction in the different provinces, to form a national highway. That, to my mind, should have been introduced as a separate measure. There is a great deal to be said for and against the principle of federal aid to a national highway or to main trunk roads in the provinces, but, if I undertook to discuss it—as I should like to—my action might be interpreted as due to a desire on my part to oppose this resolution, which has for its object the relief of unemployment under the present conditions of depression in this country.

As I have already said, I welcome the aid that is proposed, but I certainly must object to the method by which this aid is to be granted. The Prime Minister in his explanations, which in many cases were very plain, asked this question of the opposition: Could not you trust us to expend the $20,000,000? My reply to that would be: Yes, I would be prepared to trust the government in the expenditure of the $20,000,000 if they were going to expend it. But they are not. They are handing it over in many cases for expenditure by partisan governments which during the last federal election went so far as to use provincial aid on highways in order to defeat the then federal government of the day.

An hon. MEMBER: Can you prove that?

Mr. VENIOT: Yes. I have got the proof in my hand.

Some hon. MEMBERS: Table it.

Mr. VENIOT: Nobody interrupted hon gentlemen opposite when they were speaking, and I do not intend that they shall interrupt me.

The CHAIRMAN: Order.

Mr. VENIOT: Now, Mr. Chairman, I said I would trust even the present Conservative government themselves to expend the money. I am asked if I am not getting reckless. No, I am not, because I believe that the present government, if they took it upon themselves to expend that money, would be compelled to do it honestly, otherwise they would be met here on the floor of the house by such criticism from the opposition that they might be compelled immediately to appeal again to the country for approval. But when they pass the money over to a provincial government for expenditure, that provincial government is not responsible to this parliament, and therefore in many cases it will exercise very little prudence in the expenditure. Let me give an example of this. If any portion of the money to be voted by this house is to be placed in the hands of the government of New Brunswick, and is to

be spent along the same lines as the premier of that province laid down when during the progress of the federal election expenditures were requested of his government to relieve local unemployment, then I have no faith in the honest expenditure of that money by the government of New Brunswick. My reason for saying that is this. In the province there were two elections this year. The provincial election took place on June 19. The provincial government made large expenditures of provincial funds in the development or improvement of the roads in the province. I would not suspect for a moment that that government expended the money in order to obtain votes—Oh, no! But that work ceased almost immediately after the provincial election. When the premier of the province was appealed to to have the work resumed in order to help unemployment, what was his attitude? And if, in handling the expenditure of any part of this $20,000,000, he puts into operation the same principle that he laid down at that time, then God help the people of New Brunswick who are not Conservatives. There will be many empty Grit stomachs throughout the province.

An hon. MEMBER: They are not all postmasters.

Mr. VENIOT: Quite true; but if I am to judge by the number of dismissals asked by my friends opposite, why, my operations in that respect dwindle into insignificance. I wish to read to the committee a letter addressed by the Premier of New Brunswick, Hon. J. B. M. Baxter, to a person who appealed to him on behalf of the unemployed in his district that the road work be resumed:

Saint John, July 2, 1930.

Yours of the 30th ultimo received. I shall talk this matter over with Hon. D. A. Stewart at the government meeting this week.

That is the Minister of Highways and Public Works.

I think perhaps it will be just as well if it were understood that people who actually vote for Mr. McDade—

Conservative candidate in the county of Northumberland.

—will receive favourable consideration, but that there shall be as little given on our behalf before the election as possible as we do not want any more exhibitions of ingratitude.

That is the attitude taken by the premier of New Brunswick, and if he adopts that same attitude in connection with the expenditure of this money then I say I have no faith—

[Mr. Veniot.]

Mr. HANSON (York-Sunbury): Will the hon. gentleman give the name of the recipient?

Mr. VENIOT: That name will be revealed when the proper time comes.

Some hon. MEMBERS: Oh oh.

Mr. VENIOT: I am not now handling estimates. I say that if the premier of the province of New Brunswick will dare to deny that letter I will publish the original with the name attached.

Mr. HANSON (York-Sunbury): You are brave when Mr. Baxter is not here.

Mr. VENIOT: I may tell my hon. friend that I was always brave even when I had to meet him.

Mr. ERNST: May I ask whether the hon. gentleman was reading from an original document? If so, it should be tabled.

Mr. VENIOT: It need not be tabled; my hon. friend knows he is not correct. He read several documents himself last winter when he was on this side of the house and he refused to reveal names or to table the documents. It ill becomes him, therefore—

Mr. McGIBBON: May I call attention to this fact—

Some hon. MEMBERS: Order.

Mr. McGIBBON: It is a rule of the house that when an hon. member quotes from a document on the floor he shall reveal the signature. That is a rule of the house.

The CHAIRMAN: The hon. member has a perfect right to quote from the document and, not being a minister of the crown, he need not table it. But I think he has departed from the resolution.

Mr. VENIOT: With all due deference, Mr. Chairman, I submit that I am dealing with the resolution; I am discussing it from this point of view, that the money to be voted is to be placed in the hands of provincial governments to expend, and that is why I am opposed to its being done in this way.

Mr. McDADE: Does the former Postmaster General (Mr. Veniot) contend that the money was not expended in the public interest?

Mr. VENIOT: I have not said anything of the kind.

Mr. McDADE: And that his political friends were not afforded the same opportunities to work on the roads in Northumberland?

Mr. VENIOT: No, they were not. In reply to the hon. member for Northumberland I will make the statement that Liberals were not afforded the same opportunity of earning money during either the provincial or the federal election.

Mr. McDADE: Will you cite some specific instance?

Mr. VENIOT: We will cite it in time. But there is one thing I wish to point out. This letter weighs very heavily upon the toes of my hon. friend from Northumberland because, in order to ensure his success, the Premier of New Brunswick had not only to threaten but to offer a bribe to the electors of the county of Northumberland.

Mr. McDADE: He did not come into the county of Northumberland during the federal campaign.

Mr. VENIOT: There was no need when he sent a letter like that.

Mr. HANSON (York-Sunbury): He could command authority.

Mr. VENIOT: If I controlled the purse strings as he did perhaps I could have commanded as much authority. The people of Northumberland took the weight of my hon. friend during the provincial election when he went into the upper section of the county; and, the hon. gentleman raising his voice, we happened to defeat the provincial government so that they lost that county provincially for all time.

An hon. MEMBER: Washing dirty linen.

Mr. VENIOT: If you have dirty linen to wash, start it and we will show you.

With all these interruptions I have nearly exceeded my time, but I wish to call the attention of the committee to a report submitted to the federal Department of Labour in regard to unemployment in the province of New Brunswick. I find that that report is not correct. Why do I say so? I do not know whether the federal Department of Labour has taken proper steps to ascertain all the facts. I am not charging the Department of Labour with submitting incorrect figures, because they had to depend upon the reports that were sent to them. That I readily understand. But there are only two labour bureaus in the province, one at St. John and one at Moncton, and when they state that there are only 500 people out of employment in New Brunswick to-day they are making a statement which is absolutely false. The conditions in northern New Brunswick to-day have been brought about by overproduction in lumber and overproduction in pulp and newsprint throughout Canada, with the result that one of the largest newsprint mills in the maritime provinces is working only two or three days a week, so that the consequent curtailment of winter operations, on the part both of Fraser Limited and of the Bathurst company, has up to this moment thrown at least 1,500 people out of employment. At any rate, from the first of August until next spring that number of people will have been out of work. That condition has not been brought about through the fault of any government; I am not blaming any government for it. It was an economic condition that could not be avoided. But under these conditions, with a report like that coming into the House of Commons, submitted no doubt after consultation with the provincial government, I think I am justified in concluding that the provincial government, accepting it as correct, will not apply to the federal government for any definite aid in relieving the situation. I would suggest to the Prime Minister that he have his Minister of Labour (Senator Robertson) get into touch more directly with the northern sections of the province of New Brunswick. For instance, let him write to the mayor of the town of Chatham—

Mr. BENNETT: Campbellton.

Mr. VENIOT: No, Chatham.

Mr. HANSON (York-Sunbury): They made their representations.

Mr. VENIOT: I do not find them. But if they made representations they must have shown more than 500 unemployed in New Brunswick. I would suggest to the Prime Minister that he have his Minister of Labour communicate more directly with Chatham, Newcastle, Bathurst and the districts surrounding those three towns. Campbellton is not bad. There will not be much unemployment in Campbellton and very little, if any, in Dalhousie. Campbellton is a railway centre and, within two or three miles of its border, it has a large pulp mill which I believe will operate pretty fully this winter. Dalhousie has one of the largest pulp and news mills in Canada and there will be no unemployment there. But there will be unemployment in the other three northern towns I have mentioned, and in their surrounding districts.

In 1920, to relieve unemployment the federal government communicated with the government of New Brunswick, of which I had the honour to be a member, and inquired if there was no way by which the provincial government could help out the situation by encouraging greater employment in the lumber

camps during the winter. The government of New Brunswick took up the matter with the lumbermen and by a reduction in the stumpage—because the prices of lumber were very low, and it would have been hardly fair to charge the full stumpage under such conditions—a reduction of a considerable amount per thousand, the lumbermen were induced to put extra camps in the woods. I know of one instance alone in the county which I represented at the time where about one hundred heads of families were placed in the woods who otherwise would have received no employment or relief during that winter. May I suggest to the Prime Minister that this phase of the question be taken up with the provincial governments. I know it would be of no use for me to take it up with them; I know it would come with better grace and greater force from the Prime Minister or his Minister of Labour, and I should like to have the Prime Minister say that he will consider the matter and see if it can be taken up in that way.

Before concluding, Mr. Chairman, let me refer to an argument advanced by the Prime Minister in giving reasons why the government could not state in detail how or where this money was to be expended. He mentioned the fact that under the highways act of 1919 a lump sum was voted; he said the same thing occurred under the technical education act, under the agricultural aid act and under the housing act. I am not sure that he mentioned the last—

Mr. BENNETT: I did not mention that.

Mr. VENIOT: However, the Prime Minister did mention the first three. It is quite true that a lump sum was voted in each case, but it is also true that the acts which came into operation distinctly specified how, when, and under what conditions that money should be expended. For instance, the highways act specified that the engineers of the Dominion government should examine the profiles and plans prepared by the provincial engineers in order to see whether they came up to the standard set by the act, and if those plans were approved by order in council, then the act specified the amount of money that would be expended on each highway. The same procedure was followed under the technical education act.

Mr. BENNETT: That was by order in council.

Mr. VENIOT: No, the highways act distinctly said that 40 per cent should be expended on plans and specifications prepared and approved. The routes were to be laid out before a dollar was to be spent. I do not wish to leave the impression that I am suggesting that under present conditions all this detail could be given, but I do think the committee should have information as to where this money is to be expended, how much is to be expended on highways and, if possible, where it is to be spent. We should be told how much is to be expended on the maintenance of highways and where that money is to be expended. We should be told also how much is to be spent on actual relief. Let the government name the sum, if they cannot give greater detail.

I am pleased that the government has introduced this measure of relief, because I feel that it is necessary; I feel that no stone should be left unturned, now that we have the facts of the case before us, to meet the situation which may develop this winter. I want to be reasonable, and I know the government cannot state how far this unemployment may extend during the winter, but they do know that there are so many unemployed in this province, and indeed in this city; they know the number of unemployed in the several cities of Canada; they have the record right before them covering all the provinces and in some cases including even municipal districts. Could they not, with that information before them, when the bill comes before the committee of the whole, say where they are going to spend at least part of this money? Let us consider the city of Regina. The government know the number of unemployed in that city, and they know what will be necessary there. By this time they should have been able to obtain from the government of that province, or from the civic authorities of Regina, some suggestion as to the best method of meeting the situation there, and some idea of what expenditure they will expect the government to make. That could be done in all the cities; the information is in this report as to the number of unemployed and as to the condition of affairs generally. In addition there is a supplementary report which gives the different classes of unemployed in the community, and in some instances suggestions are made as to the methods which might best be adopted. Would it not be possible for the government, before the bill is finally accepted—and I do not wish to see any obstruction caused or any undue delay brought about—lay before the committe at least in some instances detailed statements of how, where, and when this expenditure will be made?

Mr. McGIBBON: Mr. Chairman, the remarks of the last speaker have made it almost necessary that I take some part in this debate. I believe that the various opinions which have

been expressed by members of the opposition have proved conclusively that the course which has been taken by the Prime Minister is the correct and only course that could have been taken. I might just refer for a moment to the attitude of the last speaker, in contrast to the attitude taken by other speakers on the opposite side of the house who preceded him. He stated that the unemployment figures were not correct; he said that instead of decreasing, unemployment was increasing, and he cited his own province as an example. Then, predicated upon that fact, he asked the government to say now how much money they were going to spend for relief and where they were going to spend it, when according to his own statement it is not possible to say to what extent relief will be necessary.

There was one point which the hon. member brought out which I should like also to emphasize. That is the fact that we have not the correct figures with regard to unemployment in the north country. Those figures are not included in this report; the men affected do not belong to organized labour, so in my opinion it is impossible to say here and now how much money will be spent in any particular town or locality. How can anyone estimate the amount of money necessary for relief when it is impossible to say how many people will be in want between now and next spring? Who can tell the number that may be in need in any particular city such as Winnipeg, Regina or Calgary? It is true that you may get the number of unemployed to-day, but what guarantee have we that this number will not either increase or decrease?

It is a real problem which faces the people to-day. Organized labour has by no means pictured the true condition as it exists at the present moment. Those in the ranks of unorganized labour are more worthy of help than those who belong to organized labour. Organized labour is able to fight its case, it has money behind it, but the poor fellow who lives back in the woods belongs to no organization, and it is that great corps of unemployed that parliament should be looking after. The present condition has not existed for the last fifteen or twenty years, and in my opinion this is not the time to be quibbling as to whether or not we are pursuing the right legal, technical and parliamentary course. We have a duty to perform, and parliament should complete the task which confronts it.

While the leader of the opposition (Mr. Mackenzie King) and the ex-Minister of Justice (Mr. Lapointe) may criticize this measure, I say with all confidence that there is not a member on the other side of the house who will dare to get up and vote against it. The hon. member for Weyburn (Mr. Young) may laugh, but I challenge him to get up now and move an amendment rejecting this legislation. He is silent, because the voice of the unemployed of this country is heard throughout the land.

I desire to thank the Prime Minister (Mr. Bennett) for his promptness in calling this session of parliament and endeavouring to deal with the problem. He will deal with it and in the last analysis either every member of this House of Commons will vote for it, or there will be no vote, which is really the same thing.

This session has been rather remarkable. Yesterday we listened to the leader of the opposition citing election promises without waiting for the Prime Minister to implement those promises. My mind goes back to the days of 1919, 1920 and 1921, and I think of the host of promises given at that time, almost as numerous as the locusts in the days of old. What has become of those promises? What of the platform of 1919 which the leader of the opposition eventually contracted into a compass to guide himself and his party? When the compass became troublesome, he threw it into the sea. What about his promise to the soldiers of this country, when he offered them a straight bribe of $2,500 in money to vote for the Liberal party during the elections of 1919? Only a few weeks after that, when the hon. member for Parry Sound (Mr. Arthurs) asked by way of resolution whether the government of the day were going to implement that promise, the then Prime Minister and every one of his followers got up and voted it down.

Mr. POWER: Order.

Mr. McGIBBON: Yes, my good friend the hon. member for Quebec South (Mr. Power) was one of those. That promise helped to reelect him, and then he got up in the House of Commons and repudiated the pledges he had given.

Mr. POWER: If I did not enjoy so much the speech of my hon. friend I would call him to order. This has absolutely nothing to do with unemployment.

Mr. McGIBBON: I at least have supplied my hon. friend with employment for a few seconds. What about the great reforms promised in that Newmarket speech? I see the ex-Minister of Justice smiling.

Mr. LAPOINTE: I am smiling and you are not.

Mr. McGIBBON: Providence has not blessed me with such a happy countenance as that of the ex-Minister of Justice.

I speak on behalf of the great army of unemployed in the north country, many of whom are in my riding. I ask the Prime Minister to have a survey made because those men are not recorded in the figures he has presented to this house. I am going to ask him to do more, and apply a dumping law to the timber, lumber and lumber products which are being dumped into this country below the cost of production. Last year I asked the then Minister of National Revenue (Mr. Euler) to do that, but he refused my request. I am going to ask the Prime Minister to back up the suggestion made by the ex-Postmaster General (Mr. Veniot) and to use his influence with the provincial governments to have the stumpage dues cut in half so that the lumbermen may be induced to resume their operations and thus supply employment for the people of the north country, many of whom are not fitted to find employment in any other walk of life.

I again thank the Prime Minister for his promptness in this connection, and I hope that I can commend this house for its sympathetic consideration of the proposed bill because I am certain that there is not one member who will dare to vote against it.

Mr. BOURASSA: Mr. Chairman, we will not get very far with this resolution in discussing the elections. We are all here, I presume, with the idea, whatever our principles or views may be on the matter, to do what we can to solve this problem. The problem faces the country, and it is useless to deny its existence or to attempt to minimize its importance. Should I take exception to the statement made yesterday by the leader of the government (Mr. Bennett), it would be to point out that the figures presented to parliament by the labour bureau are rather misleading, as has been indicated by the remarks of the hon. member for Gloucester (Mr. Veniot) and the hon. member for Muskoka (Mr. McGibbon). The hon. member for Muskoka referred to the large number of people who usually are employed in the lumbering districts. He said that he had many in his own district, but he might have stated that all through northern Ontario and Quebec, and in a large section of southern Quebec along the St. John river, there are thousands of people who make their living in the bush. These men go into the bush during the winter months, some of them remaining to handle the log drive in the spring, and then they carry on a little farming during the summer. Anyone who has lived among these people knows that they cannot make a proper living from their farming operations alone. The little farms in the midst of the bush, many of them only partly cultivated, are insufficient to provide a living for their families.

However, I would call the attention of the hon. member for Muskoka to the fact that the statistics submitted have not been gathered by the labour organizations in the various centres; they were submitted to the central labour bureau through the labour organizations, but they originated with the mayors or the municipal authorities of the towns and cities of over 10,000 population. That explains the discrepancy mentioned by the hon. member for Gloucester in connection with New Brunswick, as only two towns in that province, St. John and Moncton, supplied figures. The mass of the unemployed who are dispersed through the various municipalities does not appear in these figures. So that instead of calculating on a probable basis of 200,000 I am inclined to think that the figure for the coming winter would be nearer 225,000 or 250,000. Therefore, as to the magnitude of the problem and the urgency of the measures to be adopted there should be no dispute or question. Undoubtedly the inaction of the late government in connection with this matter was one of their mistakes. It was their mistake not to consider this matter more seriously at the last session, and frankly I advised my Liberal friends of that fact at the time.

However, what can we do now and how should we do it? That is the problem with which we are faced. In that respect I am entirely in agreement with the Prime Minister. At this time we are faced not mainly with a theory but with a condition. I would not agree with the Prime Minister to a greater extent than would my friends on this side of the house as to the deep and fundamental causes of this situation, or the relation of our problem with conditions as they exist in other countries. But the concrete measure before us is to give relief, here and now. If we can bring relief by giving work, so much the better. In fact I agree with the Prime Minister that it would be impossible to afford relief this fall and this winter through the ordinary channels in which public money is voted for such purposes.

On the other hand there is the principle of responsibility. There is the responsibility of the government which has been outlined by the leader of the opposition, and still more specifically by the member for Quebec East,

and that responsibility should not lightly be set aside. As far as I am concerned, however, I think we ought to reserve our remarks in connection with this aspect of the question to the consideration of the bill which is to follow. The resolution states that the $20,000,000 which the government asks to be placed at its disposal shall be employed as set forth in a bill founded upon this resolution. That in my opinion will be the proper time to make observations regarding the form and objects of the appropriation, and the guarantee that parliament should take to see to it that the taxpayers be protected, whether under a Tory or a Liberal government.

With regard to the practical side of the question I wish to avail myself of this opportunity to state to the government, in a most disinterested and friendly way, some of my ideas as to the proper appropriation and employment of this fund. Having regard to the condition of affairs mentioned by the hon. member for Muskoka-Ontario, being in close contact with conditions in my own constituency and in the neighbouring counties of Terrebonne, Hull and Wright, and having knowledge of those counties along the St. Lawrence and the Ottawa rivers where farming and lumbering are the chief industries, I suggest that the government have regard to these conditions in order to give employment to those lumbermen and farmers in their own constituencies, so that they may be prevented from going to the larger centres to enjoy their share of this fund.

Already in the city of Montreal it has been announced that regulations will be adopted to prevent any outsider from getting work in that city this winter. The report referred to states that there are 29,000 unemployed in Montreal at the present time. Strange to say they indicate the same figure for the coming winter. To my mind if there are 29,000 unemployed in the month of August the figure must of necessity increase to at least 40,000 during the coming winter. First we must consider the number of people employed in the building industry. Of course I admit that building was largely curtailed this summer. Then there is quite a number of longshoremen and labourers employed from the months of April and May to the month of November in the various operations which take place in the harbour of Montreal through its connection with navigation and the handling of grain. Thousands of people are employed in those activities; and in normal years the personnel so employed is largely composed of people who come from the outside districts to work in Montreal during the summer, and who return to their shanties in the winter. So much so is that the case that in days gone by the longshoremen were designated by the labouring population of Montreal as the "Chicoutimis", because so many of them came from Chicoutimi county. Under the new regulations which are to be administered by the city of Montreal these people will be forced out of Montreal this coming winter. The fact that unemployment obtains in that city will keep them out, and those people will have to satisfy the authorities that they have been residents of the city of Montreal and that they paid water taxes during the last fiscal year. Many of these men leave their families at home. A large number of them are bachelors, like the two leaders of this house; they have no families, either at home or in Montreal. They pay no water taxes; and being unable to establish a residence they will be forced by the authorities to return to the rural districts whence they came and where they will have no work.

While travelling through my own constituency during the past summer, what did I find? In the northern townships the main industry is either the cutting of pulpwood or the cutting of hardwood. In connection with the cutting of hardwood there is no activity whatever. All the lumber yards are filled with last year's cut, and not one single square inch is going to be sold this summer or this winter. It will be left until next summer. So far as pulpwood is concerned, probably one-third of the normal operations will be carried on. In some districts there may be more activity and in others there may be less. Connected with that is the condition which was described in regard to farming last year, in the western provinces; I refer to the displacement of labour by machinery. While travelling through the extreme northeast section of my constituency, in a small township which has been detached from the county of Montcalm and annexed to Labelle, I had occasion to talk to a local tradesman. I asked him his opinion of the prospect for the coming year, and his reply was that conditions would be very bad. He said that the lumber trade was very dull and that no hardwood was being cut. Not only that, but he told me that during the last five or ten years one particular jobber, as they are called, had employed fifteen men and fifteen teams of horses to carry his supplies to the shanties and bring down the wood. Last year he purchased a tractor, and by the aid of that machine and two men he had been enabled to do the work of fifteen men and thirty horses. What does that mean to the small community? It means

that thirteen men were thrown out of employment and that thirty horses had to be sold. The jobber could not afford to feed those horses when they were standing idle in his stable. That means a diminution in the use of hay and oats and a fall in the prices of feed staples in the community. Those conditions can be found hundreds, yes, thousands of times all over northern Ontario, northern and southern Quebec, and New Brunswick. That gives you an idea of the magnitude and complexity of the problem.

Yesterday I put some questions to the Prime Minister with regard to the inducements which the government might give under this legislation to railway companies to proceed with the building of branch lines. I will mention two, just for the sake of illustration. I do not give them because they are in my constituency, although of course it is my duty to attend to them first. There is a railway starting from Montreal and crossing the whole county of Terrebonne and the northern part of the county of Labelle. It was built some fifty years ago between Montreal and St. Jerome, and extended northwards, from time to time. It has opened up that country for settlement and established a tourist traffic which is now the main source of living of the farmers in those communities, because the land there is rather poor, and it is only by means of the tourist traffic that they can make a living. The terminus of that railway is now at Mont Laurier. New parishes have opened up, further north, and they are now awaiting railway transportation. They have been petitioning the Canadian Pacific Railway Company for the last ten or twelve years to have that branch line extended, but the Canadian Pacific Railway Company, no doubt for good business reasons, has so far deferred the extension of that branch line. Here is a case where the intention as expressed by the Prime Minister yesterday might hasten the construction of a work of that kind; it would furnish employment and provide relief, and further it would continue to have good results. That is what I had in mind when I suggested generally to the Prime Minister that in starting public works, not, of course, with a view to solving the whole problem, but rather as a palliative to the evil from which we are now suffering, the government should see to it that so far as possible the expenditures be made on works that will be fruitful in the future.

In that regard I suggest, not because of its application to my constituency but because of its general application to conditions throughout the country, the danger there would be in fostering too much under this legislation the construction of highways and the development of motor traffic at the expense of railway traffic. Here I am not expressing an extreme view. I am simply expressing the view which was developed—not having regard to this legislation especially, but in view of the general economic problem—by the Montreal Gazette in its issue of yesterday. It comments upon a resolution passed by the Trades and Labour Congress, at that same sitting at which they passed the resolutions in regard to unemployment which were read in this house by the Prime Minister. The Gazette calls the attention of the country and of parliament to the tremendous change which is taking place in traffic by reason of the increasing competition of motor traffic as against railway traffic.

To come back to the local situation in my constituency, for the sake of illustration, may I point out that when the people in the outlying parishes who had no railway communication succeeded in obtaining from the provincial government a subsidy for the building of a highway, once they found they had a good road right through to Montreal they developed a motor traffic which not only has diverted from that branch line of the Canadian Pacific Railway the traffic which it would have attracted under normal conditions, but has become so profitable that the traffic receipts of this branch line—the Laurentian branch—are going down at every station, partly, of course, because of the inevitable evolution of things, but partly because the railway company forgot the repercussions that the building of that ten or fifteen miles of highway would have on its general traffic. I am sure that similar conditions prevail to-day in many other parts of the country. This parliament is more concerned with the maintenance of the railway traffic of Canada than it is with the maintenance of the motor traffic, which springs up because of local needs. The Prime Minister was clear in saying that he did not wish to take away authority from the provincial governments in respect to the building of highways. Here in this parliament we are primarily concerned with the maintenance of our great railway system. When we took over the old Grand Trunk, the Transcontinental, and the Mackenzie and Mann system, and amalgamated them to make the great Canadian National railway system, surely we undertook to enhance the financial and traffic conditions of that system for years to come. Surely we should not embark upon any other transportation venture or encourage any other form of transportation that will work to the

detriment of the national railway system or of the Canadian Pacific railway system. On the contrary, I think, we should encourage those two great systems to develop so as to give better opportunities to the regions that are not yet provided with railway transportation, and provide a better service in other parts of the country. We should see to it that conditions are made better in the small centres of settlement and of trade, that they are not altogether dependent upon motor traffic.

There is a branch of the Canadian National Railways which crosses the county of Two Mountains, the county of Terrebonne, the county of Argenteuil, and finally ends at a small centre in the county of Labelle, St. Rémi d'Amherst. It is the old Montfort colonization railway and has been there for years and years. That railway might be extended, thereby bringing traffic, present and future, to the railway and giving work to the population in the district, giving work to some of those now in Montreal who are unemployed, and at the same time helping in the opening up of land and the exploitation of the forest. In that respect, I would like to mention a resolution, which I shall later submit to the government, which was recently adopted by one of the municipal councils in the district, urging the government, in view of the present situation and general conditions in these communities, to have the Canadian National Railways proceed with the extension of that line.

With regard to agriculture, I do not wish to say much except this: As has been well said by the Prime Minister and others, all these things react upon one another. If you give work to somebody, then that somebody will have more purchasing power, and will buy more food and clothes and other things. Likewise if you help the farmer, the farmer will spend more money in the towns, which will be for the benefit of the industrial labourers.

With regard to the dairy industry, which occupied such a prominent place in the last campaign, I do not wish to say much, although I think I put up the best possible defence for the late government in that regard, showing how conditions have changed since the treaty was made with New Zealand, and how new conditions had arisen which were entirely foreign to the conditions with regard to New Zealand butter. I mentioned the other day a declaration by the present Minister of Agriculture to the effect that he would encourage the export of Holstein cows to the Argentine republic. There is something which would have to be carefully thought out before the action contemplated is put into operation. It would enter into the general scope of what has been mentioned frequently by the Prime Minister and some of his colleagues as justifying their protective policy. The exportation of cows to a country which is building up a dairy industry in competition with ours is just as bad policy as the exportation of raw material to a country which will make use of that raw material to manufacture goods and send them back to us. So far as agriculture is concerned, in connection with unemployment, the truth is contained in one of the resolutions of the Employment Service Council that the government be asked to direct and favour the export of our farm goods in a condition that will bring the greatest profit to the producers.

Now, that applies not only to goods exported abroad, but to goods consumed at home, sent from the farm to the city. One of the deep causes of the economic sufferings, in Canada especially but in many other countries as well, is that on the one hand the farmer does not receive enough for his product, and on the other hand the dweller in the city pays too much. Intermediaries, too many of them; illicit profits, perhaps. I do not think it is illicit profits so much as lack of scientific orientation of the problem of transportation on a small scale from the farm to the railway station, then through the railway to the city purchaser, and from the city purchaser to the consumer. Time is lost, money is lost, a quantity of the produce is spoiled on the way, and thereby what remains to be sold to the consumer is paid for at a price more than it is worth. Because, after all, the consumer has to reimburse not only the price paid by the seller to the producer but also all those losses on the way; he has to make good in purchasing what is eatable the loss of what is thrown away because it has become unfit for human consumption. Last spring, or the year before, I read that out of one of the great cold storage plants in Canada thousands of dozens of eggs had been thrown away because they had become rotten through being held too long in storage. During that same winter the poor labourer in Montreal had been paying seventy-five and eighty cents a dozen for eggs. While the farmers were complaining that on account of New Zealand competition they were compelled to sell their butter at only twenty-four cents a pound, the poor people in Montreal —whom we are going to relieve partly by alms and partly by work—were paying for that

same butter thirty-five and forty cents a pound; that is, eleven to sixteen cents more than the price prevailing about twenty miles from Montreal. Surely there is something in this which is entirely wrong, and should, and could be corrected. I hope that in the application of this measure of relief the government will not be seduced by the idea of making only a big display—building long stretches of road which will be very costly, which will give work only to a few people, which will complicate, as I have demonstrated, our problem of transportation generally, which will not improve the financial situation of our great railway concerns, and which at the same time will be entirely against that timely suggestion of the Employment Service Council that we should employ people as near as possible to their place of abode, which as everybody knows, apart altogether from sentiment, from the purely economic point of view, represents a great saving on the part of labour and on the part of the government. Suppose to relieve unemployment in the city of Toronto the government helps to take three or four thousand unemployed there and transfers them to the boundary district between Ontario and Manitoba to build a road; the work of those men will cost the provincial and the federal governments ten times as much as if they were employed at home.

Let the government stick as closely as they can to that suggestion: employ people in their natural sphere, where they can be in touch with their families—give work to the father in order that he may nourish his wife and family. Let them see that this money is well employed in small things in which neither politicians, contractors nor anybody else will be interested in making a display. The Prime Minister is right, and in that I am prepared to uphold him. This is not a situation to be met by legal quibbles. At the same time he knows human nature well enough, his own nature and mine and that of his friends, to realize that the portion of this money which will be used in large expenditures will result in a greater percentage of loss than that portion of it which will be used properly and modestly in every corner of the land according to the real needs of the poor people who are waiting for it and who have nobody to speak for them. Like the member for Muskoka-Ontario, I raise my voice in favour of the unknown. Much has been said about the unknown dead soldier. Well, I raise my voice in the name of the unknown men, women and children who have nobody to represent them, who have nobody to talk for them in the name of this or that party, or this or that company, while actually waiting for relief from parliament. If the government are prepared to do that, for my part I am prepared to give them ample opportunity to do it, deferring until next session an inquiry as to whether they have fulfilled their duty as the people of Canada expect them to do.

Mr. HEENAN: I confess, Mr. Chairman, that I cannot follow my hon. friend from Muskoka-Ontario when he takes the position that an unorganized territory is entitled to more consideration from this parliament than one that is organized. For my part I want to assist the Prime Minister and the government in getting through this vote; I only want to see that the money is expended in a proper way and under fair conditions. Yesterday afternoon I put a question to the Prime Minister with respect to fair wages and conditions of employment. I want to point out to him now that the bill we passed last session does not provide for fair wages on works aided by federal grants; but the resolution that was passed in 1900, providing for fair wages and conditions of employment on public works, contains this paragraph:

> It is hereby declared that the work to which the foregoing policy shall apply includes not only work undertaken by the government itself, but also all works aided by grant of Dominion public funds.

I would ask the Prime Minister when this bill is being prepared to see to it that provision be incorporated to ensure that those who secure the grants shall pay fair wages and give proper conditions of employment.

Mr. BENNETT: So far as our own expenditures are concerned, Mr. Chairman, they will be governed by the statute and regulations. So far as the provinces are concerned, we have no control over their expenditures.

Mr. HEENAN: I do not think the Prime Minister was listening to me.

Mr. BENNETT: I heard the paragraph.

Mr. HEENAN: The resolution passed by this parliament in 1900 provides:

> That it be resolved, that all government contracts should contain such conditions as will prevent abuses, which may arise from the subletting of such contracts, and that every effort should be made to secure the payment of such wages as are generally accepted as current in each trade for competent workmen in the district where the work is carried out, and that this house cordially concurs in such policy, and deems it the duty of the government to take immediate steps to give effect thereto.
>
> It is hereby declared that the work to which the foregoing policy shall apply includes not

only work undertaken by the government itself, but also all works aided by grant of Dominion public funds.

What I am asking the Prime Minister to do is to consider whether or not we should apply that second paragraph in respect to any grants to provincial or municipal governments, in order to provide for fair wages and conditions.

Mr. BENNETT: I will look into it.

Mr. RALSTON: Could the Prime Minister be a little more specific in reference to the clause to which he referred in his answer to the leader of the opposition respecting employment of miners? He mentioned that a specific clause would be inserted in the bill which would assist in connection with miners.

Mr. BENNETT: I am afraid my hon. friend did not understand me. I did not say that a specific clause would be inserted. I read from the proposals in the bill with respect to that matter. It would be impossible to undertake to give specific information with respect to that question, just as it was impossible to give specific information in the order in council, which my hon. friends passed between the date of dissolution and the last election, with regard to the movement of coal from Alberta. That has to be dealt with in the most general way because it is difficult, as the officers of the department discovered when they undertook to deal with the matter under my hon. friend's government, to specify particular collieries or to specify distances. All that can be done is to endeavour to ensure that Canadian coal will be utilized to supply Canadian wants, for example, by the subventions given in that instance with respect to transportation. That has lapsed and I said yesterday that I hoped we might be able to make some arrangement that would ensure the utilization of Nova Scotia, Alberta and British Columbia coal to meet Canadian requirements. The matter is being negotiated and representations have been made on the basis of a fraction of a cent per mile, which I daresay the hon. member recalls was the basis of one order in council; and further negotiations are going forward in that regard.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. POULIOT: I have just one further question to ask the Prime Minister at the moment. He said yesterday that the government would be ready to advance some money to cover the interest on the amounts spent by municipalities on public works which the municipalities otherwise might not be prepared to proceed with for a year or two. In some provinces the borrowing of money by municipalities must be approved by the minister of municipal affairs; there is an amount fixed beyond which they may not borrow, and when the municipalities have exceeded their borrowing power, what can be done? Would it be possible for the government to advance money to the municipalities? I understand that it would be pretty hard for the government to guarantee the loans, because the law does not permit that. I would like the Prime Minister to say what could be done in such circumstances.

Mr. BENNETT: I used the illustration to which the hon. gentleman refers as suitable to illustrate the point I was endeavouring to make, that if a municipality contemplated doing something now instead of two years hence, in order to provide employment, it might be fair to assume that the extra expense to which they might be put by reason of anticipating the work should in part be a charge against this fund. I used that merely by way of illustration; I think it was a very fitting one in order to indicate what was in my mind. I trust that answers my hon. friend's question.

Mr. SPENCER: I should like to congratulate the government on recognizing that the problem of unemployment is to a certain extent a national question, sufficiently important to require the calling of a special session of parliament to try to solve it. I regret, however, that so little time has been taken during this debate in an endeavour really to get at the roots of this evil which is to-day increasing rapidly among civilized peoples. The Prime Minister has informed us that the granting of authority to the government to spend $20,000,000 is only a palliative, and I was very glad to hear him say so. However, if I understood him rightly, he told the house yesterday that the legislation which will be brought down with regard to the tariff is supposed to be a solution for the problem of unemployment. If I am wrong in my understanding I hope the Prime Minister will correct me. If he thinks this is going to be a solution, I regret to say I cannot agree with him. Either to raise or to lower the tariff is not a solution for this pressing problem which faces Canada and all other civilized nations. To increase it, especially

if any drastic changes are made, will probably do more harm than would be done by reducing it. No doubt an increase will affect industry for the time being; probably it will give industry and employment a spurt, but also it will increase costs; it will increase taxation; it will make trade more difficult, and ultimately there will be a reaction. Certainly it is not a solution for the unemployment problem.

In my opinion the main reason for unemployment, Mr. Chairman, is the mechanization of industry. We find it proceeding all around us, both in the factory and on the farm; we find it in Canada and in all other countries. We get away from it nowhere. That, in my opinion, is the most important subject with which we must try to deal. In itself this should not be an evil; it should give men and women more leisure, and surely that would not be a bad thing, but unfortunately in giving them leisure, or in forcing leisure upon them as has been done, large numbers of them find themselves unable to earn a living and without purchasing power. Therefore they cannot become customers for goods, and the result is bad indeed for trade generally.

There are other reasons why we have considerable unemployment at the present time. No doubt the short crop last year had something to do with it. We expected a much larger one than we had, and we were so unfortunate as to have a crop some two hundred million bushels smaller than we had anticipated, owing to the unfortunate severe drought in western Canada. Large numbers of men were thrown out of employment for this reason. I might also refer to the fact that immigration was being carried on, and had been carried on for many years, more or less without restriction. To that extent at least we must blame the last government, but we must not blame the late government any more than we blame those who were in opposition to them, for both sides of the house supported the policy that was being pursued by that government. For some years, we in this corner of the house advocated restriction, and I am very glad indeed to see that at last restrictions are being placed on immigration. It stands to reason that if almost every job in the country is taken up and more people are brought in, the unemployment situation is bound to become worse.

There is one other reason why we have a very serious condition of unemployment at the present time, and that is because of the severe drop in the stock market last year. I have been informed that Canadian stocks dropped to the extent of some five billion dollars, and this must have made an enormous difference to the construction and improvement plans of various people throughout the country. However, we may not—and we all hope we will not—suffer again from such severe setbacks for some years to come. We hope we will not have such another short crop; we sincerely hope we will not have another such loss with regard to the stock market, and owing to the change of policy with regard to immigration I hope we will not suffer from any of these three factors which I have mentioned.

The first of the factors I mentioned as contributing to unemployment is the one to which I should like to devote some little time now; I refer to the mechanization of industry which has been going on in the past and which is proceeding rapidly at present. With the aid of scientific inventions we are very rapidly transferring the load from the shoulders of men to machines, and in doing so, as I have said before, we are creating a problem. I think we must admit that the pay roll of the people is largely the purchasing power of the people, and if through the mechanization of industry you dispense with some twenty-five per cent of the labour needed in a factory, that twenty-five per cent, until they get jobs elsewhere, will be lacking in purchasing power and will have to draw on those who have some purchasing power left in order to obtain the absolute necessities of life. In doing so they will reduce, to the extent of the assistance they obtain, the purchasing power of the remainder of the people. With regard to the money that is paid in the cost of production, I think I am correct in saying that all the money paid out in the cost of production of goods will not meet the price of the goods when they are offered for sale. Money paid out in the cost of production includes all wages, all salaries, and all dividends, but when you come to the matter of prices you not only include all costs, such as wages, salaries and dividends, but you add profit as well. You cannot make X buy X plus Y. What happens under the circumstances? We find a big gap between the goods produced and the money at liberty to be spent in the purchase of those goods, mainly because a large portion of that money paid out is reinvested in capital investments and otherwise, and is not spent to purchase the goods manufactured. Therefore we have a large deficit between the goods produced in a given time and the money available to purchase those goods. The usual procedure followed in trying to meet

this situation is to go to what you might call the credit agencies—commonly known as banks—and lodge collateral against a loan. That loan is drawn upon and in that way the future is mortgaged. The money is made available for the time being to buy some of the goods which have been left over, but unfortunately interest is chargeable on that loan and this interest cannot be paid in goods. If at a certain date the loan is not met, further loans have to be made to pay the interest on the loan already arranged for. Other means are adopted to try to get rid of this surplus of goods. The export market is spoken of because we have not sufficient money in circulation to purchase the goods already made. However, we are not the only country in this situation; all the civilized countries of the world are doing exactly the same thing, and while we are trying to export our goods to other countries they are trying to export their goods to us. Each country attempts to set up barriers of trade in order to stop this exchange of goods. This economic war goes on and it will continue no doubt until we have either internal trouble or external war. If we have not sufficient money with which to purchase the goods already manufactured, how can we pay for the imports we get in exchange for goods sent out of the country? I would like to quote from the English paper, The Age of Plenty, which says:

> The amount of money in circulation to-day is not sufficient to purchase one-fifth of the goods we are able as a nation to manufacture. The present money system places industry and the people in a strait-jacket, leaving no room for natural expansion. This is a condition of not being able to buy what is and could be produced in all modern countries. Hence, the struggle for foreign markets; hence, trade warfare which engenders military warfare; and wars will continue as long as the present false money and economic system lasts.

There is a similarity between the causes of unemployment and the causes of war. The more goods manufactured under the present system, the more unemployment we are likely to have. The more machines put in the factories and on the farms to produce more goods per man, the more difficulty will be found in regard to the employment situation unless the present system is altered. When you solve the unemployment problem, which is a purchasing power problem, then you have not only solved that problem but you have also solved very largely the problem of warfare. Whether or not we like to admit it, the world to-day is largely a unit; we are interdependent upon one another. If we take the world as a unit we find that we have all sorts of raw materials, and at the same time millions of men and women willing and able and prepared to turn the raw material into finished products. If we have the raw material and the skilled labour to turn out the finished product, why is it that three-quarters of the world is having difficulty in making both ends meet? Why is it that a large amount of poverty and privation exists? If we have the raw material and the men and women able and prepared and skilled enough to turn that material into finished products, why should we not have a medium of exchange—that is all that money should be—which will make it possible to transfer all the necessary goods and services from the producer to the consumer? If that cannot be done under our present system because money is being made our master, then it is time that we change that and make it our slave.

I was much interested yesterday in listening to the hon. member for Wetaskiwin (Mr. Irvine) outline very ably his ideas on this subject. I entirely agree with what he said but I regret that the Prime Minister did not see fit to give more consideration to the suggestion offered. However, he did promise to give it some consideration and I sincerely hope that he will do so.

I would like to quote again from The Age of Plenty as follows:

> Our immediate task is to replace the present irrational monopolistic money system with one based upon modern scientific principles, for it is to the money system that we must look for the cause of the nation's and the world's difficulties. To look elsewhere is a waste of time and a delusion.

In replying to the hon. member for Wetaskiwin the Prime Minister inferred that it would be unwise to issue certain moneys direct as was done by a former administration because it was very necessary to have a certain basis of gold behind our monetary issue.

Mr. BENNETT: I should have mentioned the war conditions which prevailed.

Mr. SPENCER: I will accept that additional explanation. I would like to point out that there are four ways of raising money: by direct taxation, by the issue of dominion bonds, by treasury bills, or by the direct issuing of money. The principle of always having a certain amount of gold as collateral for our currency is not always closely adhered to. I would point out that a few years ago the bankers of Canada made use of the Finance Act and lodged various securities—not gold—with the Treasury board and raised a sum equal to $123,000,000.

I understand in the issue of Dominion notes it is expected that a certain percentage of gold will be held if necessary. Very often however Dominion notes are issued through the treasury board under the Finance Act and the same consideration is not necessary. When for instance this country issues a large amount of bonds I am not aware that before issuing say $100,000,000 or $200,000,000 worth we make sure that we have a certain amount of gold behind those bonds. If we raised money by treasury bills, which is nothing more or less than a common note, except for the fact that it is issued by the Dominion government, do we put gold behind those treasury bills? I do not think so. The banker considers that the word of Canada is quite good enough, he considers that the credit of Canada is security enough and he will advance credit against the promise of the country to pay. The country in turn makes the payment by raising money by taxation. In conclusion I would like to ask the Prime Minister, if in consideration of taking this $20,000,000 out of the consolidated fund to meet the unemployment situation or to relieve it in some way, we find at the end of the fiscal year that we are $20,000,000 short, how does he suggest to make up the deficit?

The CHAIRMAN: Shall the resolution be adopted?

Mr. SPENCER: Would the Prime Minister give me an answer?

Mr. BENNETT: To my mind the matters which the hon. gentleman has discussed might very well have been considered during the progress of the debate on the tariff resolutions. In so far as the question of the emission of paper money by this country without reference to the gold reserve is concerned I certainly am not prepared to take any action at the moment. As I said yesterday I will read in Hansard the observations made by my hon. friend from Wetaskiwin and the hon. member for Battle River, and I shall be ready to discuss it with them on some future occasion. However so far as the present moment is concerned, having regard to the position that this country must take amongst the countries of the world I certainly would not be prepared to ask parliament to agree to the emission of legal tenders by the Dominion without having behind it the ratio of gold reserve which is essential to give it value in the market places of the world.

Mr. SPENCER: If, as is possible, we may have a deficit of $20,000,000 at the end of the fiscal year, and the government sees fit to issue a bond or bonds to make up that deficit, would it be necessary to enlarge the gold basis to take care of that extra advance of bonds?

Mr. BENNETT: As the law now stands it would not be necessary to modify the gold basis in any sense for the purpose of emitting bonds. If legal tenders are emitted the ratio between the thus increased legal tender issue and the gold reserve would have to be modified by the addition of more gold. At the end of August I think there was in the reserve $8,000,000 in excess of the amount of gold which is regarded as being reasonably necessary for the purpose of maintaining our credit in the market places of the world. On some other occasion I should be glad to discuss the matter, dealing with the whole problem of the emission of legal tenders in connection with the payment of the loan to the Canadian Northern Railway of that time, and the Grand Trunk Pacific. In one case the amount was $45,000,000, and if my memory serves me correctly the amount was $10,000,000 in the latter case. Part of that issue has been absorbed and retired. I am told the larger part of it remains as part of the outstanding legal tenders of the country against which the gold reserves are applicable under the provisions of the statute in that regard.

Mr. VALLANCE: I was interested in the remarks delivered a few days ago by the Prime Minister. At page 61 of Hansard he is reported as follows:

> As soon as we took office, which was on the evening of August 7, we immediately set in motion machinery to enable us to secure such information as was procurable as to the extent of unemployment in Canada.

Then the Prime Minister goes on to tell about sending telegrams to the various provinces asking for the calling together of the Employment Service Council of Canada. When that council met it made ten or twelve recommendations to the government. If hon. members will read the resolution which is now before the house I think they will find that it is embodied in the first recommendation of the council. I think the Prime Minister has been well advised in framing the resolution in this way, but I would like to ask him if he will give the same attention to the tenth recommendation of that committee, which reads as follows:

> That the federal government give all possible encouragement to the efficient marketing of Canadian grain, farm produce and other primary products.

I have no doubt that the Prime Minister is in a position to tell this house and the farmers of western Canada what he proposes

to do in this regard. I ask him to do so because to-day we find the purchasing power in connection with agriculture almost entirely eliminated. Just prior to leaving the west I was in the town of Revenue in middle western Saskatchewan, and in that place I found No. 1 feed wheat selling in the pool elevator with an initial payment to the farmer of 3½ cents per bushel. A farmer could not begin to pay his threshing bill with that payment. I found the first payment of 9 cents paid through the pool for barley. I was informed by the member for Willow Bunch (Mr. Donnelly) that he had received a wire from Abernethy which showed that for a carload of rye shipped from his farm to the head of the lakes he received a large cheque amounting to $3. If the farmer can get only $3 for a carload of rye he certainly cannot buy goods. Because of that the manufacturer of the goods is not manufacturing them.

I notice that the Minister of Agriculture while at the Toronto Exhibition made the statement that he was out at all times in the interests of Canadian agriculture. I wish to congratulate him upon that statement. Naturally the farmers of Canada expect their Minister of Agriculture to take that attitude. He stated also that he was attempting so to arrange it that we could dispose of some of our surplus dairy cows by sending them to the Argentine. That point was touched on to-day by the member for Labelle. Those of us who had the privilege to sit in the last parliament will remember that the opposition pointed out that the dairy cow did not hold the position in Canada at that time that she has held under previous administrations. Now they propose to create a worse condition by shipping the dairy cow out of Canada. However, I see that the Prime Minister is anxious to speak.

Mr. BENNETT: Oh no.

Mr. VALLANCE: I would like to ask the Prime Minister on behalf of the farmers of western Canada if he has any suggestion to make in regard to the tenth recommendation of the council which he called together.

The CHAIRMAN: Is it the pleasure of the committee to adopt the resolution?

Mr. VALLANCE: Surely the Prime Minister, after calling that conference together, is in a position to tell the farmers of western Canada, indeed, of all Canada—and the farmers form a large proportion of the total population of this country—what he thinks with regard to a recommendation of that kind, even if he cannot carry it out.

Mr. REID: I would ask the Prime Minister a question that affects the municipalities. Large sums of money have already been paid out this year by some of the municipalities in my constituency to help the unemployed and for the relief of distress. Municipalities, as many hon. gentlemen know, receive the bulk of their taxes direct from land taxation, the burden of which is now oppressive and causing many to forsake their holdings. As a matter of fact, the six municipalities that I have the honour to represent have liabilities of well over six millions of dollars. Municipal councils are restricted by statute as to their spending, being limited to the amount of taxes received or to the tax levy for the current year only. Further, the provincial government cannot lawfully spend money on municipal roads, its efforts being restricted to classified highways only. That is the practice in British Columbia. In view of the fact that fall and winter are fast approaching, with a consequent increase of unemployment and distress, and in view of the further fact that municipalities now find themselves with their restricted finances depleted, if not entirely gone, I would respectfully ask the Prime Minister, how are these municipalities going to take care of their unemployed from now on, and what procedure must they adopt in order to participate in this expenditure of $20,000,000, in view of all the circumstances which I have just stated? This is a very important matter to the constituency of New Westminster, and I should like to have an answer from the Prime Minister.

Mr. YOUNG: This proposal to take $20,000,000 of the taxpayers' money and spend it on public works and other things to relieve unemployment is fundamentally unsound. It will not relieve unemployment. It will not relieve the smallest fraction of unemployment. After you have done all this work, you will find more unemployment in the country than you had in the beginning.

What is the cause of unemployment? The hon. member for Wetaskiwin explained it very clearly the other night. He explained that the real cause of unemployment is that the people have no purchasing power. Why are our factories idle? Because people are not buying goods. Why are our transportation companies laying off their men? Because people are not buying goods. Why are our merchants laying off their clerks? Because

people are not buying goods. The people have no purchasing power; they are not purchasing goods. If the people had purchasing power and every man had money in his pocket, would there be any unemployment? It is all nonsense—

Some hon. MEMBERS: Hear, hear.

Mr. YOUNG: I am glad that my hon. friends recognize that their legislation is nonsense. I say it is all nonsense to talk about the over-production of goods. You cannot tell me that there is too much food in the world when half the world's population are normally underfed. You cannot tell me that there is too much clothing in the world when most of us are shabby and down-at-heel. You cannot tell me that there are too many houses when a large percentage of the people are inadequately housed. The trouble is that the people have no purchasing power, and the only remedy for unemployment is to increase the purchasing power of the people. Every measure you adopt that will increase their purchasing power will help to relieve the unemployment situation, and every means that you take to decrease that purchasing power will only aggravate the situation.

What does the government propose to do? To take $20,000,000 out of the pockets of the people of this country and spend it on public works. When the Prime Minister spends a dollar in building a highway in one part of this dominion, he may create one dollar's worth of employment where he spends that dollar, but he will create a dollar's worth of unemployment where he collects that dollar. The man from whom he collects that dollar will have just one dollar less to spend at the corner store; the merchant will have one dollar less with which to buy goods from the wholesaler; the wholesaler will have one dollar less to send to the manufacturer, and the manufacturer will have one dollar less with which to employ labour to make the things that that man would have bought with his dollar. So I say that for every dollar's worth of employment that you create in one part of this dominion, you create a dollar's worth of unemployment in another part. I go further and say that you create more unemployment than you remedy, and for this reason: You are going to take $20,000,000 out of the pockets of the people. You are going to diminish their purchasing power by $20,000,000. Are you going to spend the whole of that $20,000,000 in wages? No, you are not. You are going to build highways. To build highways efficiently you need expensive road machinery. Most of it will come into this country from the United States.

Some hon. MEMBERS: Oh, no.

Mr. BELL (Hamilton): Not under this government.

Mr. YOUNG: It is quite conceivable that my hon. friends opposite would be willing to hold up the construction of all these roads until they had built factories in this country to turn out the machinery that was necessary to build the roads. I say that a lot of this machinery will come in from the United States.

Some hon. MEMBERS: No, no.

Mr. YOUNG: When that machinery crosses the border, the Minister of National Revenue will insist upon his share of that $20,000,000 and duty will have to be paid on that machinery. So there will be less money available to spend on unemployment than you take from the people.

An hon. MEMBER: Well, well.

Mr. YOUNG: Well, well, yes. You will have decreased purchasing power and increasing unemployment. The proposal of the government is to take more money out of the pockets of the people. The whole trouble is that too much money has been taken out of their pockets already.

I want to say a word to the Prime Minister. I presume that it is his intention that as large a percentage as possible of this $20,000,000 shall be spent directly in wages for work done, and as little as possible in other ways. Is that correct? I presume that that is what he is going to do. The less he spends on other things, the more he will have available to spend on wages for working men. So I ask him this question: In order that that desirable end may be attained, would he be willing to permit all the material and equipment required to carry on these undertakings to come into this country duty free?

Mr. ERNST: Would you?

Mr. YOUNG: Sure I would. I will go further. Judging by the speeches of my hon. friends during the campaign, we are confronted with a national calamity, or at least a crisis. What did other countries do when confronted with a crisis? What did Japan do at the time of the earthquake? In order to permit relief to get into the country to those who needed it, she threw down her tariff barriers. What was done when we built the Canadian Pacific railway? The same thing. Why not do it now, why not

allow the goods you require to carry on these public works to come in duty free and leave more of your money available to pay wages? Why not do it? You have precedents all over the world to warrant it.

Mr. RALSTON: Mr. Chairman, just before recess I asked the Prime Minister with regard to assistance to encourage mining operations. At the moment I had not Hansard in front of me. I now find the reference which I had in mind in Hansard of yesterday. The Prime Minister said:

> An effort will be made through another clause, to which I direct attention, to ensure mining operations being carried on upon such a scale as will ensure employment for miners, coal miners, at any rate.

I understood my hon. friend this afternoon to say that this other clause to which he referred really meant an order in council for the extension of the test rate from west to east.

Mr. BENNETT: We have not passed any order in council. What page was my hon. friend reading from?

Mr. RALSTON: Page 84, near the bottom of the first column.

Mr. BENNETT: I thought I had read the clause, but apparently I had not.

Mr. RALSTON: Is it in the bill?

Mr. BENNETT: Yes.

Mr. RALSTON: Would it be in order for my hon. friend to read it now?

Mr. BENNETT: I think it is in the resolution about assisting in defraying the costs of distribution.

Mr. RALSTON: It is not in the resolution.

Mr. MACKENZIE KING: It is "etc." in the resolution.

Mr. LAPOINTE: It is included in the "etc."

Mr. BENNETT: Here it is:

> Assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine.

Mr. MACKENZIE KING: That is in the bill?

Mr. BENNETT: Yes.

Mr. RALSTON: Is there any other form of relief covered by the "etc." which is not referred to specifically in the resolution?

Mr. BENNETT: I would suggest in view of all that has transpired that the quicker we get to the bill the more readily we shall understand its terms.

Mr. RALSTON: I submit, with deference, Mr. Chairman, that we are concerned to know whether this measure relieves those engaged in various vocations throughout this country. My hon. friend has quite rightly suggested that it is relief as a whole. At the same time, we are all concerned in the different vocations of the people in the localities from which we come. I am referring at the moment to the mining population.

Mr. BENNETT: The mining, or the coal mining population?

Mr. RALSTON: The coal mining population particularly. My hon. friend referred before recess to the order in council which had been passed. There was an order in council passed, but I understand it simply extends the test rate on coal moving from west to east. Do I understand that the assistance in transporting natural products referred to in the bill will be assistance of that sort, that is, a cheaper rate for moving fuel from the east to central Canada and the west?

Mr. BENNETT: I tried to make it fairly clear, Mr. Chairman, that I was not undertaking to exhaust the means by which efforts would be made to relieve the situation. The situation as a whole is being considered, and whatever may be necessary or requisite to meet that situation, we will endeavour to do. I tried to make it clear that I was not attempting to indicate all those avenues of effort; to do so would be absurd.

Mr. RALSTON: But I want to ask about one avenue of effort, that is, whether one of the means to be adopted to assist coal mining will be the inauguration or the continuance of cheap rates from the east to the west. I think that is a fair question.

Mr. BENNETT: It might or might not be, depending on whether some other means might be preferable to that.

Mr. RALSTON: I asked my hon. friend if it was the intention of the government to adopt that as one of the means.

Mr. BENNETT: I have answered that question.

Mr. RALSTON: I submit, Mr. Chairman, that my hon. friend has not answered it. He has simply intimated that it might or might not be.

Mr. BENNETT: Depending upon circumstances whether any other methods were more beneficial.

Mr. RALSTON: May I take it that a decision has not yet been arrived at by the government as to the methods to assist the coal mining situation?

Mr. BENNETT: That is perfectly clear.

Mr. RALSTON: I want to call my hon. friend's attention to another situation. He referred this afternoon to the precedent which, he contended, had been established in the voting by this parliament of moneys for the purposes of the Canadian National Railways. I think my hon. friend forgets that we are dealing with two situations: one a situation in which this government will directly spend and have supervision over the spending of the money; and the other, a situation in which this government will vote money to be used by the provinces in connection with works which they are carrying on. In the one case there is supervision because this house might ask the government to bring down contracts and papers with regard to the particular project which is being carried on; in the other case, so far as the committee has heard, there is no supervision, the government shedding its responsibilities the moment it makes the grant to the province. In that connection, I submit to my hon. friend that the analogy of the Canadian National Railways is not quite valid. Perhaps on reflection my hon. friend will remember that the Canadian National Railways president and directors submit to a special committee of this house a detailed list of the estimates and of the items to be contained in those estimates. Perhaps he will remember two or three years ago a rather spirited and long drawn out debate in which both he and I participated with regard to one particular item in those estimates?

Mr. BENNETT: I have the estimates beside me.

Mr. RALSTON: I am talking about the estimates which are submitted to the special committee.

Mr. BENNETT: I have also looked at the report of the special committee.

Mr. RALSTON: I am saying that there is submitted to the special committee for its perusal a list of the expenditures which it is proposed to make, and the committee has an opportunity to peruse that list and pass on it. That is not so, as I understand, in regard to the legislation now before us. That special committee also has an opportunity of examining the officials of the railway and going fully into all matters which have to do with the proposed expenditure, and it is composed of members from both sides of the house, who in the last two or three years have made unanimous reports.

Mr. STEVENS: Those details are not submitted to the committee.

Mr. RALSTON: I understand they are.

Mr. STEVENS: They are not.

Mr. GEARY: They could not be.

Mr. STEVENS: The report of all their expenditures and appropriations is discussed, no doubt, but the details of the proposed expenditures are not.

Mr. RALSTON: I am quite certain, my hon. friend the Minister of Trade and Commerce to the contrary notwithstanding. I know he has attended that special committee, but I feel satisfied that the president of the Canadian National Railways attends with his detailed estimates, prepared to give any information which the committee desires in that respect. That is very different from the situation which is presented here, when we are asked to vote a blanket sum of $20,000,000, and when it is suggested that we should leave it absolutely in the hands of my hon. friends opposite to make grants as they see fit to provincial governments over the expenditure of which we have no supervision. As intimated by my friend the ex-Postmaster General (Mr. Veniot), that possibly may be allowed in connection with expenditures to be made by this government direct, because of the fact that we can ask them for returns with regard to contracts and the expenditures which have been made. But I do submit that something further is needed in connection with provincial expenditures to be made under this legislation. We are simply voting money to the provincial authorities, and I want to submit one or two matters of principle which might well be considered in relation to the bill.

The first is this. With regard to the projects which are proposed to be gone on with, as I understand it the province may make application for assistance in connection with a highway, a railway or any other description of public work, any project whatever, probably provincial buildings, if that were thought desirable. I suggest, therefore, to my hon. friend that the details of any such project should be submitted, and that no blanket amount should be granted to any provincial government or any other authority without the submission of such details. And those

details should be a matter of record in the government department concerned, which in this case, I understand, is the Department of Labour.

Secondly, my hon. friend should be able to give to the committee some indication of the maximum proportion which it is proposed that this government shall contribute to any project which it is contemplated will be carried on by the provincial government. In other words, will this government contribute one third, or a half, or up to 75 per cent? Can we have any assurance with regard to that matter? I will pause to enable the Prime Minister to reply.

Mr. BELL (Hamilton): It has all been discussed already.

Mr. RALSTON: Then I should be glad if my hon. friend would tell me.

Mr. BELL (Hamilton): If my hon. friend had stayed in the house he would have heard it discussed.

Mr. RALSTON: I have stayed in the house and I have not heard any suggestion as to the proportion of the cost of any project which will be contributed by this government. If my hon. friend will tell me I shall be glad to hear it.

Mr. BELL (Hamilton): If my hon. friend has not heard it he has not listened.

Mr. LAPOINTE: What is it? Tell us.

Mr. RALSTON: A third suggestion I would make is this: that in connection with any expenditures which are to be made to any vote which is given to a provincial government, there might well be attached thereto some condition to the effect that returns with regard to that expenditure shall be made in such form that they may be laid on the table of the house if required to show how the money was spent and who benefited. In other words, it should not be enough simply for the government to vote the money to the provincial government and have the provincial government make the expenditure in whatever way it likes, this government afterwards coming to the house and declaring, "We made this expenditure and we have the provincial government's receipt". It must be remembered that through this legislation we are voting $20,000,000, every cent of which may be handed over to some other jurisdiction and regarding which there is no supervision whatever on the part of this house. Contracts may be made, and expenditures incurred, and we shall not be able to get the papers bearing upon such expenditure; we shall know nothing about them, except that the government can say, "We paid out the money".

Mr. MACDOUGALL: What stand did my hon. friend take with regard to old age pensions?

Mr. RALSTON: I do not know what that has to do with the subject under discussion, but the money paid in old age pensions is specifically earmarked for pensions and there is a definite limitation of fifty per cent. That is the principle I am enunciating now.

Mr. MACDOUGALL: And this is earmarked for unemployment.

Mr. RALSTON: Further, I want to point out to my hon. friend that he is dealing with a situation which perhaps is quite different from any other which has confronted us before. Record has been made of the many statements which were made in the last election with regard to the proposals of this government, and those proposals involve this: that the federal authority should tax, under the federal right of taxation, and should raise large sums of money by revenue, and that this money should be paid over, a receipt being taken, for various purposes: first, for old age pensions; secondly, for highways grants; third, for aids to agriculture; and now, fourth, for relief. I think my hon. friend must realize that we are carrying things pretty far when we find the taxing authority residing in this house while the expending authorities are independent bodies in every province, all that we are doing consisting in voting the money.

In that connection I wish to direct my hon. friend's attention to an important fact. We know that in relation to road moneys and matters of that sort there is political patronage. But this is an entirely different situation. The present project has for its purpose the relieving or assisting of the needy, and it does not make any difference what may be the particular political persuasion of such persons.

An hon. member this afternoon referred to the situation in New Brunswick. Let me say that so far as Nova Scotia is concerned I believe the Prime Minister wants to be delivered from his friends, and, to administer the fund fairly, I believe that he should consider setting up some machinery whereby the ordinary avenues of expenditure may not be used.

Mr. BENNETT: The harbour commission of Halifax?

Mr. RALSTON: I have spoken of political patronage and things of that sort, but I say that we are dealing here with another situation altogether; we are considering the question of relief. I should think that my hon. friend would be the first to realize it, and I hope the government will not—I do not think they will—allow this matter, to use the expression of a gentleman who is not now with us, to become a political football.

I want to show my hon. friend what does occur, and what will occur in connection with this fund unless he is careful to safeguard it. Here is a notice which appeared in the Antigonish Casket a short time ago:

> Notice—To Conservative committees—Mr. H. A. Rice, Canso, has the federal patronage in Antigonish and Guysboro county. Mr. Rice has appointed me to look after the patronage in Antigonish county.
>
> I request the Conservative committees in each district of the county to send to me their recommendations for all appointments in their district, such as old age pensions, mothers' allowances, changes in officials, road foreman, or any recommendations that are to be made. If the applicant applies through any other source it will be referred back to the district committee. —Hon. J. F. MacLellan.

This gentleman was a member of the legislative council. Now, I quote that to show my hon. friend the condition that exists in Nova Scotia, and I suggest to the hon. gentleman that he should take care to see that this fund shall not be so administered that the Hon. J. F. MacLellan may require anyone who is an applicant for a job in connection with the money which is voted under this bill to apply through the medium of his committees. It should be administered in some other way.

With regard to the miners, my hon. friend has been pretty general in his statements, but I want to refer him to an advertisement and a representation which was made to the people of Nova Scotia and particularly to the people of the island of Cape Breton during the election, in order to show him that he and his government are being looked to not simply for relief but for the thing which he definitely promised, and that is to "end unemployment," by providing "work for all who are willing to work."

Mr. ERNST: Be patient.

Mr. RALSTON: I thought my hon. friends would begin before long to ask for patience. They were quite ready to promise to have it done within three days after the election. Here is the advertisement, which appeared in the Sydney Post of July 25:

> Starvation? Last winter was bad. This summer is worse. When summer is bad, what will happen next winter? Starvation? The King government has brought us to this. Bennett will give you work, and give you work at once. He will call a special sitting of parliament, right after election, to deal with unemployment.
>
> This way—by cutting out U.S. and Russian coal and giving our miners more work.

I want to ask my hon. friend if there is any proposition before this house to shut out United States coal.

An hon. MEMBER: Wait and see.

Mr. RALSTON: I am waiting for the Prime Minister to say.

Mr. BENNETT: When the hon. gentleman has concluded his speech, I will reply, and not before.

Mr. RALSTON: I am asking the question, and the Prime Minister can answer it later, as to whether in the legislation which will be brought down there is any proposition to shut out United States and Russian coal. The advertisement continues:

> By cutting out U.S. steel, and giving our steel-workers more work. By cutting out New Zealand butter, apples, meats, etc., and giving our farmers a chance. By encouraging the neglected fishermen, and cutting out Japanese crab meat, etc., and giving our fishermen a chance.
>
> To bring this change about, a change from starvation to prosperity, we must have a change of government—from King's evil to Bennett and the blessings of more work and wages.
>
> **It concludes with:**
>
> Vote for the Conservative candidates
> Dr. Lewis W. Johnstone, Cape Breton North-Victoria.
> Finlay MacDonald, K.C., Cape Breton South.
> Isaac D. Macdougall, Inverness.
> Dr. John A. Macdonald, Richmond-West Cape Breton.

Note the promise, "He will give you work at once." That is one of the reasons why I asked my hon. friend whether anything really definite was being done with regard to the coal industry. He himself on various platforms deprecated the importation of American coal. Is he going to do anything about that importation of American coal? Is he going to shut it out? He has not even told us yet whether he is going to take Nova Scotia coal from the east to the west. There is an order in council in force now. Will that order in council be continued or extended?

An hon. MEMBER: It will not take nine years to do it.

Mr. RALSTON: If he does it he will only follow the example of those on this side of the house. We did it three years ago.

Mr. HANBURY: I should like to direct one or two observations to the Prime Minister. He and you, Mr. Chairman, probably are familiar with the situation which exists in Vancouver with reference to the interprovincial movement of the unemployed. Vancouver, because of its climatic conditions, has been feeding a large number of the unemployed from other provinces, and I should like to ask the Prime Minister whether he is giving consideration to some form of registration which would discourage such interprovincial movement. Then I should like to direct a further question to the Prime Minister, as to whether any portion of this sum of $20,000,000 is to be spent in advertising in Canadian newspapers in an effort to encourage the people of Canada to buy Canadian goods. I should like to ask the Prime Minister further whether he could furnish this house with information showing the total number employed in Canada to-day and the total number of hours they are working.

Mr. MACKENZIE KING: May I ask the Prime Minister a question? I am speaking now on behalf of this side of the House of Commons and on behalf of the country. Are the citizens of Canada to understand that the Prime Minister declines to answer respectful questions which are put to him in connection with this all important question of unemployment?

Mr. BENNETT: Mr. Chairman, the Prime Minister will follow the course that is usual in such cases; when the questions have reached a limit, although they have been answered once, he will answer them again, but he is not bound to answer everyone who gets up; it never has been done before, and is not going to be done to-night.

Mr. MACKENZIE KING: The last question addressed to my hon. friend was not asked before and is of a character different altogether from others that have been asked. My hon. friend was conversing with a colleague and was not even listening.

Mr. BENNETT: I heard the question and I can tell the hon. gentleman what it was, if necessary.

Mr. MACKENZIE KING: Will my hon. friend give a reply?

Mr. BENNETT: Yes, I will reply in due time, after I have heard the rest of the questions. I will do it all at once.

Mr. NEILL: Mr. Chairman, I will not fall into the error of asking questions, unless indeed I am prepared to supply the answer myself. I will not even ask for the return of my election deposit, which is long overdue, I may say, and badly required. As this resolution deals with unemployment in a very large way, I think I will be in order in referring for a few moments to the orders in council dealing with the restrictions on immigration. While this may not be entirely applicable to this resolution, its relativity can be seen by the fact that the orders in council were supposed to relieve unemployment, which of course brings it right home to the essence of this resolution.

I have the orders in council here, and I have nothing to say against them; they are quite all right; I applaud them, but they do not go far enough. They strike out certain sections which prevent a farm labourer from coming to Canada, although he has money enough to keep him; they prevent a female domestic from coming here in search of domestic work; they prevent a man who might be known as a technical man from coming into this country, and they prevent relatives so close as parents or adult children or brothers and sisters of people already here from entering the country. As I say, I have no objection to that; it is all to the good and should have been done by the late government, but they stopped short at that and did not deal with oriental immigration. Oriental immigration really means only Japanese immigration, because there is an exclusion act which deals with Chinese entirely and another act dealing with Hindus. The Japanese are to be allowed to come in, not in unlimited numbers it is true, but to the same extent they have been coming in for three or four years past, while these restrictions have been placed upon our white brothers and sisters from Europe and Britain. It may be said that the wording of the orders in council does not apply to Asiatics or to any race governed by convention or agreement as the case may be. The number of Japanese allowed to come in under what is called a convention or agreement is limited to 150 per year, but I would point out that that was put on as a restriction at a time when the white races could come in in unlimited numbers and when it was thought desirable to restrict Japanese immigration. The agreement was made limiting that immigration and the only reason why Japan agreed was because they did not like to be selected as one race to be excluded by name. The correspondence shows that they were agreeable to submitting to any restriction pro-

vided such restriction was shared by the white races; they did not like the suggestion of inferiority. I am quite sure that there would have been no objection from the Japanese government if this order in council had also prevented these Japanese from entering. Anyhow, the agreement is not for any fixed period, it is cancellable at any moment and it would have been quite proper to apply the same restriction to the Japanese as is applied to his white brother and sister. The labour people of British Columbia will not understand why the Japanese continue to come in to the extent of 150 per year when restrictions have been put on people of white origin.

I give the government all the credit due for the introduction of this resolution now before the committee, and I sincerely trust that it will be productive of benefit to those it is designed to benefit. I share the views expressed by the hon. member for Gloucester (Mr. Veniot) when he asked the government to assume the responsiblity for spending this money. It is a large sum of money and like the hon. member I am quite willing to trust the government with the spending of it. For one thing, we have not had any experience of their doing anything wrong and therefore we are entitled to suppose that they will do what is right. We will hold that belief until we know to the contrary. When they spend this money they are responsible to those who have furnished it, that is to this parliament. If within six months or a year from now we have any complaints to make as to the way in which the money has been disbursed, the government will be here to defend that expenditure or at least to assume responsibility, but if it is handed over to the provinces they can do as they like with it without any check being placed upon them. We who furnish the money would not be able to get at them; should we have a complaint to make in this house we would be told that it was very sad but it was the fault of the particular province. As I said before, we have no reason to believe that this government would misuse this money or apply it in an improper or partisan way, but we do know that the provinces are quite likely to use the money in this way. As far as the government of British Columbia is concerned, I could use up all my time in giving instances of this nature. It was a notorious fact, and one mentioned by the Conservative press, that all the resources of that province were marshalled largely by way of roadwork and similar expenditures in favour of the candidates of their party in the Dominion elections. One does not mind patronage so much when it concerns the higher positions, but we do mind it when it comes down to the ordinary, lowly worker on the road who has no other means of obtaining money to support himself and his family. It has been shown beyond doubt and contradiction that he has been forced to go to the secretary or president of some political association and obtain a ticket. He has first to join the association and pay one dollar, and I have often advised them to go and pay that dollar. They are forced to abandon any political feelings which they may have, after which a ticket is issued which they take to the road boss in order to obtain work.

An hon. MEMBER: The same thing was done with the Rideau canal two years ago.

Mr. NEILL: The ticket is collected and the man is put to work. If this has been done in the past it is reasonable to suppose it will be done in the future. In the present instance they would be dealing with money which is being handed to them on a platter and there would be no responsibility attached. Complaints could not be raised in the local legislatures and they could not be brought up in this house. Some check is needed, not only to insure that the worker is put on, no matter what his political feelings may be, but also to see that the man of the right political faith does not receive relief work when it is not needed. I know of cases where men well able to do without relief work have been getting it more or less regularly. I have an amendment here which I propose to move when the bill is before the house. Perhaps it would be as well to read it to the committee. I propose to move that the following section be inserted:

> In the carrying out of the purposes of this act there shall be no discrimination either in favour of or against those of any particular political affiliation.

It might be said that that is an an academic amendment and one which will not amount to anything. I claim that it would have some effect, because if the provinces' share of this large sum of money were handed to them from time to time with that clause inserted in the bill, and that in turn passed on to the foreman or engineer in charge of the work, it would keep before those men their obligation to give relief work to all and sundry. There is another method by which a perhaps more immediate and more definite result could be obtained, and that is by having a committee in each province to act in an advisory

capacity. This committee could be composed of men who would be willing to act without compensation and they would pass upon the various undertakings. I do not mean to say that they should investigate every four-dollar job done on the little side roads, but on the larger undertakings they could act in an advisory capacity to check over and to see that justice is being done to all parties. I would have this committee a political one, not one supposedly non-political, which turns out in fact to be political, or one that is stated to be non-partisan and ends up by being partisan. I would start off by having it political in character, composed of a couple of Conservatives, a couple of Liberals and a Labour man from each province. Again it will be said that that is unprecedented, but such is not the case. Only last session the government of the day at the suggestion of the then opposition changed the election act to provided that enumerating in the cities would be carried on by one Conservative and one Liberal. I understand that this plan worked out very well. The two men went around together; there was no object in trying to get ahead of each other and the result was that there were remarkably few complaints to come before the court of revision. A precedent is offered for my suggestion.

The government is making a new departure in this matter. The voting of $20,000,000 for a purpose of this kind is unprecedented and the way is beset with all kinds of pitfalls and troubles. Such was the case when the Soldier Settlement Act was introduced twelve years ago. At that time various troubles arose in consequence of the matter being new and its being impossible to foresee some of the objections. I hope the government will see their way clear to meet this situation by adopting the suggestion I have put forward. I am not fixed as to its exact form, but the essence of the idea is there and it would go a long way towards satisfying the great mass of people who expect to benefit by this relief. It would ensure that they would be treated with absolute justice, and I believe it would do more than ensure their obtaining justice; it would bring the government credit. The government might say that they intend to see that justice is done, but by adopting this method they would demonstrate that they have no intention, as I hope they have not, of taking any advantage of the situation. If that were done I believe the general public would view this resolution in a much better light.

Mr. DENIS (Translation): Mr. Chairman, may I ask the hon. Prime Minister (Mr. Bennett) whether, once the bulk of this $20,000,000 is distributed among his friends there will be anything left for Montreal. Montreal is in need of much improvement for, among other things, the construction of a new post office and the enlargement of the customs building. I think the hon. gentleman should tell us what amount he intends to set aside for the city of Montreal before spending too much in helping his good friends of Ontario, by building them highways with the money raised by taxing Quebec and the other provinces. The province of Quebec contributes enough in taxes to entitle it to a share of this large amount that is to be applied to relieve hardships and unemployment, not only in the rural districts but also in cities. I think there should be a reasonable amount set aside to relieve the unemployed in Montreal, in order that the metropolis of Canada may participate in the gift of $20,000,000 which the government grants to relieve unemployment in this country.

Mr. DURANLEAU: First I wish to take exception to the expression used by my hon. friend from Montreal to the effect that the $20,000,000 will be spent for friends of the government. I do not think it is fair to say that. I am sure that the government will spend this money for the good of all the people of Canada, whether they be Conservatives or Liberals, and it is not fair for my hon. friend to make such a statement. I can assure the hon. gentleman that the Prime Minister and the government of this country will see to it that the people of Montreal are as well treated as the people of any other part of Canada. We know there are many unemployed in Montreal, and I feel sure that my hon. friend will learn that the province of Quebec has some representatives who will make sure that Montreal is well treated by this government.

Mr. DENIS (Translation): Mr. Chairman, in answer to my hon. friend the Minister of Marine (Mr. Duranleau), I shall briefly remind him of past events during the Great war, when large contracts were given to friends and that, in many instances, those contracts were awarded with the sole aim of increasing the election funds. I wonder whether the same thing might not repeat itself when a blank signature is asked of this house without telling us where and for what purpose the $20,000,000 will be expended. I wonder whether they intend to follow the same policy to-day and whether, thanks to

the majority obtained in the last election, our opponents will not abuse their power and spend large amounts levied on the people through taxation, in order to favour their friends, so that at the next general election, they may be well supplied with funds, and thereby receive the people's support through the distribution of these funds in accordance with the practice followed in the last general election.

Mr. DURANLEAU: I do not think that my hon. friend should bring into this discussion events which took place during the war. I think my hon. friends on the other side of the house mentioned the war quite enough during the past campaign, and it is not necessary to speak of it in this house. The Union government did its work during the war, and I am sure that Montreal will have no cause for regret when the division of the relief moneys is made. I repeat, Mr. Chairman, that my hon. friend on the other side should not speak further of the war. We had enough of that during the late campaign in the province of Quebec.

Mr. ST-PERE: May I ask the Minister of Marine (Mr. Duranleau) if his statement is of a sweeping nature? I have been elected on four occasions in the city of Montreal and I have never spoken about war.

The CHAIRMAN: I must ask hon. members to keep to the point at issue.

Mr. ST-PERE: May I ask the Prime Minister if it is his intention to implement pledges made on his behalf in my riding during the last election? My opponent, Mr. Simard, guaranteed to every unemployed man in my riding that if the question of unemployment relief was considered in this house every unemployed person in Hochelaga would receive $25 a week. Is the Prime Minister ready to put that pledge into effect?

Mr. MERCIER (St. Henri): Mr. Chairman, in the wording of the resolution I find the expression "for the relief of unemployment in construction, extending or improving public works and undertakings, railways, highways, etc." May I assume that the government will be ready to assist the government of the province of Quebec in the construction of a bridge over the St. Lawrence river between Caughnawaga and La Salle?

Mr. LAPOINTE: No answer.

Mr. MUNN: It was not my intention to take up the time of the committee on this occasion, but I received a telegram from the city clerk of the city of North Vancouver which reads as follows:

> The mayor and council of the city of North Vancouver by unanimous resolution respectfully urge that cooperation with the provincial government with a view to immediate commencement and completion of the Pacific Great Eastern railway between this city and Prince George together with the extension of the railway into the Peace River country be included as an integral portion of the program of the federal government for the relief of unemployment.

The telegram is signed by George S. Shepherd, city clerk. Fortunately we have in British Columbia a climate which is most favourable for outdoor work during the winter. This road leading from North Vancouver to Squamish, then from Quesnel to Prince George, can be constructed in the winter season. No doubt in the near future this government will be finding ways and means to construct an outlet from the Peace River country to the Pacific Coast, and if at this time they connect those places they will have gone a long way towards supplying such an outlet. May I remind the Prime Minister that he is under special obligation to the constituency from which I come, that of Vancouver North. In the last parliament it was represented by his own organizer of victory, to whose efforts and organization he owes his presence in this house as Prime Minister.

Mr. IRVINE: In the event of some part of the money voted by this parliament being spent in Vancouver, will the hon. gentleman guarantee that the city council of Vancouver will withdraw its printed advertisements that employment will not be furnished to people who were not born in Vancouver or have not lived there for the last year or two? If public money is to be spent in Vancouver for relieving unemployment, we should have a guarantee that if a man happens to drop in there from some other part of the world, he will get a job.

Mr. MUNN: It is hardly fair to ask me that question. The city of Vancouver is represented here by a gentleman who is also a member of the city council. Why pick on me?

Mr. BRADETTE: I wish for a few minutes to deal with unemployment as it affects northern Ontario. I am in sympathy with any measures that will afford relief to the unemployed under present conditions. There is one question that I want to ask particularly of the Prime Minister, and of the Conservative party as a whole. This afternoon I listened with a good deal of attention to the remarks that were made by the hon. member for Muskoka-Ontario and the hon. member for

Labelle, in which they pointed out that there had been very little census taking of the unemployed in northern Ontario. The hon. member for Labelle also stressed the fact that there would be a lot of unemployment during the coming winter on account of slackness in lumbering operations.

I wish to refer to one of the planks of the platform of the Conservative party during the last election. It was stated that the policy of the Conservative party would provide jobs. Paragraph 6 of the Conservative party platform read as follows:

> A policy that will prohibit the free export of pulpwood instead of allowing it to be shipped out to keep American paper mills operating, while Canadian mills are working part time.

At Conservative party meetings in northern Ontario some of the Conservative candidates, and I would mention particularly the Minister of Lands and Forests in the Ontario government, said that if the Conservative party was returned to power it would immediately stop the exportation of pulpwood to the United States. This is a matter of very great concern to the settlers on the timber lands in northern Ontario and elsewhere. They are in the same position with regard to pulpwood as the wheat grower of the west is in with regard to his product, and as the manufacturer of automobiles is in with regard to his product. So far as the settler is concerned, pulpwood is his finished product, and the only logical market, indeed, the only market that he has in our section of the country and in northern Quebec, is the American market. I have in my constituency three great newspaper and sulphite mills, located at Kapuskasing, Iroquois Falls and Smooth Rock Falls. It may surprise some hon. members to know that even these big industries in my constituency can take only a portion of the pulpwood that the settlers produce. So I would plead with the leader of the Conservative party to withdraw that plank from the party platform if he wishes to relieve unemployment in that part of the country. I make that statement in good faith. I do not wish to revive the battle that took place a few weeks ago. But I would again urge upon the Prime Minister that he withdraw pledge No. 6 of his platform. I well remember that at the last session of the last parliament I had a battle over this very same question with a member of the Liberal party, who brought in a motion to prohibit the exportation of pulpwood to the United States. There is only a limited market locally for that pulpwood. I am firmly convinced that during most of last summer our American friends bought their supplies of pulpwood very largely from Russia. If my information is correct, American vessels have brought in 500,000 cords of pulpwood from Russia, and I think some of that importation can be blamed to that plank in the very platform. I hope, therefore, that the Prime Minister, speaking in the name of the Conservative party, will, for the sake of northern Ontario, northern Quebec and the timber sections of the western provinces and British Columbia, withdraw that pledge from the Conservative party platform.

I said at the outset that I am absolutely in favour of any measure that will relieve unemployment. The problem is not as acute in northern Ontario as in other sections, but I would again stress the fact that lumbering operations this winter will be more sluggish than they have been for some time. Our mining operations are being carried on pretty fully, but work on the railways is not as good as it has been in the past and construction activities are almost at a standstill.

I notice in the resolution under discussion the word "highways." Highways in northern Ontario mean something different from the highways in the southern section of the province, for the very simple reason that in northern Ontario we have no highway commission, but moneys for that purpose are spent under the jurisdiction of the northern development branch.

Moneys were voted by this parliament in 1919 to meet a very similar unemployment situation to that now existing, and it may be a revelation to quite a few members of the house when I say that not a single dollar of that money was spent in any section of northern Ontario. I am not saying that in a spirit of criticism. During the last election the Conservative party committed itself to the construction of a trans-Canada highway, which involves the construction of some six or seven hundred miles of road through the wilderness. Now if that money is not earmarked to some extent, to ensure a certain portion of it being spent in northern Ontario for the construction of a trans-Canada highway, the same thing will happen that happened in 1919 and we shall not have a single dollar spent on highway construction in northern Ontario. In northern Ontario we are not unanimous in our choice as to the best possible route for a trans-Canada highway. The people of Sault Ste. Marie, Fort William and Port Arthur maintain, with some logic, that trans-Canada highway should pass through that section. Others of us in the northern section of the province maintain, with more logic, that it should follow the transcontinental from the Quebec border straight to Winnipeg. The

Prime Minister on different occasions during this discussion has said that none of this money would be earmarked for any purpose, but during the last election the Conservative party committed him to a trans-Canada highway and something concrete should be done. This is not the place to discuss the best possible route for a trans-Canada highway. I believe, however, it is in order for me to point out that during the election campaign the present Minister of Immigration maintained that a trans-Canada highway would be constructed through the northern section of northern Ontario and I am absolutely in accord with him in this matter. In this connection I wish to quote from the Canadian Motorist for July, 1930. It says:

Hon. William Finlayson, Minister of Lands and Forests for Ontario, while in Sault Ste. Marie recently, said that he was confident work on the Lake Superior highway would be prosecuted before long. This, however, depended to a large extent on the attitude of the Dominion government, he added, which had not yet accepted the proposal of the province that the work be undertaken on a 50-50 cost basis, as an unemployment measure.

"The trans-Canada highway, of which the Lake Superior stretch is referred to as part, is a huge undertaking, and may cost Ontario $50,000,000," the minister said. "And the province is prepared to go ahead with a reasonable amount of support from Ottawa. In the United States the government takes care of roads like the Lincoln highway and goes 50-50 on all state and interstate roads. We regard the trans-Canada highway as a similar undertaking and we are very anxious to start the work at once in view of the tremendous amount of unemployment in the country at the present time."

Was the Minister of Lands and Forests speaking in his official capacity for the government of Ontario, and also for the Conservative party federally? Because during the same month the hon. Minister of Immigration and Colonization (Mr. Gordon), my opponent, and most of the other Conservative candidates in that section of the country were saying that a trans-Canada highway should be constructed alongside the Canadian National railways by way of Haileybury, Cochrane, Kapuskasing and Hearst up to Sioux Lookout. In this connection I hope the Prime Minister will find it possible to give an answer to my question.

There were also several advertisements about the same matter, and referring again to the various plans of the Conservative party during the last election, this is what they had to say of pledge No. 4:

A policy that will build a national highway across Canada, instead of forcing motorists to use American roads to get past the great lakes, with the result that they now leave in the United States the money which they spend by the way instead of spending it for supplies in Canada, as they would do if Canada had a through road.

This is an absolute and definite promise made by the party in power to-day, and I hope under the circumstances it will be possible for the government to earmark a certain amount of this $20,000,000 for starting the construction of a trans-Canada highway. The distance to be constructed is longer than the Prime Minister stated a few days ago. From North Bay to the Manitoba boundary is approximately 700 miles; the road from North Bay to Cochrane, 425 miles, is already constructed; but from Hearst to the Manitoba border there is still 550 miles to be constructed. Taking the figures given by hon. Mr. Finlayson, the construction of the trans-Canada highway along the north shore of Superior will cost $50,000 per mile. A question of that nature, as the Prime Minister truly said the other day, although originally the concern of Ontario, becomes national when considered as a means to bridge the gap between east and west. In our section of the country the construction of such a road, instead of costing $50,000 per mile, will cost only $5,000 per mile, and I hope the government will deal with this problem in a logical and practical way, giving at the same time attention to the regional and economic aspects of the situation.

In the handling of the fund for that purpose, I want to say a few words with respect to the activities of the provincial government during the recent campaign. I am not going to revive the old battles in any spirit of bitterness. When we came up to northern Ontario, over a quarter of a century ago, we were not asked to go there as Liberals or Conservatives, as Labour men or Progressives; we were asked to go there as pioneers and Canadians. I am sorry to say that in the section of the country I have the honour to represent the provincial authorities treat some of the people as though they were slaves. I have seen this treatment in the case of my own family and friends among the labouring class: they have been told that simply because they happened to be Labour men or Liberals they would not be given any work on government undertakings. The Prime Minister has said that there will be no politics played in the distribution of this money. I hope this will be so. Certainly the spectacle during the last federal election of provincial ministers using provincial funds for purely electioneering purposes was far from edifying, and I hope there will never be a repetition of such reprehensible practices. We are a free people and I am determined to expose such scandals whenever they come to my

notice. There is no such thing in this country as Liberal or Conservative or Progressive or Labour money; it is good Canadian money, raised by taxation. Men should not be penalized because of their political faith, but I have seen poor settlers refused work simply because they were Liberals. When such a state of affairs is reached then we begin to fear that true democracy has failed. During the last federal election we had the disgraceful spectacle of ministers of the government of Ontario actualy distributing political patronage to influence the voters.

Mr. GOTT: That is all imaginary.

Mr. BRADETTE: It is not imaginary; I can give you proofs.

Mr. GOTT: Let us have them.

Mr. BRADETTE: As member for North Timiskaming, in dealing with my constituents I have never regarded them in a partisan way, but unfortunately I cannot say the same of the provincial ministers. I could give details of the political patronage to which I have referred.

Mr. GOTT: Give us one instance.

Mr. BRADETTE: Well, you are responsible for this. Here it is:

July 23, 1930.

Dear Alex:
Go ahead and fix the road to McIntosh Spring up to $200 to $300. I have talked it over with Mr. Ebbitt.

Ch. McCrea.

Mr. GOTT: That is good.

Mr. BRADETTE: Here is another:

Dear Zephyrm:
Was here to see you with Mr. Ebbitt about road; he has the money and wants to give it to you, you to build road. Could you see me to-morrow sure. See me first. Case of beer under bridge at foot of Trembly hill for you.

A. E. Brower.

I have been the member for North Timiskaming for four years, and, I repeat, I will never regard the electors as Conservatives or Liberals; I always regard them simply as my constituents and citizens of this great country. We should respect the political convictions of every man. We are not entitled to force men to vote against their convictions, and we must never forget that the men in our northern country are engaged in building up agriculture and maintaining the standards of civilization there. One's vote, the same as his soul, is a person's absolute property, and no one has the right to interfere with it through bribery or threats. I know a case where hundreds of dollars are being wasted purely and simply because some of my relatives had the audacity and criminality to vote for me during the late election.

An hon. MEMBER: Name them please.

Mr. BRADETTE: My own brother has a gravel pit on his farm, and the provincial authorities stopped getting gravel from him immediately after the election. To get gravel elsewhere will cost the provincial government an extra four or five hundred dollars of the people's money every day that they are using gravel in that vicinity. I take the word of the Prime Minister that not a cent of that money will be politically earmarked—for that is the sense of what he said. And that is only right, because after all the poor man who is working in the ditches for the sum of three dollars a day should not be asked to sell his soul politically; he should not be required to sacrifice his political affiliations, for any amount.

Just a word in regard to railway construction. My constituency is expecting some benefit from the extension of the railway line to James bay through development by the provincial government, and if the government sees fit to subsidize railway construction I hope it will be possible to give some assistance towards the construction of a branch line from Timmins to the new mining district of Kemiskotia, where extensive gold finds have been made. That would help to alleviate the unemployment situation in the Porcupine district. I do not wish to introduce politics into the administration of the Canadian National Railways; far from it. But I would point out that we are situated on the route of the old Transcontinental railway running from Quebec to Winnipeg. The road originally was built to bridge the gap between east and west and it was thought at first that that section of the country could not be self-supporting. As a matter of fact we find to-day that there is almost enough local traffic to make it one of the best sections of the system. But there are one or two things that need to be pointed out, and in what I am about to say I am not for a moment reflecting either upon Sir Henry Thornton or upon the divisional superintendents, who are energetic and effective. There are, however, some improvements that might very well be made. In the last two or three years, for example, practically no painting has been done; no work has been done in the gravelling of the roadbed, in the repainting of railway stations, and so forth, and a sum of at least $500,000 should, in my opinion, be devoted to that section of the railways, not as a subsidy or as a donation, but as a necessary

part of the maintenance of adequate equipment and efficiency. I also maintain that all shop repairs should be done regionally.

I should like to say a word now with respect to agriculture. As has been pointed out, the unemployment situation is more serious than it appears on the surface. In this connection I might quote the words of a prominent labour man:

"I do not regard capital expenditure on public works as a solution of unemployment", boldly confessed J. T. Foster, vice-president of the Trades and Labour Congress of Canada. Mr. Foster has just returned from conferences of world and empire Labour delegates at Geneva, Stockholm and London, and was a bit fed up with superficial remedies. Relief by creating work, relief by direct distribution of cash, the equitable division of whatever work exists—all essential in the present crisis. But Mr. Foster evidently hoped that a national discussion of the disease would have samething to say about the fundamental economic laws which make relief necessary at times like these. He hoped that the delegates would not permit the detail of providing relief in the present emergency to fill up the whole horizon and blind them to the crying need of something more than spasmodic efforts at seasons when the situation was more than ordinarily grave.

I am sure all hon. members must have read in the Canadian Press despatches reports of the meeting of the trades and labour congress in Regina. In this regard there is one item of especial interest which I studied thoroughly:

The limitation of the hours of labour to not more than eight hours per day and five days per week on all government works and contracts and all works towards which the federal government may grant aid as a measure of relief carried on by provincial governments or municipalities.

I do not think it would be practicable to apply the eight-hour principle in every case, but I do think that it should be put into effect in connection with all work performed under any money granted by the federal government for the construction of highways and so on. In northern Ontario the poor settlers work for 30 cents an hour without board, and a man with a team of horses cannot receive more than from $5.50 to $6 per day. Furthermore, it must be remembered that almost 50 per cent of his time is lost owing to weather conditions. Under these conditions, therefore, it is absolutely impossible for these people to make both ends meet. In my opinion the least they should get is $4 a day with $7.50 for a team of horses and driver. I hope to be able to discuss this question at greater length on another occasion, because the solution of the unemployment problem lies in part in this matter. The same situation which we have to deal with in the older rural districts we also find in the newer sections of northern Ontario. In North Timiskaming the young people are not inclined to stay on the land, on account of lack of inducement. In the last ten years there has been a movement on foot under the provincial authorities to provide a subsidy for people deciding to settle on the land, and I venture to say that if such subsidies had been granted ten years ago there would not to-day be a man out of work in northern Ontario. I believe that this principle should be applied generally throughout Canada. Without attempting to prophesy, I am positive that under such a scheme it would be easier to keep the younger population on the farms. To-day, however, the young people are finding their way into the cities, and by no means have all who have left the country districts found their way to the United States. They find it more attractive to settle in the large industrial centres such as Quebec, Montreal and Toronto. As a matter of fact, fifty per cent of the urban population to-day comprises people who were formerly on the land. It is obvious, therefore, that one important feature in any attempt to remedy the present situation will be to find some way to help our rural population and to make it possible for them to remain on the farms.

Some newspaperman who visited northern Ontario last year to attend a banquet given there—I have forgotten what part of the country he came from—made the statement that the pioneers in the newer sections of Canada showed signs of deterioration; he said that they were not of the same calibre as their forefathers. That is absolutely false. There is no such evidence of deterioration. The fact is, however, that the younger people are naturally finding life easier in the urban centres; their hours of work are not so long. The other day a farmer in the vicinity of Cochrane asked this question: How can I hope to keep my sons on the farm when they can drive into the town of Cochrane where they can work shorter hours?

I trust that the Prime Minister will find it possible to include, in the legislation under which this money is to be voted, some means of improving conditions so far as the farmers are concerned. It is of the greatest importance that something should be done for that class of the population. After all, Canada is, and will remain for a considerable time to come, primarily an agricultural country. I heard an hon. member ask a very significant question; he wanted to know whether the government would consider the

advisability of spending some money for advertising purposes in relation to agriculture. We know what wonderful progress has been made in the citrus and fruit industries generally in the United States in the last decade, purely from the effects of their admirable system of advertising. In fact it is so perfect that to-day many Canadian people do not dare eat bread any more because of the possibility of its being poisonous. I am sure if we could obtain figures as to the consumption of bread in Canada we would find that it has dropped at least fifty per cent within the last few years, thus creating a situation which is very harmful to our farmers. Many Liberal and Conservative papers, including even such a good Conservative paper as the Ottawa Journal, carry advertisements and dietetic articles which tell us that bread is poisonous, and that unless we eat grapefruit and fruits of that kind the bread will kill us, that we will not be able to survive. I believe the government could well put on a big advertising campaign and tell the people that wheat is the staple food of all civilization on this planet.

I have heard it suggested that a measure should be introduced restricting very largely the importation of fruit from the United States. Only two years ago the fruit growers of the Okanagan valley were complaining that they were unable to meet the competition of American apple growers. A commission was appointed to inquire into the matter, and it was found that their marketing organization was not up to the standard, which was why the Americans were taking away their markets. The same thing applies to our other fruits and vegetables. I am not going to deal with that matter at any great length, but I hope the Prime Minister will find it possible to aid agriculture, not only the wheat growers but the vegetable and fruit producers of this country as well, by conducting systematic advertising by means of which the wonderful qualities of our own products will be emphasized to the Canadian people. I believe that even in the cafeteria and parliamentary restaurant in this building most of us do not eat half as much bread as we formerly did, simply because of the propaganda coming from the southern United States, which tells us that bread will shorten our lives. I believe the government could do a very great deal in this direction, and I think $500,000 or $1,000,000 could be very well spent in propaganda to present the wonderful qualities of our own products, and this not only for weeks and months, but for years.

I have put these different questions to the Prime Minister, Mr. Chairman, not in any spirit of partisanship, and I hope before very long he will give me the assurance that his party will take into serious consideration the matter which I presented first, with regard to pulpwood exportation. It is of supreme importance to the part of the country I represent and to at least sixty ridings in Canada that nothing should be done to stop the exportation of pulpwood to the United States. As I said before, so far as the settlers in my part of the country are concerned, pulpwood is their first crop, and when our domestic market is saturated the settler necessarily must find an outside market, which can be done only in the United States. Unluckily, unlike the wheat grower, the settler cannot eat his pulpwood; he cannot turn it into newsprint, he must sell it, and the only market for this product outside of Canada is in the United States.

Mr. POULIOT: Mr. Chairman, I should like to direct just one question to the Prime Minister. I have looked up Webster, and have studied the definitions of the words "relief" and "grant". I wonder if the money which is to be granted to the provinces and the municipalities will be in the form of a gift or a loan, and if the money is to be a loan, what will be the interest?

Mr. HURTUBISE: If I may be permitted to do so, Mr. Chairman, I should like to add a few remarks to this discussion, along the line of what has been said by the hon. member for North Timiskaming (Mr. Bradette). First of all I must congratulate the government on the enthusiasm they are trying to show in an effort to discover a solution of this great crisis which confronts us. At least, it is supposed to be a crisis, although personally I believe it is in large part psychological, and produced by too much publicity. At all events, I am very glad to be able to congratulate the government on showing so much enthusiasm in their endeavour to solve the problem. I think I may say that all the members on this side of the house are equally anxious to see the present condition alleviated, even if no permanent solution is found.

I should like to say just a few words about conditions in my own locality, and it may be well to inform the house of the conditions under which we in northern Ontario live. Perhaps most hon. members do not know that northern Ontario—not officially, but in a practical sense—is a separate province, and I will proceed to prove it. From the Mani-

toba boundary to Mattawa, which is about one thousand miles, and from the Muskoka district to the Transcontinental railway, which is about two hundred and fifty miles, we are considered as northern Ontario. Is that because we are not considered civilized enough to be treated as the rest of the province is treated? I do not know, but at all events we are treated as a separate portion of the province. Financially, our part of the province is administered by that special organization to which my hon. friend from North Timiskaming referred, the northern development branch. Each year that branch is allotted $5,000,000 for colonization purposes; that is for agriculture, roads, bridges and so on. That amount has been granted annually for many years. The representatives of our party in the provincial house, and indeed all members of the opposition in Toronto, have been trying to get a detailed account of that expenditure, but they have been unable to do so; as a matter of fact, they have been even laughed at. The amount voted for northern Ontario for the same purposes since 1929 is $10,000,000 but no detailed account is rendered. I am positive, or almost positive, that the money is spent in northern Ontario all right, but in what way, or when, we do not know, although we do know in large part who receives it. The distribution of that money is left to the discretion of that organization called the northern development branch.

Mr. LAPOINTE: Is that a board?

Mr. HURTUBISE: It is a commission; it represents the provincial government in northern Ontario. This organization has been exploiting our finances for political purposes, and I am ready to prove that statement. I say that we only see the colour of this $10,000,000 during two or three or four weeks around election time, and only political friends and favourites have the opportunity of getting a portion of it, either under contracts or in order to provide work for their friends. I have the proof of these statements before me.

It is suggested that the province of Ontario is to be given a blanket sum of money to spend in northern Ontario and no account of that spending is to be rendered. We are asked to vote $20,000,000, and I am informed by the Prime Minister that the government intend to build from four to six hundred miles of new highway in northern Ontario. He states also that this money is to be given to the provinces and that the federal government will not meddle in the administration of any works because to do that would be a violation of the rights of the province. We are asked to vote this large sum of money, part of which will pass to the province of Ontario, which in turn will hand it over to the northern development branch to be used for political purposes, as has been the case in the past. We should not vote any money when we know in advance that it will be used for political purposes. I know for a fact that during the last campaign before people were permitted to work on the roads they were asked to state whether or not they were Conservatives, and if they were going to vote for that party. Before they received any money they had to sign an affidavit that they had voted Conservative. I have the original of one affidavit before me.

Mr. CASGRAIN: Read it.

Mr. HURTUBISE: I will read it first in French and then translate it into English. The affidavit in French is as follows:

District de Sudbury,
Province d'Ontario.

Moi, Aurèle Rhéaume, de la ville de Chelmsford, dans le district de Sudbury, fais serment et dis:

Que j'ai voté à la dernière élection le 28 juillet 1930 pour le candidat conservateur G. B. Nicholson.

Assermenté devant moi, ce 30ième jour de juillet 1930.

Aurèle Rhéaume.

(Signé) J. Alex Bastien, N.P.

The English translation is as follows:

District of Sudbury
Province of Ontario.

I, Aurèle Rhéaume, of the town of Chelmsford in the district of Sudbury, do swear and say:

That I voted at the last election on July 28, 1930 for the Conservative candidate G. B. Nicholson.

Aurèle Rhéaume.

Sworn before me on July 30, 1930.
J. Alex. Bastien, N.P.

If we are to vote $20,000,000, a great portion of which is to be handed over to the province of Ontario to be in turn handed over to the northern development branch, then it is time for us to protest against such a procedure. I have before me another affidavit which confirms the affidavit I have just read.

Mr. CASGRAIN: Read it.

The CHAIRMAN: I think we are wandering far afield from the resolution.

Mr. HURTUBISE: I want to find out how this money we are asked to vote is to be expended. I know how public moneys are dis-

tributed and spent in northern Ontario—only for political purposes. The following is the affidavit:

Ontario, District of Sudbury, To wit:
I, Aurèle Rhéaume of the town of Chelmsford in the district of Sudbury, labourer, make oath and say:

1. That the document hereto annexed and marked with the letter "A" is a true copy of an affidavit made and subscribed by me, this deponent before J. Alex. Bastien, on the 30th day of July A.D. 1930.

2. That on the 29th day of July A.D. 1930 I was advised by Wilfrid Vaillancourt, the foreman in charge of the work of the northern development branch of Ontario on the road between concessions two and three of the township of Balfour that unless such affidavit be made by me and shown to him, Raoul Vaillancourt, and G. A. Chouinard I would lose my employment with the northern development branch of Ontario which was that of labourer.

3. That I have voted as shown on the said affidavit for the reason that before the elections it was said that most of the workers would be called upon to take such affidavit and being in need of work to support my family I could not take the chance of being in the obligation to perjure myself in order to stay at work.

(sgd) Aurèle Rhéaume.

Sworn before me at the town of Chelmsford in the district of Sudbury this 25th day of August A.D. 1930
(sgd) Louis Groulx,
A commissioner etc.

I have two objects in mind in making my remarks; first, to explain the particular situation which prevails in northern Ontario and, second, to show how the public money is expended in that part of the province. The hon. member for East Algoma (Mr. Nicholson) is present and he must know of the facts. If he does not know, then I must tell him that I know how the public money is spent in his district and I know it is spent in the same manner in Toronto and in other districts in the province.

I offer these few remarks in order to enlighten the committee as to the special conditions which prevail in the north. Before this money is voted in the manner suggested, we in northern Ontario, being faced with the situation we are, should have special protection. I leave these remarks for the consideration of the committee in the hope that it will assist the different members in arriving at a decision as to voting this amount of money.

Mr. MARTIAL RHEAUME (St. Johns-Iberville) (Translation): Mr. Chairman, may I put a question to the hon. Prime Minister (Mr. Bennett), seeing that he replaces in the house the hon. Minister of Labour (Senator Robertson). In the course of the month of August, 1930, the hon. Minister of Labour sent a telegram to the mayors of all towns having a population of at least 10,000 people, in order to ascertain the conditions of unemployment in those towns. I am one of the councillors of the municipality of St. Johns; we answered the questionnaire which was sent to us; I wish now to inquire from the hon. Prime Minister whether, when the distribution of the $20,000,000, which will be voted, takes place they will take into consideration the answers of the council. As we were asked in this questionnaire to make suggestions the municipal council of St. Johns suggested to the hon. Minister of Labour to spend a certain amount on the Chambly canal, in the county of St. Johns. I wish to know whether the answers to the questionnaire will be given consideration, and when the mayors will be notified of the government's decision. We have, at present, in St. Johns about 300 persons unemployed; within a month we shall probably have between 500 and 600. Our principal industry in St. Johns is the Singer Co. which employs at present more than 1,000 hands. Lately these people have been working only 32 hours per week. I wish therefore to inquire from the hon. Prime Minister whether, heads of family with a salary of 30 to 35 cents per hour, and only working 32 hours per week will be helped, also whether this help will extend to the 500 or 600 unemployed that we expect to have during the coming winter, in St. Johns? Judging from the discusion which took place this afternoon, I am led to understand that the greater portion of this money will be spent on highways. I think, sir, that within a month, at least in the province of Quebec, road work must be suspended because days are shortening and that we know when autumn comes, especially after October 15, it is certainly too late to carry on such works. During the election campaign I had as a Conservative opponent Mr. Ivan Sabourin who propounded everywhere that it was the hon. Mr. Bennett's intention, if he carried the election, to call an emergency session and relieve unemployment. Should it be the intention to use part of these $20,000,000 to build roads, I wonder where the unemployed will find food next winter. Everybody knows that the greatest part of road work is carried on by means of machinery. I am speaking with some experience, because we spent in St. Johns, in the course of the last five years, half a million dollars, and I must say that we never had on our pay-lists more than 60 to 65 men during a period of three months.

I see that the hon. Minister of Marine (Mr Duranleau) is in his seat. I do not know

whether my information is correct, but I am told that the Minister of Marine's program includes the deepening of the Richelieu river. This deepening of the Richelieu river is of more interest to my riding than to any other riding in Quebec. The Liberal party had begun the deepening of this river under Sir Wilfrid Laurier's government, but, in 1911, when the Conservative party assumed power, the work was discontinued. I am aware that the hon. Minister of Marine has the honour of representing the beautiful riding of Chambly-Vercherès and that this county is interested in this undertaking.

I trust that the hon. Prime Minister will not forget the province of Quebec, because everybody remembers the pledge he gave on the market place, at Maisonneuve: that if he were placed in office he would treat Quebec as a spoiled child. As one of the members of that province, I look forward to the carrying out of his pledges.

Mr. DURANLEAU (Translation): Mr. Chairman, in reply to the first question of the hon. member for St. Johns-Iberville (Mr. Rhéaume), I wish to state that the government made inquiries from municipalities having a population of over 10,000 people, in order to ascertain the extent of unemployment existing in this country and to receive suggestions in connection with the works to be undertaken throughout the country to relieve unemployment.

I hope that the hon. member for St. Johns-Iberville does not question the sincerity of the government's intention in regard to this emergency. We intend to relieve unemployment throughout Canada, in Quebec as well as in the other provinces; everywhere we shall find unemployment we intend to do our best to bring relief. Whether the counties, where unemployment exists or where urgent work is needed, be represented by Liberals or Conservatives, the government, I wish to state, intends to place all on the same footing, whatever be their party ties. As to the suggestions received by municipal authorities, whose answer were so very prompt, I wish to convey to the hon. member that the government will take the matter into consideration when the time comes to distribute the funds in order to carry out works in those parts of the country.

As to the second question asked by the hon. member: the deepening of the Richelieu river my views on the subject are well known. I believe that this river should become a means of transportation from the St. Lawrence to lake Champlain, and I trust that I shall have the support of my colleagues in connection with this matter, as soon as it is found possible to act. If we can appropriate some amount of this $20,000,000, which I hope will be voted by this House, so as to begin, say for instance, the work in connection with a dam that will have to be built between Chambly and St. John's. If this is possible, I shall be the first to recommend and endeavour to obtain such an undertaking. Let me assure the hon. member for St. Johns-Iberville that the government is well disposed towards his county as well as towards all other counties of Quebec and the other provinces.

Mr. RHEAUME (Translation): I wish to thank the hon. Minister of Marine. If I made these inquiries, it is because I promised my colleagues in the council of the town of St. John's that I would try to obtain, if possible, an answer with reference to the questionnaire. I again thank the Minister of Marine and shall report to the council the statement he has just made: that the province of Quebec is very well represented in the government. We shall judge you by your acts.

Mr. ARTHUR BETTEZ (Translation): I received, this afternoon, from the council of the city of Three Rivers, of which I have been a member for the last 17 years, ten of which as a councillor and seven as mayor, a copy of a resolution asking the Prime Minister (Mr. Bennett) or the Minister of Immigration (Mr. Gordon) whether the government had the intention to enact a special law to prohibit British or American immigration until the end of the present crisis. There are two reasons for asking this question: first, because we have in Three Rivers a paper mill and another industry which, at present, are bringing people from England to replace citizens of Three Rivers; secondly, we have a paper mill run by an American concern which, after closing one of its mills in the United States brings into Canada American citizens to replace our own. I wish to inquire from the Prime Minister or the Minister of Immigration whether the government intends to enact a law with reference to this matter.

As I have received no answer to the questions embodied in this first resolution, I shall further inquire from the Prime Minister (Mr. Bennett), or rather from the Minister of Railways (Mr. Manion) whether it is the intention of his department to build a branch line linking the Canadian National with Three Rivers. At present, we have the services of but one railway. I must add, sir, that Three Rivers is the only town of any importance which is served but by one railway. It strikes me that

the few hundreds of thousand dollars expended to connect the Canadian National with Three Rivers, would be amply compensated by the additional revenue received. For the information of the government, I wish to state that the yearly returns of the Canadian Pacific Railway, at Three Rivers, amount to $10,000,000. I want to further add that the Liberal government made a start in connection with linking Three Rivers with the Canadian National, that millions of dollars were expended at Shawinigan Falls, and that furthermore millions of dollars were voted to build wharves in Three Rivers, in this connection. I wish to inquire from the hon. gentleman whether, from the $20,000,000 we are asked to vote, the government intends to carry out any of these necessary undertakings in order to complete this branch line? I should very much like, if possible, to hear from the Minister on this subject.

No reply being made to this second inquiry, I now wish to ask the Prime Minister or the Minister of Marine, whether the government intends to remove the reef which lies opposite the wharf at Ste. Angèle. Between Three Rivers and Ste. Angèle, is to be found the only convenient crossing on the St. Lawrence river in the stretch between Levis and Sorel. In the public interest, in the interest of the counties between Quebec and Montreal this reef should be removed and I wish therefore to inquire from the Minister of Marine what the government intends doing in this connection.

Mr. DURANLEAU (Translation): I think, Mr. Chairman, that the hon. member for Three Rivers (Mr. Bettez) should give notice of such a question. I have not yet fathomed the depths of the whole St. Lawrence so as to be in a position to answer, on the spur of the moment, a question of such a purport. I am wondering whether the work the hon. member refers to is within the scope of the Minister of Marine or whether they are under the jurisdiction of the Minister of Public Works. I hope the hon. member will follow the regular routine in asking questions, and we shall answer them.

Mr. BETTEZ (Translation): I read in the newspapers that the hon. Minister of Marine had gone on a tour of inspection from Montreal to Quebec, and I thought that he necessarily passed through Three Rivers to reach Quebec.

Mr. DURANLEAU (Translation): I made no soundings at Ste. Angèle, I can assure the hon. member for Three Rivers, of this.

Mr. BETTEZ (Translation): I also wish to inquire whether the government has the intention to subsidize the schools with reference to the paper industry? As most of the members know, there is in Three Rivers a school in connection with this industry, the only one of its kind in this country. Up to these last years the government subsidized technical schools; as it is the intention to enlarge this school, I would like to inquire whether, from the amount of $20,000,000 we are, at present, asked to vote, the city of Three Rivers and the Technical commission of which I am a member can expect to receive a fixed amount.

Mr. BLAIR: Mr. Chairman, I think the people of this country will take serious exception to voting this money without their having some knowledge of how it is to be expended. We feel that such a practice is wrong in principle. The people who vote the money should have some control over the expenditure. The tendency with some people to-day seems to be to separate the payer from the controller. That is entirely wrong in principle, but it seems that in many departments that method has been adopted. We could entrust this money to this government with some degree of assurance that it would be honestly and fairly expended, but to entrust it to the hands of people over whom we have no control and over whose expenditures we would have no supervision is something to which I think the people in the rural districts will take strong objection.

In the district which I represent are a great many comparatively poor farmers. Many farms are being sold for tax purposes. The farmers are in extreme need, and I think that while a vote of this kind might help to relieve unemployment, the people in the rural districts will take very serious objection unless they know how the money is to be expended before it is voted.

We would not like to see this money placed in the hands of the premier of the province of Ontario, the Hon. G. Howard Ferguson; I am not speaking of the other provincial premiers. In the last election we thought that it was very untimely and out of place for the Ontario government to be interfering in dominion affairs. We also found that there was a close relationship between the contracts awarded by the Ontario government and the election campaign. We never made it a practice to ask any person who was working on the highway to vote for us. If we wanted to ask them to vote for us, we had to go to them quietly at night, like Nicodemus. We

wanted to find out how they were going to vote, and they told us pretty generally throughout the northern part of the country that if they voted for us they would lose their jobs on the highway.

To give the house some idea of what was going on, I wish to read a letter in connection with the old age pensions. I do not think any persons in my district received an old age pension without being distinctly led to understand that they would lose the pension if they voted the wrong way. The widows' and orphans' fund was interfered with. I do not believe such statements were true, yet the influence came, as it were, from Toronto; that idea seemed to permeate the riding, and it was very hard to offset it. Hon. gentlemen know the share that the Dominion government contributes to the cost of old age pensions. Let me read this letter, a copy of which I hold in my hand:

Aurora, Oct. 8, 1929.

Mr.
Dear,

I understand that you are an applicant for the old age pension being provided for by the present government under Hon. G. Howard Ferguson and I am glad to see that your application has gone in. I fully realize that many of the old men and women of North York who have not been able to save much of this world's goods are going to receive, from this government, a just reward for their many years of service and toil in the province which has made the province the place it is for the younger people to live in.

Plans have been definitely made by the government and are now working satisfactorily so that if the present government is kept in power the first check would come to you sometime in November. If however, the Liberal party should get in power it will be delayed somewhat owing to the difference in the plans of Mr. Sinclair, Liberal leader.

As you are aware I am the Conservative candidate in North York and if I am elected to parliament I shall consider it one of my foremost duties to see that every eligible man or woman, who are applicants for this old age pension shall receive favorable consideration. This I shall consider one of my first duties as a member of parliament and being a member in sympathy with the government, I am sure that you will agree that I will be in a better position to do this than a Liberal candidate.

I am anxious to see that every man and woman will receive their first check as soon as possible. It will be as much pleasure to me as it will be to you.

In closing may I ask you to use your influence with those of your family. Thanking you and with kindest regards and best wishes, I am

Yours sincerely,
Clifford Case.

We have other letters of a similar type. We feel that there should be absolutely no interference with these old age pensioners. It is well known that the Dominion government contributes a greater proportion of the cost of the scheme than the provincial governments, and there should be no interference by the provincial governments. We would not be any too confident that four or five million dollars passing into the hands of G. Howard Ferguson would be dealt with fairly from the political standpoint. Old age pensions should be held absolutely sacred; people who are tottering on the verge of the grave should not in a matter of this kind be dealt with in a threatening fashion. We feel, however, that that has been done in our district throughout the campaign. I do not hold my opponent responsible for it. I do not think he approved it, I think he was honourable, and I never accused him of it, but when I traced it back I found that a great deal of this disgraceful work was coming apparently from Toronto. If any portion of this grant is to go to people of that type I would be inclined to view their administration of the money with a good deal of suspicion.

Mr. MACKENZIE KING: I should like to make a suggestion to my hon. friend. I believe we are all anxious to dispose of this resolution to-night. A good many members have been hoping that my hon. friend would reply to the questions that have been asked. As it is getting toward eleven o'clock, I would suggest that if he can see his way to answer the questions which have been put to him it would facilitate the passing of the resolution.

Mr. BENNETT: I avail myself, Mr. Chairman, of the courtesy of the leader of the opposition, because I had hoped that my hon. friends opposite had about exhausted themselves and I was waiting until they had done so.

An hon. MEMBER: No, we are just started.

Mr. BENNETT: That well may be, but may I point out that unless this house believes there is not an urgent necessity for the appropriation of moneys for relief, then the hon. gentlemen are right in the course they are taking; but if, on the other hand, a condition exists which is of national importance with respect to unemployment and the suffering entailed thereby, this house should act, and act promptly. I merely make that observation for this reason, that I have listened with very great care to the addresses this evening, and I am within the sense of this house when I say that most of the time has been taken up in discussing matters that relate to the administration of affairs in Ontario by a provincial government elected on a provincial franchise, and which government, I take it, represents the sense of the people of that great province

I do not believe it is competent or proper for this house to cast aspersions upon the electorate of Ontario in the choice they have made of a government. I could, if I were like-minded, point out in exactly similar terms the attitude taken by Conservatives with respect to a Liberal administration in at least one of the provinces. I refrain from so doing. It serves no good purpose, it does not advance the interests of the unemployed, it does not secure assistance or relief for those who are suffering deprivation.

I have to-day, as indicating the trend of public opinion, received three telegrams, two of which came to my hand after the house adjourned at six o'clock. The first is from the Premier of Alberta, in these words:

Press to-day published resolution reference unemployment. Resolution apparently purports limit Dominion contribution to useful and suitable work for unemployed. Respectfully urge that on account climatic conditions in western provinces from past experience we believe suitable work cannot be found to entirely take care unemployment especially in smaller municipalities. To avoid congestion unemployed in larger cities with subsequent unrest and agitation by Communistic leaders and for other reasons believe that to substantial extent direct relief will be necessary. Will you kindly consider therefore providing for federal contribution to municipalities and province as in nineteen twenty-two and three in legislation unless government has other means making such provision. Kind regards.

J. E. Brownlee.

That is from the premier of the province of Alberta, and under our constitution primarily it is for the provincial and municipal authorities to familiarize themselves with these problems in order that they may speak with authority in the premises. Of the two telegrams I received after six o'clock the first reads as follows:

Viewing as we do with considerable alarm the present unsatisfactory position with regard to unemployment we respectfully urge that nothing be allowed to interfere with immediate action being taken to alleviate the crisis. We desire to express our appreciation of the announcement already made by you of the policy of the government.

Canadian Credit Mens' Trust Associaion
Limited, Henry Detchon, General Manager.

The other is from the Winnipeg Board of Trade, and certainly the president is not a political friend of ours. This is the telegram:

We appreciate action being taken to relieve unemployment by undertaking of public works and urge that all possible measures be expedited during present session.

Now, those three messages certainly were unsolicited. One makes a suggestion that I had already dealt with in my observations to this house; the other two suggest expedition, and one of them also mentions a crisis. I do say, after listening to the speeches that I have heard since eight o'clock this evening, that in the minds of a considerable number of the members of this house no such condition exists, and the very observations they have made conclusively prove, if I would take them as meaning all they say, that there is no unemployment in their particular constituencies and that relief is not desired. I have said, and I say again, that to suggest that a government, whether it be municipal, provincial or federal, would for a moment disregard the appeal of suffering humanity because on a previous occasion they had manifested a tendency to vote as they please with respect to matters that affected the welfare of Canada, or of their province or of their city, is to say something that I think no member should say with respect to a fellow Canadian. But I do not believe, whatever may be said in the heat of political campaigns and of the measures that are resorted to by both parties to secure support, that my fellow Canadians would be derelict in their duty. If I were like-minded I could tell a story to this house which would eclipse any story told here to-night, but I am not so minded because I have confidence in my fellow Canadians, whether Liberals or Conservatives, and I am certain that a Dominion government charged with responsibility for the welfare of our citizens would not for an instant allow political considerations to sway them from their duty to their fellow Canadians.

I have been amazed this evening at the very palpable effort made to have the discussion continue until eleven o'clock in order that this resolution, every phase of which was presented yesterday and discussed thoroughly this afternoon, should be dragged on and on and then have members stand up and say, "We desire to expedite the business of the house." First an ex-minister of the crown talks about the way in which Canadian National estimates were submitted, and his friends suggest following the same course. Here on page 36 of the report of the select standing committee on railways and shipping will be found a statement by the president of that great enterprise, in answer to a question, that sometimes it would be necessary to switch expenditures from one portion of the country to another, because having regard to the welfare of the undertaking it was impossible in view of the conditions existing to make allocations to a particular section and indicate the amounts required. Here we have a crisis, at least I so regard it, and the measure adopted to meet it is broad and

general in the sweep of its language; it is elastic, flexible, for the purpose of enabling the authorities charged with responsibility under the law to receive assistance from the federal treasury which the importance of the occasion demands. We have stated that the primary responsibility under our constitution rests with the municipalities and the provinces. But because that which was local and provincial in the first instance has now become a matter of national importance, we have asked the people of Canada to provide $20,000,000 to meet the crisis; and we have indicated that the money is to be expended mainly in two ways: by public works and undertakings to supply work and wages, on the one hand, and relief, on the other, in such cases as were mentioned by the premier of Alberta.

I cannot do more than I have already done to explain how that can be accomplished, and there is no hon. member of this house who would expect me to go into details, any more than Sir Henry Thornton could indicate how it could be done in the estimates of the Canadian National Railways, or any more than in the estimates last year, where we voted large sums of money for general purposes, could it be expected to say how those moneys would be expended.

It is a mistake to say that I have ever indicated that grants would be made. The municipalities and the provinces, apart from the undertakings of the Dominion itself, suggest works into which they have put their money and their credit, which is the best assurance that the money will be properly expended; and we in the exercise of our powers as a national government will give assistance to enable that work to be carried on.

Mr. RALSTON: That was exactly the question I asked: What proportion of their credit is going into these works?

Mr. BENNETT: And because of the representations made by members in this house, some of whom sit yonder, as to the poverty of some of the smaller municipalities and the newer portions of this Dominion, I should be derelict in my duty if I sought to fix a rule which should apply absolutely. The provinces in the exercise of their discretion with respect to these municipalities, knowing, understanding and appreciating the conditions, make application to the government, and the government, in the light of the best knowledge it can obtain, makes therefor such provision as the necessities demand. In the same way, with subways or level crossings, we do not undertake to say how much should be allocated. At the present time it is 40 per cent. We suggest that this should be augmented by grants from this grant, by grants in aid, and that the board should itself determine, in the light of conditions that exist in the community, what contributions should be made to their work from that board. I assure the house that because I was convinced of the seriousness of the matter from what I saw in Canada I believed that this session was necessary, and I have made every effort humanly possible to bring this session about. And in the measure proposed there is that degree of elasticity which would be expected and which prevailed in connection with previous grants. What details had we then? What details were given? Those were grants for relief; certainly they were. What details had we then? It was realized that the matter was elastic and there had to be flexibility in order to make it succeed.

I will not traverse the ground beyond saying that every method will be adopted which the wit or wisdom of this government can devise for the purpose of ensuring that work and wages shall be available for the unemployed under the grant. But where that fails, the obligation to assist the effort of the municipalities and the provinces must be measured by the financial ability of the municipalities and the provinces themselves. They, being under the constitution primarily responsible, must of course discharge the primary duty in that regard.

It is not a question of politics; surely it is something more than that. Surely the suffering of humanity transcends that. Surely we have not gone to all this trouble merely as a political gesture, but because we believe it is essential that the problem should be treated in this way. I will not do more than to say again that I have endeavoured to the best of my ability, both yesterday and this afternoon, to indicate just the measures which in my judgment will be taken; and I repeat that there must be elasticity and flexibility if we are to meet the condition that prevails. But, more, what are the safeguards? The safeguards are, first of all, that no aid is given unless the province or the municipality itself is pledging its credit or money for the work.

And they are the judges, under our constitution, of that necessity; not this parliament, not this government. They having judged of the necessity, it then becomes our duty to implement their efforts in the discharge of their constitutional obligations. That is the first limitation imposed upon any reckless expenditure of the money. Then there is the responsibility of this government, when an order in council is passed appropriating moneys in connection with works or undertakings, that it shall be satisfied that such works and undertakings are deserving of the credit asked. When one hon. gentleman said that something to that effect should be done, I thought I had made it abundantly clear that each particular case involving large expenditure would be so dealt with; for in the very nature of the case it must be so. This government has assumed the responsibility, and when the return is laid on the table this government is responsible for its expenditures directly made, and for the judgment it exercises in making appropriations to provinces to aid in relief and in undertakings such as I have referred to.

One word more. Letters have been read this afternoon and evening by several members. They were not directed to the gentlemen who read them, and I leave it to the judgment of the house, having regard to what happened once in this house—in 1878 or before that—whether or not it is the duty of those who read letters not addressed to themselves to explain how such letters came into their custody.

Mr. MACKENZIE KING: I do not wish to see this resolution go over until to-morrow and I shall therefore be brief in what I have to say. But I cannot allow my hon. friend's remarks to pass, with the implication they carry, to the effect that there has been anything in the nature of obstruction from this side of the house. If there has been any delay in bringing discussion to a conclusion to-night, it has been due to the fact that the Prime Minister for over an hour sat in his seat and refused to answer questions asked, and the further fact that, when he has risen to speak, instead of answering questions, he has sought to deliver the house a lecture. The questions asked this evening have been wholly pertinent in every way.

The CHAIRMAN: I do not wish to interrupt the hon. member but it is eleven o'clock.

Mr. MACKENZIE KING: By unanimous consent I will conclude my remarks which will, I trust, permit of the resolution going through. If there is not unanimous consent—

The CHAIRMAN: Is there unanimous consent?

Some hon. MEMBERS: Yes.

Mr. MACKENZIE KING: Reference has been made by the Prime Minister to the amount of time devoted to discussing the situation in Ontario, and the way in which money contributed to or through the government of Ontario is likely to be spent. In all probability $5,000,000 of this amount will be spent in Ontario, if not more than that, a great proportion of it in connection with highways in that province. From what my hon. friend has said, the government intends to hand over to the government of Ontario money necessary for that purpose. It was wholly pertinent and necessary that this evening there should be pointed out the manner in which the government of Ontario has used public moneys for the purpose of influencing results in political contests—the political use to which the Ontario government have turned public moneys. Unless hon. gentlemen opposite are able, when the bill comes before the house, to give an assurance that the moneys that are being voted by this parliament and paid over in the form of grants to the Ontario government are not going to be used in the manner in which the Ontario government has used provincial moneys in the recent campaign, they will find it difficult to get the measure through.

May I say this further to the Prime Minister. He has not a monopoly of feeling for the suffering of humanity, whatever other monopolies he may have. Hon. members on this side are as much concerned as my hon. friend with the well-being of their fellow men. He has a genius for monopoly, but I repeat that the suffering of humanity is not confined entirely to his concern.

Mr. BENNETT: Nor to that of the author of Industry and Humanity.

Resolution reported, read the second time and concurred in. Mr. Bennett thereupon moved for leave to introduce Bill No. 2 for the granting of aid for the relief of unemployment.

Motion agreed to and bill read the first time.

On motion of Mr. Bennett the house adjourned at 11.05 p.m.

Friday, September 12, 1930

The house met at three o'clock.

IMPORTATION OF RUSSIAN PULPWOOD

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): Mr. Speaker, I would like to read to the house a letter which I have received regarding the importation into Canada or through Canada to the United States of Russian pulpwood. Perhaps the Prime Minister (Mr. Bennett) or the Minister of Trade and Commerce (Mr. Stevens) can give the house some information in this regard. The letter is as follows:

Cochrane, Ont., September 10, 1930.

I would appreciate you making inquiries as to whether the government intends to take any action during its present session with respect to the importation into Canada or at least through Canada to the United States of Russian pulpwood.

This importation, as you are aware, is proving a most disastrous piece of business for the individuals who have depended upon the markets which this wood is now taking away from them.

We would be very grateful to you for such advice as you are able to gather.

Yours very truly,
Hawk Lake Lumber Company Limited.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the Minister of Trade and Commerce is not present in the chamber. Perhaps this matter could stand as a notice of motion to be dealt with accordingly.

UNEMPLOYMENT IN QUEBEC CITY

On the orders of the day:

Mr. C. G. POWER (Quebec South): Mr. Speaker, I should like to put a question to the hon. Prime Minister (Mr. Bennett) with reference to the unemployment situation in the city of Quebec. I have received information to the effect that within the last three days some 150 men employed by the Quebec harbour commission have been dismissed. I would like to know from the Prime Minister whether it is the intention still further to accentuate the unemployment situation by creating further unemployment in that city.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I apprehend that the hon. gentleman is not serious in what he says. He realizes probably that what he heard yesterday may have some bearing on these 150 men. As the hon. member for North Timiskaming (Mr. Bradette) has said, the time has come when other Canadians should have an opportunity of toiling. I am sure my hon. friend will have no objection in this regard.

Mr. POWER: Nothing about suffering humanity?

Mr. BENNETT: Quite so.

Mr. LAPOINTE: Or suffering Liberals.

ACOUSTICS OF HOUSE OF COMMONS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): Mr. Speaker, would it be possible at least before the next session of this house to have a loud speaker installed in front of the leader of the government (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King).

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the whole question of the acoustic properties of this chamber has been under consideration by successive architects, and if the suggestion made by the hon. gentleman will in any sense solve that problem I will pass it on to those who are able to speak with expert authority.

PRIVILEGE—SIR EUGENE FISET

On the orders of the day:

Sir EUGENE FISET (Rimouski): Mr. Speaker, I rise to a question of privilege. During the remarks of the Prime Minister (Mr. Bennett) yesterday afternoon and again in the evening some doubt was cast upon the accuracy of a statement which I made yesterday afternoon to the effect that Sir Henry Thornton and members of the Canadian National Railways had given full and detailed information of the estimates of calculated expenditures for the Canadian National Railways for the years 1929 and 1930. On two successive occasions the Prime Minister stated that he was not in position to furnish any more detailed information in connection with the proposed vote of $20,000,000 than Sir Henry Thornton was able to furnish on the estimates of the Canadian National Railways.

Some hon. MEMBERS: Order, order.

Sir EUGENE FISET: I should be granted the privilege of stating that what I said in the house yesterday was absolutely accurate and that it is only fair to myself as well as to the Prime Minister that full information should be given to this house. This information was given to the committee.

Hon. R. B. BENNETT (Prime Minister): I should think the proper time to discuss this matter would be when the house goes into committee on the bill in question.

Sir EUGENE FISET: Surely I have the privilege of endeavouring to dispel the doubt which my hon. friend has cast upon the accuracy of my statement.

Mr. SPEAKER: The hon. member for Rimouski (Sir Eugène Fiset) might state briefly his question of privilege and then if he desires to discuss the legislation he can do so at the proper time.

Sir EUGENE FISET: I do not desire to discuss the legislation, I desire to state most emphatically that full and detailed information on the estimates of the Canadian National Railways was supplied to the committee, both in verbal and transcript form.

Some hon. MEMBERS: Order, order.

Sir EUGENE FISET: I have that transcript in my hand at the present time.

Mr. BENNETT: The documents speak for themselves and the document from which I read yesterday was the official report which I obtained from the library. I was not present at the meetings of the committee which dealt with this matter and I was merely taking that report. If it is desired that I should quote the report, when we reach the committee stage of the bill, I shall do so.

Sir EUGENE FISET: Surely I have the right to ask my hon. friend—

Some hon. MEMBERS: Order, order.

Sir EUGENE FISET: I have no intention of insulting the Prime Minister; I desire only to be fair to him and to myself.

Some hon. MEMBERS: Order, order.

Sir EUGENE FISET: I want to give to the house complete and detailed information in connection with my statement.

Mr. SPEAKER: The hon. member has stated his question of privilege and the Prime Minister has replied; surely that is sufficient at the present time.

Sir EUGENE FISET: Mr. Speaker, yesterday the Prime Minister stated—

Some hon. MEMBERS: Order, order.

Sir EUGENE FISET: I desire to speak, Mr. Speaker, and I want to be fair to my hon. friend as well as to myself.

Some hon. MEMBERS: Order, order.

Mr. BENNETT: I think one now can understand a little better the incident that happened the other day.

Sir EUGENE FISET: That is very small.

Mr. LAPOINTE: Even the Ottawa Journal is complaining.

HIS EXCELLENCY THE GOVERNOR GENERAL

CONGRATULATIONS TO LORD WILLINGDON UPON THE OCCASION OF HIS BIRTHDAY

On the orders of the day:

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think it is but fitting that this house should take notice of the fact that to-day the representative of the crown in Canada is celebrating his sixty-fourth birthday. It has not happened before that the parliament of Canada has been in session when that anniversary was reached and I think I but speak, not in my capacity of first minister of the crown, but for the moment as leader of the house on behalf of all the members now assembled, when I express our very best wishes and our sincere hope that he may live many, many years to enjoy such anniversaries and discharge with increasing lustre those difficult duties with which he has been entrusted for so many years. His Excellency has been the representative of the crown in various parts of the British Empire, a service commenced in the mother of parliaments has been extended to India and at present finds great opportunity for development in this great Dominion of Canada. On behalf of the House of Commons of Canada I am sure I did not exceed my authority when this morning on behalf of all members I extended best wishes for his health and happiness, and many returns of this happy day.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the Prime Minister has said that he has already spoken on behalf of the members of the House of Commons. Possibly he would not object to my joining with him, on behalf more especially of those who sit on this side of the house, in reechoing the hearty good wishes he has extended to His Excellency the Governor General on this his birthday anniversary. As the house is aware, it was my privilege until within the past few weeks to have had close association with His Excellency throughout the years he has been in Canada, and I am not surprised that my hon. friend, even with the short association which he has already enjoyed, has had cause to feel that degree of warmth towards His Excellency which he has expressed. We all share most cordially in the wishes he has so thoughtfully conveyed.

ST. LAWRENCE WATERWAY

On the orders of the day:

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the right hon. the leader of the opposition yesterday placed upon Hansard two questions which I told him I would treat as a notice of motion and would answer to-day. The answer to the first question is that a communication has been received from the American government through the minister at Ottawa, and the answer to the second question is that a reply has been sent. May I further state that with the permission of the Washington government correspondence will be laid upon the table on Monday.

UNEMPLOYMENT RELIEF

APPROPRIATION OF TWENTY MILLION DOLLARS

Hon. R. B. BENNETT (Minister of Finance) moved the second reading of Bill No. 2, for the granting of aid for the relief of unemployment.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The bill which is before the house—

Mr. BENNETT: I was going to make an explanation.

Mr. MACKENZIE KING: I beg pardon; I was waiting for my hon. friend to rise.

Mr. BENNETT: On the second reading of bills it has been customary briefly to indicate the principle of the measure about to be submitted to the house for consideration. The principle of this measure is to my mind made abundantly clear by the preamble and the second paragraph of the bill. Under our constitution the obligation or responsibility for caring for citizens within the area called a province primarily, rests upon the shoulders of that province. There may come times, I hope infrequently, when it becomes essential that a situation which has developed in all the provinces should be treated as one of a national character. We believe such a time has come. Acting upon that assumption we are asking this parliament by the measure now before it first of all to recognize the situation as one of a national character and secondly to agree to the appropriation of the sum of $20,000,000 to be applied (a) in useful works and undertakings authorized by this central government; (b) in assisting useful works and undertakings of municipalities and provinces and, (c) to assist such municipalities and provinces in granting relief where relief may be necessary or where unemployment may not be possible. Those are the features of the measure which is now submitted to this house. It has been so fully discussed in committee that at this time I do not propose to do more than say that we believe that inasmuch as assistance under clause (b) can be given only where municipalities and provinces have themselves been committed to undertakings it follows that any assistance given by the Dominion will be given only to works that were thought by those who are putting their money into the ventures to be essential and necessary for the relief of unemployment. We say that the Dominion itself is not directly engaged in the work for the simple and obvious reason that under our constitution, the responsibility resting where it does, we are giving the assistance to enable those charged with that responsibility more adequately to discharge their duties. In other words by reason of the extraordinary conditions which prevail the Dominion is by this grant assisting those charged with the primary responsibility. That is the great and central feature in connection with that branch of the measure. So far as direct undertakings are concerned, that is but an extension of what the government has always endeavoured to do in providing such facilities in the nature of public works and undertakings as are necessary to serve the people, and in this instance, by anticipating those necessities by a short period, we are providing work to relieve the conditions which now prevail. Yesterday I stated it was not intended that this appropriation should extend beyond March 31 and by some member it was urged that an amendment to that

effect should be added to the bill. I can see no reason why if hon. members so desire that should not be done. So far as accounting is concerned of course the Auditor General's office, as heretofore has been the case in connection with matters of this kind, will be responsible for all expenditures out of the consolidated fund. So far as pointing out where the money will be expended or its ultimate designation we are certainly in no better position to do that in the present case than in cases where loans are made to the harbour commissioners at Three Rivers, Montreal or Quebec. Nor are we able to indicate with any degree of precision how the money will be expended or to what point it will be directed. These are matters within the control of the harbour commissioners themselves. We provide them with the money, and they issue their securities and make their expenditures. There are other matters of a similar character. In this instance the moneys will be expended by the authorities who are responsible to the people, namely the municipalities and the provinces, because the Dominion cannot undertake expenditures for purposes not primarily within its constitutional jurisdiction. In view of the discussion which took place in committee I do not think I would be warranted in further taking up the time of the house. I move the second reading of the bill.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): To the principle of the bill as outlined by the Prime Minister no exception whatever can be taken. Indeed with the principle I think all in this house are in most hearty accord. Parliament has been summoned for the purpose of dealing with a problem of unemployment which the government contends has reached the proportions of a national problem, and it was to be expected that the first measure which would be introduced at such a session would be a measure in the nature of relief by the federal government of a situation which had assumed proportions of so serious a character. To the purposes as such to which this grant may be applied, namely, to constructing or extending public works and undertakings, railways, highways, assistance to provinces or municipalities that are unable themselves to cope with the situation, again no exception can be taken. I wish to make it very clear that so far as the opposition is concerned, we are in accord with the government on the principle of the bill, that principle being the granting of assistance towards the relief of unemployment by the federal government in an unemployment situation which has become national in character.

The preamble of the bill, as my hon. friend has just stated, sets forth that unemployment is primarily a provincial and a municipal responsibility. That has been the position that has been taken, so far as I am aware, at all times in this parliament by all parties herein. The government, of course, assumes the responsibility of stating that the problem is at the present time a national problem, and also responsibility for the grounds on which it has reached that conclusion. My hon. friend has not given to me in the correspondence respecting unemployment that I asked for any information which would indicate that he has received from the governments of any of the provinces direct information to the effect that the situation within its borders with respect to unemployment has become such that the province itself is unable to cope with it. I do not think that any communications whatever from the governments of any of the provinces with respect to unemployment have been laid on the table of the house. If I am wrong in that, I hope that my hon. friend will correct me. Parliament and the country had reason to expect that in a situation which is described as the preamble of this bill does describe it, as presenting a national problem, there would have been some representations from at least some of the provinces of the Dominion with respect to unemployment existing within their boundaries.

May I again make quite clear, in the second place, that the objects mentioned as those which are to be furthered by the moneys appropriated under this bill are all objects which in themselves are wholly worthy and quite proper to be furthered in justifiable circumstances by this parliament. It is part of the duty of the federal parliament to establish public works and public undertakings. Parliament has it within its jurisdiction to build railways and canals, wharves and national highways to defray the cost of the distribution of products. These are all objects that properly fall within the jurisdiction of the federal government. No exception will be taken by any of us on this side to any of the objects or purposes to which grants may be applied as mentioned in the measure, provided they are justified as serving the purpose of the bill itself.

As to the amount that is required for purposes of relief, there again I think the government must accept full responsibility for the figures set forth in the bill itself. Yesterday, in discussing the resolution, I drew the

attention of the house to the fact that in the past ten years the total amounts which have been voted by this parliament to assist the provinces and municipalities in dealing with an unemployment situation did not reach the sum of two millions of dollars. That was for a period of ten years. The expenditures under this bill apparently will be restricted to a period of six months, and the amount the government is asking is twenty millions of dollars. No doubt hon. gentlemen will be able to show wherein for that period of time that very large sum will be necessary to meet the situation. Responsibility as to the amount, of course, is theirs.

The one exception that I have to take, and it relates to the bill in the form in which it appears, is as to the manner in which the government is asking this house to vote the moneys necessary for the purposes described. Why should there be at a special session any change in the procedure which is adopted at ordinary sessions of parliament in voting supplies that are necessary to carry out the various undertakings and obligations of the government? As hon. members well know, the usual practice, whereby parliament secures its control over expenditures, is for the house to be moved into committee of supply, for the Minister of Finance to bring down his desired appropriations in the form of estimates, for estimates to be fully discussed in committee of supply, and for appropriations to be made in that way for specific purposes as set forth in the supply bill. I confess that when I saw that the Prime Minister was arranging to have the committee of ways and means constituted, I felt some amazement that he had not established the customary committee of supply, especially in a session that was called more particularly to vote moneys for the purpose of granting of aid for the relief of unemployment.

May I say that there are two grounds on which exception should be taken to the bill as drafted? The first is as to the time for which the supplies, because they are supplies, are being voted. The second is the absence of the designation of specific purposes for which definite appropriations are to be made. The bill as drafted, had there been no exception taken yesterday to this feature of it, would have permitted the government to come into possession of a sum of money amounting to $20,000,000, and to have used any portion of that sum of money at any time during the course of the next few years so long as they were prepared to say that they were spending it in connection with the affording of relief.

[Mr. Mackenzie King.]

Supplies are voted by parliament annually. The purpose of having annual supplies is to enable parliament to keep control over expenditures. I do not think that there should have been a departure from that fundamental principle of control by parliament over expenditures. However, the Prime Minister has promised that he will insert in the bill an amendment which will give the country the assurance that none of this money can be appropriated beyond the end of the present fiscal year. Such an amendment should serve, at least in part, to meet one objection.

The other objection is equally serious. One has but to enumerate the various objects on which it is intended to spend this money to see that they constitute pretty nearly everything that usually appears in the list of the supplementary estimates presented annually in this house. There are, first of all, public works. The house is entitled, and the country is entitled, to know upon what public works it is intended to spend any portion of this money. The government must have some idea. They surely are not putting various objects into the bill blindly. The next item mentioned in the bill is undertakings. They must know what the undertakings are, they have in mind, and I think that they should tell the house, at least when we go into committee on the bill, what undertakings they have in mind. The next class of objects mentioned in the bill are railways. The government must know what railways they intend to assist by this measure. Parliament is entitled to know what these railways are, whether it is some new railway that is to be constructed, or whether it is some railway that is already in existence that is to be extended. What are the railways that are to be assisted or constructed by this measure?

The next item mentioned in the bill is highways. We are entitled to know what highways are going to be assisted or constructed under this measure. Indeed, I think that we are entitled to know how much of this particular appropriation of $20,000,000 is to go for highways.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I wish particularly to stress that there should be an allocation for definite purposes of certain portions of this $20,000,000. It should be shown how much is to be spent on highways, how much on railways, how much on public works, how much on other undertakings, and how much

to assist the provinces and municipalities. As was pointed out yesterday by the ex-Minister of Justice (Mr. Lapointe), during the period of the war, when the Prime Minister of the day asked parliament to vote a large sum of money to meet an emergent condition, the Prime Minister gave to the commons a full statement of the various objects on which it was intended to spend the money that he was asking parliament to appropriate, and gave an indication of the amounts which would be allocated to the different purposes.

Next, there is the item of bridges. Hon. gentlemen opposite must have in mind certain bridges which they intend to construct out of this amount. Surely we are entitled to know what these bridges are. It cannot be in the minds of hon. gentlemen opposite to consider an application for a bridge that may come at any moment; they must have some bridge or bridges in mind—possibly the bridges that my hon. friend promised would be built at Halifax or Caughnawaga or some other locality.

An hon. MEMBER: Saint John.

Mr. MACKENZIE KING: Yes, the bridge at Saint John. A number of promises have been made for the construction of bridges. If those bridges are to be built out of any part of this $20,000,000, then the House of Commons has a right to know it when it is appropriating this money for unemployment relief.

Next are mentioned canals. What canals do hon. gentlemen opposite propose to build or construct? Is any portion of this money to be used in connection with developing the St. Lawrence waterway? I think my hon. friend should tell us whether he intends to use any portion of this money for the purpose of the St. Lawrence waterway system. What canals has he in mind in connection with the appropriation for which he is asking?

Then there are harbours and wharves. What particular wharves are to be built, what harbours are to be assisted out of this money?

Then we come to a different class:

Assisting in defraying the cost of distribution of products of the field, farm, forest, sea, lake, river and mine.

Does that mean that there is to be assistance granted to railway companies for moving coal? Does it mean there are to be additional subventions for the purposes of the marketing of wheat? What are the particular objects that are to be served under that heading by any part of this appropriation?

I think, Mr. Speaker, that in these two particulars we are face to face with what constitutes the most important of all the obligations which the House of Commons has to meet. The $20,000,000 to be used for the purposes described must be raised in the form of taxation sooner or later. The Prime Minister ought to be very definite as to whether this amount of money is immediately to be secured from taxation, or whether he proposes to raise it in the form of loans. Inasmuch as it is money that will have eventually to come out of the pockets of the people, it is certainly our duty to take every precaution to see that whatever constitutional practice has shown to be essential in order to prevent waste or extravagance in the expenditure of public moneys is strictly observed.

That brings me to another point to which I should like to direct special attention, namely, the necessity of the exercise of great care in the auditing of the expenditure of all these public moneys. My hon. friend has just indicated in his remarks that it is not the intention of the government to attempt to follow these moneys to the point where they reach those who are receiving assistance. I think that is entirely wrong. These moneys are being spent to aid persons who are unemployed. I would submit with all deference to the government that any return that is made to parliament ought to include the number of persons who have received aid out of this vast sum, and also the amount of that sum that has gone in wages to the persons so assisted. Unless that information is given, the country will have no way of knowing whether the moneys that are being appropriated now to the extent of $20,000,000 have found their way into the pockets of needy artisans and others who unfortunately are out of employment, or whether for the most part they have gone into the pockets of individuals who may be given contracts for the particular purposes set forth in the bill. I would ask my hon. friend to consider that aspect very carefully.

May I say to the Prime Minister that after what he heard in the discussion yesterday he should feel that special care should be taken in connection with any moneys which may be handed over from the federal treasury to the provincial governments for use in any way. If there ever was a shocking incident narrated in parliament it was the one that was told us last evening by the hon. member for Nipissing (Mr. Hurtubise) in which he presented to the house an affidavit of a humble labourer who swore he was obliged to choose between his political convictions and committing perjury before he could receive money for work which he had done for the government of the province of Ontario. In order

not to have his employment discontinued this man felt it necessary to go contrary to his political convictions in recording his ballot, not wishing, as I have said, to commit perjury, which would have been essential in order to retain for himself the work upon which he had been engaged. If that kind of thing is happening or is likely to happen anywhere, surely we of this parliament have a special reason to take full cognizance of it. I would suggest to the Prime Minister that he consider whether it is not possible to have the Auditor General audit the accounts of the provinces or of the municipalities in so far as they relate to what may be received in the way of assistance from this federal fund. I believe that to be absolutely essential. If hon. gentlemen opposite are to be free to hand to the premier of Ontario a cheque for $1,000,000 and permit him to use the cheque for work on the highways and other purposes which he may feel or may say will relieve unemployment, what possible check will the people of Canada have, either through this parliament or through the legislature of Ontario, on how that money is being spent? Unless a precaution of the kind suggested is taken, the bill in its present form will simply mean that we are voting $20,000,000 to the executive here to do with as it pleases for the next six months without any further control on the part of parliament—a control which might be secured through a proper system of audit, but which up to the moment has been refused—that control will be done away with entirely so far as this parliament is concerned. Then so far as the moneys may be turned over to the executives of the provinces to be disbursed by them these expenditures will be beyond any control on the part of the legislative assemblies. The executives of provinces to whom any portion of the moneys may be given will be free to do as they please with them. Similarly, these moneys may again be transferred to the executives of municipalities, and they, in their turn, without any control on the part of their councils, will be free to use the public moneys as they think fit. Any system that will permit of millions of dollars of public money passing freely from executive to executive—from Dominion executive to provincial, and from provincial executive to municipal—without any form of adequate control or auditing is a system that should not be countenanced for one minute, and least of all should it be countenanced in connection with a measure intended to relieve human suffering and human need. We do not wish by proposing any formal amendments or having any further lengthy discussion to embarrass the government in obtaining promptly the moneys that are needed to meet an emergent situation, but I do hope that the Prime Minister will regard, as a helpful suggestion, in the way in which they are meant, these words to which I have given expression, and perhaps allow some of them to find recognition in the form of amendments to the bill as it has been introduced.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Short title.

Mr. GARDINER: I wish to call the attention of the house to one or two factors bearing on this bill. This section defines the purpose of the bill, which primarily is the relief of unemployment. It is proposed that the money to be expended shall be taken from the consolidated revenue fund. That means that the taxpayers of Canada will be responsible for providing the whole of the fund, and when I say taxpayers I include every class in Canada who may contribute by way of taxation. Now there is a class which has not been mentioned at all during the entire discussion of this question, namely, the agricultural class. We have in Canada to-day many agriculturists who are just as hard up as the unemployed who ordinarily receive wages.

The CHAIRMAN: Order. The hon. member is not speaking to section 1. He would be more in order, in the observations he is making, on section 2.

Mr. GARDINER: I think I am in order on this particular section, Mr. Chairman.

The CHAIRMAN: That is my ruling.

Mr. GARDINER: I am dealing with the purpose of the bill, which is the relief of unemployment.

The CHAIRMAN: Order. The hon. member may speak as he is doing either on the preamble or on section 2. His remarks at present are not in order on the section before the committee.

Mr. GARDINER: I submit, Mr. Chairman, that my remarks are in order and I do not accept your ruling.

The CHAIRMAN: I rule that they are not in order. Shall the section carry?

Section agreed to.

On section 2—Grant of $20,000,000.

Mr. GARDINER: I will proceed with my remarks. As I have already stated, we have a very serious condition amongst the farmers of Canada. Of course, I can speak with authority only in so far as I refer to those whom I best understand and whom I represent. I repeat, in western Canada we are faced at the present time with a condition which is very serious. We have many farmers who this year have no crop at all; yet they will be contributing to the taxation of the country which will provide this fund. The Prime Minister and his colleagues have given us no indication that these very people who are as much in need of assistance as others, will be in a position to participate in this unemployment fund. Let me refer to a very special class of settlers in western Canada whom in the past this parliament has assisted in some measure: I mean the soldier settlers. I have received many communications from these soldier settlers, who are in the unfortunate position of not being able to finance their activities as well as some other farmers can. They have no seed, no feed for their stock and have nothing to assist them to go through the winter. May I inquire of the Prime Minister whether he has given consideration to the possibilities of such farmers as are in need of assistance from this fund?

Mr. BENNETT: I can assure the hon. gentleman that this matter was in my mind when the measure was being drafted, for this reason, that I recalled the very serious days of a few years ago when the agricultural population in, for instance, the province in which I live did require assistance, which was given by the joint effort of the Red Cross Society and the government of the day. This very measure provides, without mentioning that class, that a portion of the money may be available to reimburse the provinces or municipalities for any expenditures they may make. As will be observed, in the third section—if I may anticipate it, Mr. Chairman—provision is made for "reimbursing expenditures made by provinces and municipalities in connection with unemployment." apart altogether from the question of relief.

Mr. GARLAND (Bow River): Could or would the Prime Minister classify as unemployed a farmer on a farm who happened to be in such serious financial straits as to be unable to supply himself with the necessities of life? Would he be properly described as unemployed?

Mr. BENNETT: I thought at the time, and I still think, that it would be better to use the word "unemployed" than a word which, while being perhaps more correct from a purely dictionary point of view, might not be so desirable. I think the case is sufficiently covered by the word "unemployment," and such instances as my hon. friend has in mind were so treated in payments made in previous years. As I say, there is another word which might be used but which would be rather objectionable, in the case of a man who found himself unable to support his family and who had to receive assistance. Such a man would be regarded as unemployed within the meaning of this legislation.

Mr. GARLAND (Bow River): If it is understood that this is to be the interpretation of the act, the position taken by the leader of the government is preferable. I just wanted to be sure that such a farmer as I have suggested would be regarded as one to whom relief would be readily accessible.

Mr. BENNETT: Primarily—and I know the hon. gentleman is familiar with this—action must be through the municipality and the provincial authority, and this authorization is to assist in repayment to the municipalities. The payments are made by the municipalities and not by this government direct, because our constitution does not contemplate our doing so. They are the constituted channels—the province and the municipalities—through which the relief is to be afforded.

Mr. McGIBBON: What proportion approximately of the cost of any works undertaken by the municipality for relief will be paid by this government indirectly?

Mr. BENNETT: As I indicated yesterday, the conclusions arrived at by the leader of the opposition, which embodied the views expressed by parliament in 1919 and 1920, were regarded as being reasonably sound, namely, a dollar payment by the municipality, an equal sum by the province, and the contribution of an equal amount out of this fund for relief purposes. With respect to works undertaken by the province or municipalities, no rule will be laid down. It was not thought desirable that there should be, because there might be exceptional cases in which the only relief that would provide work in a very poor municipality would call for assistance beyond that which others might require. The general rule, however, was, a third, a third and a third and, as I said yesterday, 40 per cent with respect to the elimination of level crossings by subways or grade separation.. If the railway board, for instance, thought a larger sum

should be paid, I intimated yesterday that the government held the view that it would be quite proper for the board to make that direction, because the availability of an additional sum in the level crossing fund was intended to be made through the proper channel. It is not believed, however, that there will be very large municipal undertakings because of the very circumstances to which the premier of Alberta referred in his telegram yesterday. It would be impossible to lay down a fixed rule with respect to that, we feel at the moment, but some rules and administrative regulations will be laid down when the situation is more thoroughly canvassed.

Mr. MACKENZIE KING: My hon. friend has made some reference to his understanding of my point of view, but I believe there is some slight difference between us as to that. My reference to dollar for dollar with the province and the municipality had relation to the construction of subways, which I regarded primarily as a federal obligation, the municipality and the province also benefiting thereby. I thought that with regard to the construction of subways the federal government might very well take that obligation upon its own shoulders as a federal obligation, the municipalities and the provinces making contributions in view of the service they would get in return, my thought being that it is always preferable to have the government that is expending the money the government that is also obliged to raise it, and vice versa. If we in this federal parliament raise the money, let us spend it for federal purposes, and if in so doing we can assist a municipality and a province, well and good; let them contribute their dollar for dollar in the way I have indicated, because they will be getting something of permanent value in return. In this way all parties will be helped; the federal government, the province and the municipality and all will be assisting unemployment, while the taxpayer who in all cases has to meet the bills will also be getting something in return. If he is a farmer or an urban dweller he will have the benefit of these subways which are useful in saving time in transportation and serve in no small way to avoid the loss of life.

As to municipal buildings, I never had it in mind that the federal government should contribute a third towards their construction. What was done under the order in council introduced by a former Conservative government was that a third of the excess cost of the work was met by the Dominion government, and as respects that class of undertaking I do not think that more than that should be contemplated.

Mr. BENNETT: I may say that I think perhaps the right hon. gentleman has revised his views with respect to subways. I am bound to say that when I first read what he had said I did not construe it as meaning what he now suggests, for the reason that as the law now stands the municipalities can get 40 per cent, so what would be the advantage in taking 33⅓ per cent? Therefore I felt there must be an error in the report which I read. The right hon. gentleman now seeks to have me believe that what he had in mind was that there should be an equal division, but he will recall that when we set up that grade crossing fund and the regulations were made thereunder, up to 40 per cent of the cost of constructing a subway was payable out of that fund by order of the Board of Railway Commissioners, so that the municipalities are nearly 7 per cent ahead under that fund than they would have been under the suggestion of the right hon. gentleman. If the federal government undertook the responsibility of building a subway to cost $900, the dominion, the province and the municipality would each pay $300 under the suggestion of my right hon. friend, but as the matter now stands the board might order that $360 be paid out of our grade crossing fund, which would reduce the contributions necessary from the municipality and the province. It will be recalled that under the former Minister of Railways, Mr. Dunning, this fund apparently was not well understood by the public, and an effort was made to have it more thoroughly appreciated. When I was sitting where my right hon. friend is sitting now, I did direct attention to it, and the minister was good enough to increase the maximum sum that might be paid in any city to $100,000. The Dominion could hardly assume responsibility of putting a level crossing in a city like Toronto, for instance, because that would involve the Dominion in itself interfering within the municipality with the streets of that city. What was done recently by the city of Toronto was to make an application to the board to construct a subway, and they asked that the cost be allocated to the railways, both being involved, I believe, and that a certain sum should be contributed out of the fund itself. The board decided that the city should do the work itself at its own expense and made an order accordingly. That was what I had reference to when I answered the hon. member for

Toronto West Centre (Mr. Factor) yesterday, as to an appeal having been taken to the governor in council.

The question as to whether the contribution from the fund should be 33⅓ per cent or 40 per cent was one of the matters which we thought might reasonably be left in the hands of the board in connection with subways, with the understanding, since there are some communities where the risk is very great and the danger is always apparent but where they cannot afford to put in the necessary subway, that upon an application made to the board a direction may be made that 50 per cent of the cost may be contributed from the fund, having regard to the circumstances of the case. Perhaps even more might be contributed in the case of a small community where the danger is very great and the municipality is unable to deal with it. We thought we might fairly augment the fund to enable such an order to be made, having regard to the fact that this kind of work will provide employment for a considerable number of people in the smaller communities in particular, where I understand the Minister of Labour is of opinion that if the men work for a time and accumulate a little money ahead to provide for their families for a month or two, it might be that they would stop work for a time and permit someone else to work instead, so that the whole community might be served so far as possible by the carrying forward of this undertaking if there were a large number of unemployed. I think it a fair suggestion, with respect to level crossings and subways, that this independent body should be advised that if in its judgment a condition existed in a smaller place where a crossing could be constructed through an increased contribution from the grade fund, we would provide the money whereby that direction might be made.

I am bound to say that the government set up a small committee to deal with the matter and lay down regulations under which it might be possible to deal with the situation when the legislation becomes effective, but I could not give any detailed answer to my hon. friend from Muskoka at the moment.

Mr. EULER: I should like to revert for just a moment to the matter of national highways. The Prime Minister made a reference to the gap of something like 400 miles in northern Ontario which it is necessary to cover in the construction of what might be called a trunk highway. I should like to ask him if he can tell me whether it has been decided what percentage of the cost of such a highway would be taken out of this fund.

Mr. BENNETT: No.

Mr. EULER: It has not been decided?

Mr. BENNETT: No.

Mr. EULER: I might also make this remark, in connection with moneys which might be expended on that particular portion of the national highway. I would judge the cost of construction to be at least $25,000 a mile, and if there are 400 miles still to be constructed that would absorb a very large portion of this fund provided the percentage were reasonably high. While I do not wish to say anything that might offend my hon. friends from northern Ontario, and while I have no desire to suggest that they should not receive relief in that portion of the province as well as in any other part of the province, I do have in mind the thought that possibly a large sum of money such as might be involved in the construction of that portion of the highway might conceivably be spent to the advantage of a greater number of people if it was spent in other parts of the province. At least some consideration should be given to that thought. I live in western Ontario, where a greater proportion of the population of the province is located, with perhaps two million people between the city of Toronto and the city of Windsor.

Mr. BENNETT: With excellent highways, too.

Mr. EULER: Quite so, but as my hon. friend knows, there is a very considerable number of unemployed in that area, and these are the people we desire to help. I merely want to throw out the suggestion that instead of possibly expending too large a sum of money on the building of a road in northern Ontario, which in a real practical sense is not so very necessary, however desirable it may be in many ways, consideration should be given to the spending of money to the very best advantage and to the greatest good of the greatest number.

It is quite conceivable that there would be purely provincial roads constructed entirely by means of provincial money, and I should not like to see a portion of this fund granted for the construction of such roads. It would not help any municipality, it would help merely the province in which such roads were located, such roads would be constructed by

the province itself, which might be financially able to carry on that work. I should not like to see this government hand out to the province of Ontario or any other province any money for the ostensible relief of unemployment to be used in construction which the province can afford to pay for itself. What precautions will be taken to see that moneys contributed out of this fund will be properly protected?

Mr. BENNETT: Perhaps my hon. friend the former Minister of National Revenue (Mr. Euler) will do me the honour of glancing at the closing words of section 3. After reading those words I do not think he will be so apprehensive with respect to the matters about which he has spoken. They read as follows:

—granting aid to provinces and municipalities in any public works they may undertake for relieving unemployment.

No grant is made to the province. The right hon. the leader of the opposition (Mr. Mackenzie King) fell into that error, if I may use the word. Assistance is to be given to any province or municipality in any public work which they may undertake, that is presumably the actual undertaking of public work which in the judgment of the municipality and/or the province is regarded as being necessary to relieve unemployment. Grants will not be made for the construction of a provincial highway or any other highway except it be for the purpose of relieving unemployment. Of course, the federal authorities will exercise their discretion and will be satisfied that the undertaking comes within the description I have given, namely, of being a work undertaken by a municipality or a province for relieving unemployment. As has been stated already, a municipality might commence work to-day which ordinarily it would not commence until next year, and the federal authorities would see that that municipality was in no worse position because of that early commencement of work to relieve abnormal conditions which prevail.

Mr. EULER: Mr. Chairman—

The CHAIRMAN: I think my hon. friend is discussing section 3.

Mr. EULER: Not at all. I am inquiring as to the percentage which might be appropriated in any given instance. I do not think the Prime Minister apprehends my question. I am not referring to work initiated by municipalities. I am referring to what are known in the province of Ontario, for instance, as provincial roads, to which the municipalities do not contribute in any degree. It might be decided by the province of Ontario that in order to solve the unemployment question they should construct a purely provincial highway. The province has a duty to perform with regard to unemployment, as has been admitted already, and that responsibility might lead them to construct a highway without any assistance from this government. Would any part of this fund be used for the construction of a purely provincial highway, a highway in which no municipality is concerned, even though it be for the relief of unemployment?

Mr. BENNETT: It would be competent for the federal authorities to agree to assist in the work.

Mr. EULER: Is that contemplated?

Mr. BENNETT: It is not contemplated at the moment, but conditions change quite rapidly. I have very good authority for that statement; Sir Henry Thornton stated to the committee that conditions changed so rapidly that it might be found necessary to utilize an appropriation intended for one purpose for some other purpose because of the necessities of the occasion. If that statement could be applied with truth to any condition, it could be applied to the matter of unemployment.

Sir EUGENE FISET: Mr. Chairman, in discussing section 2 of this bill I believe I have the privilege of completing the remarks which I commenced a few moments ago. I desire to assure my hon. friend the Prime Minister (Mr. Bennett) that I have no intention of either blaming or insulting him, nor do I desire to criticize any statement which he has made. However, I would remind him that in discussing this item yesterday he stated that the Canadian National Railways were not in the habit of submitting to the house or to the committee full details of the amount asked to be voted. My hon. friend stated that the estimates were submitted in blank and that no details were furnished to the house; that is quite true. He stated also that the printed evidence of the proceedings of the committee on railways contained no such details; that again is quite true. However, the hon. gentleman did not go far enough; if he had taken the trouble to ask any one of his supporters who happened to be a member of the committee on railways and shipping he would have been informed that not only was a verbal explanation given on every item submitted to the committee, but a typewritten booklet

was furnished to every member of the committee giving the full details of each vote. This pamphlet is entitled Canadian National Railways, Estimate of Financial Requirements, 1930. The index of the pamphlet reads as follows:

CANADIAN NATIONAL RAILWAYS

Statement of Estimated Financial Requirements

Resources and Capital Expenditures for the year ending December 31, 1930		
Net income requirements after interest charges	Exhibit A	$8,396,990

That particular exhibit covers three pages. The index continues:

Other financial requirements—		
Retirement of capital obligations (including sinking fund and equipment principal payments)	Exhibit D	$ 7,268,010
Acquisition second mortgage bonds Admiral Beatty hotel	Exhibit E	135,000
Net financial requirements		$15,800,000
Capital requirements—		
General additions and betterments (less retirements)	Exhibit F	28,550,000
Discount on securities to be issued	Exhibit G	2,000,000
Proposed new equipment issue—Series L	Exhibit H	5,250,000
Net requirements		$51,600,000

This gives a net aggregate amount of $51,600,000. This is the exact amount which was provided in the estimates of last year for the requirements on capital expenditures of the Canadian National Railways. Therefore, Mr. Chairman, I was correct when yesterday as an assertion I stated, not in order to correct my hon. friend but simply to try to place him on the right track, that the present committee on the Canadian National Railways was furnished with full and complete details so far as the estimates on capital requirements for the fiscal year 1930 were concerned. I had no intention whatever to blame the Prime Minister. I knew he was labouring under a false impression; probably I should not have used the word false, but at any rate he did not possess the necessary information. In justice to myself I thought I had a right to make a statement.

Now, sir, I wish to say a few words in connection with the further suggestion I made in regard to the $20,000,000 loan. I suggest that the same procedure should be adopted with regard to the $20,000,000, that has always been followed in this house in dealing with the estimates of the Canadian National Railways. I think that if a special committee was given authority to look into some of the details which could be given by the government matters would be very materially mended, and such procedure would help to dispel some of the doubt which is bound to exist in the minds not only of members of this house but of the general public. That is one thing which the government could do at the present time. It has been stated in this house that the Minister of Labour (Senator Robertson) has already received from municipalities with a population over 10,000 applications for relief. He has also received similar applications from municipalities with populations of 6,000 and over. These applications are for the relief of the people within the borders of those particular municipalities. I know that in my own constituency the town council of Rimouski has made a demand upon the Minister of Labour for public works in order to help relieve the local unemployment situation in that locality. The municipal council has asked the government to help first, by constructing a new intake pipe for the waterworks of Rimouski and providing an overhead bridge to do away with the level railway crossing on the national highway. That particular spot constitutes one of the most dangerous places on the national highway of the province of Quebec. The federal government has also been asked to construct a dyke or retaining wall at low tide, where the land becomes the property of the federal government, in order to protect the property of the people in the immediate vicinity. That dyke is to be constructed from the western to the eastern sections of the city of Rimouski not only for the purpose of saving private property from damage, but to help relieve the present situation. There is also a request for a new main highway to prevent the congestion which exists at the present time in the main street of the city of Rimouski through which the national highway passes. I would like to ask the Prime Minister if it is the intention of the government in connection with applications which have been received by the Minister of Labour from these various municipali-

ties, to refer to the provincial governments, or will the municipalities be compelled to make new applications through the provincial government in order to secure aid for the works which they intend to undertake for the relief of the present situation. I would like to have some provision included in the bill to this effect. I think in the main it would afford a great deal of relief to the different municipalities if in section 3 of this bill, after the word "provinces". . . .

The CHAIRMAN: I would remind the hon. gentleman that we are discussing section 2.

Sir EUGENE FISET: I have heard other hon. members discussing the two sections of the bill in a general way, and I think it would save a great deal of time.

The CHAIRMAN: I am sorry, but the hon. gentleman knows we are discussing the second section.

Sir EUGENE FISET: Mr. Chairman, I hope that in my remarks I have said nothing that could be understood as in any way blaming my hon. friend; I will say that my purpose in raising a question of privilege was simply to clear the situation.

The CHAIRMAN: Shall section 2 be adopted?

Mr. YOUNG: Reverting to the question of relief to western farmers who as a result of a year's work have garnered no crop, I think the Prime Minister said he would be willing to have paid out of this fund one-third of the relief extended to those people. I would like to ask him if it is the intention of the government that that third should be collectible and given to the farmer as a loan to be charged against his land and collected as taxes, or to be an out and out gift.

Mr. BENNETT: That is a matter which I endeavoured to show was primarily the responsibility of the provinces and the municipalities, and we are not endeavouring to oust their authority. We are merely giving to them a third of the money, and we do not expect to get it back.

Mr. YOUNG: Surely you do not intend to give them this money to loan to individuals and not get it back.

Mr. BENNETT: I certainly do not.

Mr. YOUNG: It will be an out and out gift, then?

Mr. BENNETT: I assume that would be so.

[Sir Eugène Fiset.]

Mr. VALLANCE: We are dealing with section 2, which appropriates $20,000,000 for certain purposes. In the third section we are to discuss certain matters regarding the spending of this amount. I do not know how we can be expected to vote for section 2 before we know how the money is going to be spent. I noticed that my hon. friend from Rimouski (Sir Eugène Fiset) was called to order. May I not speak about certain matters contained in the third section before I am asked to vote for the $20,000,000?

The CHAIRMAN: The hon. member knows better than I do that the bill must be discused clause by clause. If he objects to the principle he should have spoken on the second reading.

Mr. VALLANCE: It has always been the practice to allow full discussion.

The CHAIRMAN: The hon. gentleman has had more experience than I have had and he should know the rule.

Mr. VALLANCE: That is why I asked the question.

Mr. LAPOINTE: Before going farther may I discuss—

The CHAIRMAN: My hon. friend should sit down, because the chair is speaking.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: I am answering the hon. member.

Mr. LAPOINTE: It is a point of order.

The CHAIRMAN: Very well, I shall sit down.

Mr. LAPOINTE: I thank you, Mr. Chairman, for your courtesy in allowing me to speak to a point of order. I desire to call the attention of the chair to the fact that clause 2 of the bill is a general clause that gives the right to appropriate $20,000,000 for certain purposes and under such terms and conditions as may be approved by the governor in council. Clause 3 is included in clause 2. Clause 3 merely says that without restricting the generality of the terms of clause 2, such works may be undertaken; but surely under clause 2 any member of the committee can discuss everything which is mentioned in clause 3.

The CHAIRMAN: I do not think the point of order is well founded because standing order 76, which is very specific, reads as follows:

In proceedings in committee of the whole house upon bills, the preamble is first postponed, and then every clause considered by the committee in its proper order; the preamble and title to be last considered.

If my hon. friend's objection is to the principle of the bill or the voting of the money, objection should have been taken on the second reading. We are now discussing clause 2. Clause 3 sets forth the means of spending the money, and when we come to that my hon. friend can discuss it. But now we are discussing clause 2. My hon. friends may ask to suspend the discussion on clause 2, if they wish, or ask for unanimous consent that the two clauses be considered together. In the meantime my hon. friends will discuss clause 2 and no other.

Mr. VALLANCE: Then I have not the privilege, Mr. Chairman, to discuss the matter which I wished to take up? I do not want to vote $20,000,000 without information on the questions which I wish to ask, and those questions relate to clause 2.

The CHAIRMAN: My hon. friend can ask for the suspension of the discussion on clause 2, or ask that the two clauses be considered together by unanimous consent.

Mr. MACKENZIE KING: In all deference, Mr. Chairman, if we are to be asked to vote $20,000,000, surely we are entitled to ask any question whatever that relates to how that $20,000,000 is to be spent. It is impossible for the house to be asked to vote a vast sum of money of that amount and to be restricted in its discussion of how the money is to be used.

The CHAIRMAN: The right hon. leader of the opposition knows that it is not my fault that the bill is drafted this way. He might ask for the suspension of clause 2 or that the two clauses be taken together by unanimous consent. But in the meantime, as we are on clause 2, I am bound by standing order 76 of the house to see that clause 2 is discussed and no other.

Mr. RALSTON: Not on the point of order, Mr. Chairman, but in order that it may be understood a little more clearly, I am going to deal, not with the voting of $20,000,000, but with the purposes to which the $20,000,000 is to be devoted, and those purposes are contained in section 2 of the bill, in the last two lines, reading "and under such terms and conditions as may be approved by the governor in council."

The CHAIRMAN: The hon. member is quite right.

Mr. RALSTON: Under that, I am going to ask the Prime Minister a question with regard to the transportation of coal, which I mentioned last night. I want to point out to him that I think he is under a misapprehension with regard to the existence of an order in council for the cheap transportation of coal from the east to the west.

Mr. BENNETT: I know there is none now.

Mr. RALSTON: I am correcting my hon. friend. I am pointing out to him that wherever he got his information, it is incorrect. There are in existence at the present moment two orders in council relating to the transportation of coal. One provides for cheap rates on coal coming from the west to the east. That is now in force and will be in force until March 31, 1932. There is another order in council providing for the transportation of coal from the east to central Canada and the west. That is in force until March 31, 1931. I wanted to correct my hon. friend on that point because not only does it appear in Hansard, but to-day I noticed one of the daily papers correctly quoting my hon. friend and mentioning that the order in council with regard to the cheap transportation of coal from the east had lapsed. That is not so; the order in council is still in force.

I wanted to ask the Prime Minister, also under this provision with regard to the purposes for which this money is to be voted, if he can tell me whether or not there will be any further subventions or any extension of the existing subventions with regard to coal moving from the east particularly.

Mr. BENNETT: I cannot answer that question.

Mr. RALSTON: May I ask whether or not the government will consider in connection with the general purposes to which they may apply this money the granting of a subvention or assistance in freight rates on fish coming from Nova Scotia to central Canada, and also on fish and fish products moving from Nova Scotia to the United States?

Mr. BENNETT: The Minister of Fisheries mentioned that matter to me yesterday, but no definite conclusion has been arrived at.

Mr. VALLANCE: Yesterday I asked the Prime Minister a question in regard to the marketing of Canada's wheat. I notice that a portion of this money is to be expended in assisting in defraying the cost of distribution of products of the field, farm, forest, and so on. In my humble opinion—I trust that the Prime Minister will correct me if I am wrong—the marketing of Canada's products of the farm is a federal matter coming under the jurisdiction and control of the federal authorities. My first question is, is it the intention

of the government to extend to the provinces any moneys to assist in marketing the products of the farm, and if so, to what extent? I would point out to the Prime Minister that so far as western Canada is concerned there are two systems of marketing at least some of the produce of the farms of western Canada. We have in existence the great co-operative organization known as the wheat pool. Then there is the organized grain trade. I do not see how we can assist both these systems in the same manner. I did have some hope, when a conference was held between the wheat pool and the present government, that something would be done by the government to help in the marketing of Canada's crop so far as the wheat pool is concerned. It is well known to the house that the banks demand of the wheat pool a margin of fifteen cents a bushel security. If the government would give some assurance to the banks, I believe that the banks could be induced to accept a smaller margin. When wheat was selling for over one dollar per bushel, it was a simple matter for the pool to take the fifteen cents a bushel from the contract signer, but when wheat gets down to as low a figure as it has reached during this crop year, it is a different matter entirely, and it seems to me that the greatest measure of relief that could be given to the farmer could be afforded in that way. It would not only help the farmer, but it would put into circulation about 25 per cent more money if the banks would be content with a margin of say five cents a bushel instead of fifteen cents. The producer on the western plain to-day is getting as his initial payment on No. 1 northern only 41 or 42 cents a bushel. It is obvious that under such conditions it is impossible for the farmer to carry on in the manner he is expected to do to-day. As was pointed out by the hon. member for Weyburn, the farmers of western Canada will have to pay their share of this $20,000,000. I would therefore ask the Prime Minister if it is the intention of the government that the federal authorities shall administer a portion of this sum to assist in the marketing of this year's crop.

Mr. BENNETT: That does not come within the purview of the bill except for the purposes of relieving unemployment.

Mr. VALLANCE: It would be assisting in defraying the cost of distribution. Is marketing distribution, or what is it?

The CHAIRMAN: Order. I ruled that such discussion should come under the next clause.

Mr. VALLANCE: I want to know the disposition of this $20,000,000, Mr. Chairman.

[Mr. Vallance.]

The CHAIRMAN: I would state again that the hon. member can ask for the suspension of this discussion on clause 2 if he wants to, or that the two clauses be discussed together by unanimous consent. In the meantime I am bound by the rules of the house, which declare that the bill must be discussed clause by clause.

Mr. ELLIOTT: May I ask for a ruling, Mr. Chairman, on this question? As I understand it, this bill contemplates a total expenditure of $20,000,000. That $20,000,000 includes all the proposals in section 3. So that the $20,000,000 referred to in section 2 includes everything that can be done under the bill.

The CHAIRMAN: Undoubtedly; but it is not my fault that the bill is drafted in this way. We are voting $20,000,000 now under clause 2. The means to spend that $20,000,000 are set out in clause 3.

Mr. RALSTON: No, they are in clause 2, the last two lines.

Mr. POWER: I may repeat what has already been said. Clause 2 reads:

> For the relief of unemployment, a sum not exceeding twenty million dollars is hereby appropriated and may be paid out of the consolidated revenue fund of Canada for such purposes and under such terms and conditions as may be approved by the Governor in Council.

Now, it is surely competent for the members of this house to ask the government whether such and such purposes will be amongst those approved by order in council. Furthermore, in the next clause, number 3, we have these words:

> Without restricting the generality of the terms of the next preceding section hereof.

It is merely an enumeration without restricting the terms and conditions of section 2. I submit in all fairness that we are entitled to discuss the matter.

The CHAIRMAN: The hon. member is quite right but for the fact that the hon. member (Mr. Vallance) referred especially to clause 3 as a matter of discussion.

An hon. MEMBER: And quoted it.

The CHAIRMAN: Shall clause 2 be adopted?

Mr. VALLANCE: I asked the Prime Minister a question yesterday and received no answer.

Mr. BENNETT: I answered it just now.

Mr. VALLANCE: I must beg the Prime Minister's pardon because I did not hear the answer. I have been approached by both

organized and unorganized farmers because they are in just as much distress as the unemployed. They are employed, but they are getting no pay, and consequently they are in a worse plight than those who are unemployed. I think it behooves all of us from western Canada, those on this side as well as those sitting behind the government, to stress to the government that some assurance must be given to the members from that portion of Canada that something will be done for those men.

Mr. POWER: Yesterday afternoon there was some discussion in this house with respect to the lumbering industry. It was pointed out by my hon. friend from Gloucester (Mr. Veniot), by my hon. friend from Muskoka-Ontario (Mr. McGibbon) and by others that the lumbering industry and those engaged in it, in the province of Quebec particularly, were in extreme difficulties, and that something should be done, if possible, along the lines of relieving distress due to unemployment in that industry. It was even suggested by one of the members who spoke that the provincial governments might remit some of the stumpage dues. Now I know that an agitation is on foot in two of the provinces at least with that end in view. Under the terms of this bill would it be competent for the government, as one of the purposes for which this $20,000,000 is voted, to remit to the provincial governments any amounts which they might forego collecting from lumbermen in the various provinces? For instance, should the government of Quebec decide that next winter in order to relieve distress in, we will say, the northern counties—we will take Kamouraska, with which I am familiar, and Bonaventure—they will forego either the whole or part of the stumpage dues and so encourge employment in the cutting of timber during the winter, under the terms of this bill could the government of Canada remit to the provincial authorities the amount which they decided not to collect? I am informed on good authority that in Bonaventure county at least the lumbermen do not propose to cut during next winter. I know that an hon. member of this house who formerly employed three thousand men will be unable, on account of the state of the lumber industry, to cut one stick of timber next winter in the counties of Bonaventure and Matane. The same situation exists in the county of Kamouraska, which is very familiar to my hon. friend the Solicitor General (Mr. Dupré).

Mr. BENNETT: Mr. Chairman, it is quite obvious that the observations of some hon. gentlemen opposite are made in misapprehension, and that the construction placed upon the measure by the last speaker is a perfectly correct one. This bill appropriates $20,000,000 for unemployment relief, using the words in the broad sense, and the section now under consideration provides that that money may be used for such purposes and under such terms and conditions as the governor in council may approve. In other words, it is quite impossible to anticipate all the conditions that may arise in this country in the ensuing few months between now and the next session of parliament. But the preceding section—I am not dealing with the terms of it, Mr. Chairman—merely indicates, without restricting the generality of the terms, some of the methods by which it might be used, and among those methods is mentioned the reimbursement to the provinces or municipalities of any moneys that they might pay for the purpose of relieving unemployment.

Mr. POWER: By providing useful work.

Mr. BENNETT: But there is a specific detail, like particulars that my hon. and learned friend would supply in answer to a demand in an action, indicating that the governor in council may appropriate, if satisfied that a province or a municipality has paid money, certain sums out of the $20,000,000 for reimbursing those expenditures. Certainly without having before me the details and a record of what took place in connection with the payment of timber dues for the purposes of relieving unemployment, I would not be prepared to make any antecedent statement about it. I would have to know the circumstances under which the remission was made by the crown in right of the province before undertaking in any sense to say what the crown in right of the Dominion would regard as a contribution for relief. I can conceive of cases where it would be so. I can conceive of other cases where it would not be so. I think my hon. friend from Quebec South (Mr. Power) will agree that that is so.

Mr. POWER: I am not recommending that course of action to the Prime Minister.

Mr. BENNETT: Quite so.

Mr. POWER: I am asking whether or not the provisions of the bill are wide enough to cover any such course of action.

Mr. STEWART (Edmonton): Mr. Chairman, up to this moment I have taken no part in the discussion, believing the statement of the government is correct that there is an emergent situation which they seek to remedy.

I am very much opposed to the principle of giving the government a free hand to spend $20,000,000, but I presume the statement that there is an emergent situation must be accepted, and provided no precedent is established by the course we are now taking, I shall have to be satisfied. However, my hon. friend the Prime Minister has disturbed me somewhat by the character of his answers this afternoon. His first statement is that he is pursuing what has been the policy of previous governments in meeting emergent situations of this kind, that in every particular he is following that precedent with the single exception that he now informs the house that he does not propose to grant assistance on any basis of percentages whatever.

Mr. BENNETT: I did not say that; I said that has not been determined.

Mr. STEWART (Edmonton): The incident that caused me to rise was his statement that some municipalities may find themselves in a position where they are unable to carry on needed work, and in those particular instances the percentages would be departed from. I may point out that after some nine years' experience in trying to straighten out relief accounts in connection with grants in western Canada on the part of the federal and provincial governments when in office, the one saving element in the whole transaction was the percentage basis upon which relief was granted. I think the Prime Minister will be well advised to stick strictly to the rules, and I hope that he will not participate, even in an emergent situation, on any other basis than that of percentage relief to be granted; leaving, as he has pointed out, the responsibility to the provinces and municipalities to indicate to him whether or not an emergent situation has arisen and what relief is necessary.

Mr. REID: I want to ask the Prime Minister another question affecting municipalities. In the event of a municipality paying out money which in its opinion is necessary for relief work, would it be reimbursed to the extent of one-third, irrespective of whether the provincial government might make a contribution or not? A provincial government might not agree to the relief work proposed by the municipality.

Mr. BENNETT: As I explained, it was the purpose of the government, although no regulations have been framed, to deal only with provincial administrations in connection with a matter of this kind, and not with municipalities, because the municipalities are creatures of the legislatures of the provinces; they are created by provincial legislation. I do not think that anything but difficulty would arise if the federal government were to undertake to deal with each individual municipality. I did say to the leader of the opposition that the principle which had been laid down by previous administrations and adopted by his own, and which he mentioned yesterday and again to-day, was a principle which in the main it was hoped to follow; that is to say, the Dominion would make a contribution of one-third. In the event of a province declining to take action, I have no opinion of my own at the moment as to what steps we might take; but merely expressing offhand the view which anyone might be expected to take should such a condition arise, I cannot think that the municipality should be deprived of one dollar in three, if the provinces represented that it was an undertaking that merited immediate attention. That is the way it strikes me at the moment.

I may say in reply to my hon. friend from North Waterloo that I am advised by one of the Ontario members that in connection with provincial roads the municipalities contribute 20 per cent. I am sorry my hon. friend did not follow me. I said that this was an unemployment measure, and if the farming population found it impossible to harvest their grain, or were in a position where they did not come within the terms of the measure—because, plainly, if they came within its terms they would be entitled to its benefits—their primary source of relief would lie in application to the municipality in which they lived and, through the municipality, to the provincial administration and not to the federal. The other question does not touch this at all—the question of the marketing of crops. I did receive one representation asking that the Dominion assume responsibility for the payment of part of the freight rates. That is practically what my hon. friend means. No consideration has yet been given to the matter, because there has been no indication as to what might be involved.

With respect to action taken by the banks, as Minister of Finance I certainly decline in any sense to endeavour, to use one hon. gentleman's expression, to force the banks to do something which in the judgment of those responsible for their administration they could not do; for I, in common with every other member, realize that the deposits in the banks are moneys lent to the banks by the people of this and other countries. If therefore I undertook to say how they should ad-

minister the moneys lent to them, this country would be assuming a responsibility for which its minister of finance had no statutory authority.

Mr. BOURASSA: And anyhow, not under this legislation.

Mr. BENNETT: No.

Mr. MACKENZIE KING: I do not think my hon. friend answered the question. I understood him to refer to works being constructed by the municipalities. As I understood the question it related to relief.

Mr. BENNETT: I thought the hon. member had said works. I would say, if relief is meant, the answer is in the affirmative. If the municipality were compelled to make payment for relief, the provincial authorities might conclude that they could not contribute, and if they applied to this government I assume the regulations would be sufficiently expansive, at least, not to leave the municipality bankrupt. The municipality might have paid relief to those dependent upon it as against starvation.

Mr. EULER: Yesterday or the day before I inquired of the Prime Minister whether in cases of municipalities requiring relief they were obliged to approach the federal government through the provinces. The Prime Minister then stated that that, he assumed, would be the practice which would be pretty well followed out, but that there was no hard and fast rule in the matter. I rather gathered from what he said a few moments ago that he is receding from that position.

Mr. BENNETT: If my hon. friend understood me to imply that this government would communicate with the municipalities, then I was misunderstood. I have tried to make it perfectly clear that in my judgment the channel of communication between this government and those seeking relief in one form or another must be the province and not the municipality. The provincial machinery is available and they can investigate—not we. Similarly, in connection with old age pensions, the entire machinery of investigation is provincial and not Dominion, although there are certain supervisory powers and powers of examination in relation to the correctness of accounts and matters of that sort.

Mr. EULER: The situation then is that the municipality must proceed through the medium of the province?

Mr. BENNETT: That is my present view as to how it should be done.

Mr. EULER: That is not my understanding of what was said the other day.

Mr. BENNETT: I tried to make it clear.

Mr. BOURASSA: The hon. member does not refer to cases where the municipality applies to the federal government for the construction of a work federal in its nature.

Mr. BENNETT: I was dealing only with municipal undertakings.

Mr. HEENAN: So far as I can see, the government have not yet determined just what disposition will be made of this $20,000,000. I can readily see that the Prime Minister and the government will have to make up their minds as conditions arise and will frame regulations to meet those conditions accordingly. I hope the Prime Minister will get the appropriation through to-night so that he may get down to work as soon as possible. In view of the fact that the Minister of Lands and Forests of Ontario made a public statement recently, that they are prepared to start their work on the trans-Canada highway, in the event of the federal government intimating to the province its willingness to give reasonable assistance, I wonder whether any portion of the $20,000,000 will be used for that purpose.

Mr. BENNETT: I intimated yesterday that I thought it might be a proper source of expenditure, but I did so without having before me any details. I assure the hon. member that with the thousands of cases that must necessarily arise and with respect to which the provinces are daily receiving communications from those who are concerned, it would be idle for me to attempt to anticipate and express an opinion concerning a matter that has not been presented by a province, and with respect to which the province has not made any submission to the Dominion.

Mr. HEENAN: I know that there is some unemployment in some parts of northern Ontario. I do not want to fill Hansard with what the provincial Minister of Lands and Forests has said, but only recently he made a public statement which appeared in the press to the effect that the provincial government is prepared to start at once on the construction of its portion of the trans-Canada highway, provided that some assurance could be given by the federal government that reasonable assistance, as he put it, would be granted. I am not in accord with my colleague the ex-Minister of National

Revenue (Mr. Euler) when he suggests that this money should be expended in the more thickly populated part of Ontario, because I believe this highway is very necessary. Most people of northern Ontario are practically hemmed in and have no communication by highways with the outside world. Of the $20,000,000 which was last voted by this government for the purpose of constructing highways I believe the province of Ontario received something in the neighbourhood of $6,000,000, but not one penny of that amount was expended in northern Ontario; it was all used in the vicinity of the constituency of my hon. friend the ex-Minister of National Revenue.

Mr. McGIBBON: May I ask a question? Does the hon. gentleman not know that in northern Ontario the government paid all the cost of the roads, while in the southern part of the province the counties paid a portion of the cost?

Mr. HEENAN: In the first place that is not a question, and in the second place I did not hear the hon. member. Now, Mr. Chairman, for the information of my colleague the ex-Minister of National Revenue, let me say that this highway through northern Ontario has been promised for nine years. I have here a document which was presented by an organization known as the Central Canada Colonization Association, the president of which was a Conservative candidate in the election of 1919.

Mr. BENNETT: The provincial election?

Mr. HEENAN: Yes. This document was prepared by a very representative body of men from east of the head of the lakes to and including Manitoba, and was presented by this organization to the Drury government in 1921. Not one word was mentioned in that whole petition with respect to any federal assistance. The highway was promised us, Mr. Chairman, and I have here the report of the engineer who surveyed the route which was to be followed. Then I have in my hand a statement by the provincial Minister of Lands and Forests which appeared in the Fort William Times-Journal of May 30, 1924, in which he makes the following statement:

> The policy of the government is to open up northern Ontario roads as speedily as possible. The highway through to the Manitoba boundary will be a direct line from Fort William north of Rainy river and Fort Frances and will be completed within three years. The road eastward towards the Soo will be undertaken at once, and will be completed within the next seven years.

[Mr. Heenan.]

Many other definite promises were made by the minister at that time, but I do not need to read them all. I have another statement by the engineer who was in charge of the work, saying that these roads would be completed in a very short time. That was in 1924. I also have a recent statement by the Minister of Lands and Forests to the effect that this highway could not be expected to be completed unless aid was received from the federal government, so in view of the fact that the Prime Minister has now stated he is willing to cooperate with the provinces in any undertaking of this nature, and in view of the fact that the Minister of Lands and Forests has stated that his government is prepared to start work at once provided some reasonable assurance can be given by the federal government, I sincerely hope this measure will pass without further delay so that the Prime Minister can assure the provincial Minister of Lands and Forests that aid will be forthcoming in order that the work in northern Ontario may be started at once. I believe the work should be done in northern Ontario instead of in old Ontario, where they have so many highways at present.

Mr. HEAPS: I presume the success of this measure will depend a great deal upon the way it is administered, but the answers given by the Prime Minister this afternoon have left me rather confused as to how it will work out. I am rather interested in the question whether the municipalities are going to get any benefit from this $20,000,000. At one time during the discussion the Prime Minister stated that he would deal only through the provinces, but at another time he stated that he would deal directly with the municipalities. I want to be quite clear on that one point. I understand that a municipality which desires to undertake a public work of its own first of all must submit its plans to the provincial government. The provincial government must approve of those plans, which then I presume would be forwarded to the federal authorities, who also would have to approve them. I can conceive of instances where the provincial government would not approve of such a plan for relief work, and I suppose in those circumstances that work would be turned down. I want to know from the Prime Minister whether in such a case, where the provincial government is not in agreement with the municipality but where the municipality is prepared to go ahead with the work, the federal government would come to the assistance of the municipality.

Mr. BENNETT: I intimated that I thought this was a question which it would be difficult to answer, and the more I hear the hon. gentleman the more sure I am that this will be a difficult matter, because if there were a conflict of authority between the province and the municipality and the Dominion was dealing with the provincial authorities, speaking now with respect to work and undertakings, it might be very difficult to frame any regulations which might meet that situation. However, I do not fancy that unemployment really coming within the terms of this measure could exist without there being unity between the province and the municipality as to the action that should be taken in connection with it. Practically all the western municipalities are dependent upon approval being given by the chairman of the local government board, or by a minister designated, before they can issue securities of any kind for the purpose of obtaining money, as perhaps my hon. friend realizes. That is my reason for indicating my belief that the act could be administered only through the provincial authorities.

Mr. HEAPS: I take it that in the case of municipal relief work it would be almost imperative upon the provincial authorities to approve of such public works.

Mr. BENNETT: It is very difficult to have it put as strongly as that.

Mr. RALSTON: I take it that the Prime Minister has no doubt that the statute is sufficiently wide to permit of dealing directly with the municipality in case of necessity.

Mr. BENNETT: I have no doubt that it is broad enough. My hon. friend, who is a lawyer, will understand at once that the immediate communication should be with the provincial rather than with the municipal authorities.

Mr. RALSTON: Considerable discussion has been carried on in connection with highways, and we seem to have in mind the national highway. As far as my hon. friend has suggested, there does not seem to be a disposition on the part of the government to confine itself in the matter of highway construction or extension to what has been talked about as the national highway.

Mr. BENNETT: As "a" national highway, rather than "the".

Mr. RALSTON: Does the hon. gentleman think there would be any difficulty in assisting in the building of what might be called secondary roads or roads in isolated portions of the country?

Mr. BENNETT: I endeavoured to explain that my purpose was to make the provisions of the act broad enough and the language sufficiently elastic to meet any situation which might arise where want was staring the people in the face and where it was possible, through the intervention of the provincial authorities in bringing the matter to the attention of the federal authorities, to assist in providing useful work for those who needed it in order to prevent their being in want. That is the one side of the question.

Mr. RALSTON: From what the Prime Minister has said, it would appear that the idea of the government is to take the work to the unemployed rather than having the unemployed go to some undertaking some distance from where they live.

Mr. BENNETT: I agree with the suggestion that one hundred small undertakings would go farther towards meeting the general purpose of providing something to do for the unemployed than would two or three large undertakings which might employ but very few men. My hon. friend from Shelburne-Yarmouth (Mr. Ralston) is a distinguished member of the bar, and I say to him as well as to my hon. friend the ex-Minister of Justice (Mr. Lapointe) that the bill was drawn on the assumption that you could not designate either the work to be done or the expenditures involved in the doing of that work. A condition existed which demanded prompt action on the part of parliament, and in order that the house might have before it a general conception of the purpose of the act, section 3 was drafted. Without restricting the generality of the general grant of authority, section 3 is intended to indicate the purposes, but the broad purpose is indicated in the generic words which are used in section 2: "For the relief of unemployment, a sum not exceeding $20,000,000 is hereby appropriated and may be paid out of the consolidated revenue fund of Canada, for such purposes and under such terms and conditions as may be approved by the governor in council."

Mr. LAPOINTE: Surely my hon. friend can give us some information, surely he can give the committee a few particulars as to the destination of the money to be appropriated by this legislation. As my hon. friend knows, section 2 is quite broad. It gives the power to spend a sum of $20,000,000 for such purposes and under such terms and conditions as may be approved by the governor in council.

Mr. BENNETT: For the relief of unemployment.

Mr. LAPOINTE: For the relief of unemployment. I claim again, as I did yesterday, that this is against the principles of responsible government as it concerns matters of national finance. I am raising this point not as a legal quibble but only in order to uphold the principle which is the result of the development of constitutional history. When my hon. friend was on this side of the house he was very fond of quoting Redlich on such points as this, and I would like to refer to page 159 of volume III of the same authority. After stating that the first principle is the supremacy of parliament, the author continues:

But there is something more to say. The fundamental principle just referred to secures only one of the great functions of parliament with regard to money matters. Soon after the great change made at the end of the seventeenth century, political experience showed that a second principle must be established before the foundations of parliamentary government could be regarded as secure. It was necessary to gain for the Commons full and unrestricted control over the destination of the money spent, to enable parliament to check its application and to see that expenditure corresponded to the grants made. The working out of this principle led by degrees to the present financial apparatus of the House of Commons. The form of a bill of supply and the division of parliamentary business between the two money committees of the whole house had long been in existence. But from 1688 onwards the development of law and practice in finance procedure took a new turn: the old framework was retained, but a new spirit was breathed into all the forms of financial management, especially those relating to the expenditure of the state, and the administration of the moneys placed at the disposal of the government. The complete realization of the idea of parliamentary control reacted upon the whole organization of financial administration, just as the vast extension of the latter determined the way in which the great task of modern parliamentary government — direct parliamentary control over the whole of the national finances —reached its present shape. The result of the whole process has been to establish in actual fact the vital principle of modern parliamentary government—that of the full sovereignty of the nation's representatives in disposing of the financial burdens borne by their constituents.

Parliament is the organ of control, government is the organ of administration; both must be kept within their respective spheres and each separate from the other, or else the whole machinery will not function as it should. My hon. friend says: We are a government fresh from a mandate of the people. I congratulate him upon that, but that is not security—far from it. There are instances where the impetuosity of governments has led to unwise commitments. This contention is not raised because of any distrust of the present members who are on the treasury benches; the same principle would apply to any administration and to any government. On one or two occasions last year my hon. friend referred to The New Despotism by Lord Chief Justice Hewart. My hon. friend was very emphatic about the undesirability of giving to the executive powers which should remain within the hands of the legislature. He used some words in that connection which I think should apply to the present government. Speaking of my hon. friend the then Minister of Labour (Mr. Heenan) he said:

I consider the present Minister of Labour (Mr. Heenan) a fair-minded minister, but I do not think that it is in the interests of Canada that powers so great should be conferred upon any one individual under the modern democratic form of government where the temptations for abuse are as great as the powers here conferred.

Surely the powers conferred by this bill will be considered by all members of the committee as being very broad and very great. To my mind the government should adhere to the usual constitutional restraints. They are there to safeguard the rights of the people. Here again I wish to say to my hon. friend that if the majority in the house have rights, and I am the first to recognize that fact, the minority representatives also have rights and duties. They have a duty to ensure full discussion; they have a duty to ensure the publicity of public business and to see that all such business is transacted in the sunlight of public knowledge. That is why I consider it to be my duty again to ask my hon. friend to give to the committee information as to the works which might be undertaken by this government. I refer to new works, because I would have no objection to completing works which were approved last year by the government in office. However, new works which have not received the approval of the House of Commons should be placed before us.

My right hon. leader this afternoon mentioned the national waterways. Under the bill as it stands, however, my hon. friend might embark upon the construction of the international waterways. Members of the committee believe that such an undertaking should not be embarked upon without an opportunity being afforded to the House of Commons to pass upon the advisability of carrying on the work. What is true of this particular work is equally true of all other government works. That is where the safeguarding of the rights of the people comes in. I repeat that no public money can be taken out of the consolidated revenue fund except by vote of this parliament, whether it be by

way of special statute when it is a fixed charge of a permanent nature, or by an item in the estimates voted annually. In both cases the destination of the money must be described; the specific purpose for which the money is to be used must be shown to the legislative body. This is a principle so elementary that its soundness cannot successfully be contradicted. As I said yesterday, even during the war when the special session was called for the purpose of voting an amount of $50,000,000 to allow Canada to enter the war the Prime Minister of the day gave a list of the destinations of the sums included in this particular grant. There were the naval expenditures in connection with the Niobe and the Rainbow; there was the purchase of a new submarine and the pay of 25,000 men. There was the payment for rations for the army, and the expenditure necessary for the purchase of 5,000 horses. The Prime Minister of that day was asked to outline these details. And even with that somewhat incomplete protection there were abuses at that time; some of the moneys which were voted were used for purposes other than those for which they should have been used. Why should we take any chance or risk at the present time? We are not given one single piece of information as to any particular public work which the government intends to initiate. Surely my hon. friend has some in mind. Even if he could not recite all the public works he wishes to have undertaken by the aid of the money to be voted in this bill, he must have some particular works in mind. As members of this House of Commons and as representatives of the Canadian people we certainly have a right to the confidence of my friend in that regard, and he should give us some of the information for which we are asking.

As far as the Canadian National Railways estimates are concerned I think my hon. friend from Rimouski (Sir Eugène Fiset), who was the chairman of the special committee, has dealt with that very fully. All the information was given every year. As to advances to harbour boards, mentioned by my hon. friend this afternoon, may I say that those moneys were merely loaned; they were not voted for expenses in the way suggested by this present legislation.

Mr. BENNETT: The then Minister of Finance said the Quebec moneys would never come back. Does my hon. friend remember that?

Mr. LAPOINTE: Some of my hon. friends on the other side of the house have always had a sore spot in connection with the money voted for Quebec.

Mr. BENNETT: The then Minister of Finance said that.

Mr. LAPOINTE: I am surprised that my hon. friend has mentioned that. I very well remember the difficulty we had to get the money for the harbour board of Quebec; every item had to be given to the house. Not only was that the case in connection with Quebec, but the Montreal and other harbour boards had to give full information. A full program had to be outlined before the money was voted by parliament. I must say that this is absolutely a new venture in the matter of dealing with the finances of Canada. Let me tell my hon. friend that even the Montreal Gazette, that good old Conservative organ—

The CHAIRMAN: Order.

Mr. LAPOINTE: On the day of the opening of parliament the Montreal Gazette stated that it was the duty of the opposition to ask for all information about the money which was to be appropriated by this legislation. I am going to read from the Gazette of Monday, September 8. May I say that the Gazette was most generous in heaping flowery phrases upon my hon. friend.

The CHAIRMAN: Order, please. I do not think the hon. gentleman can properly read an outside paper during the present debate.

Mr. LAPOINTE: Oh, I think—

The CHAIRMAN: I think it is a rule of the house.

Mr. LAPOINTE: Oh no, it is being done all the time.

The CHAIRMAN: I do not say it is not being done, but I say it is not the rule.

Mr. LAPOINTE: It is, surely. It is in support of my argument.

The CHAIRMAN: If the hon. member will allow me I shall quote paragraph 306 from the book of Parliamentary Rules and Forms:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Mr. LAPOINTE: But that is not what I am going to do. I am giving the opinion of the Montreal Gazette on a matter of policy.

The CHAIRMAN: The hon. member is here to give his own opinion, not anybody else's.

Mr. LAPOINTE: Here is what the Gazette says:

Unless the government invites delay by seeking too much in the way of a blanket authority over expenditure for unemployment relief purposes, the only duty resting upon the opposition will be that of promoting such discussion as may be necessary to a thorough understanding of the measures proposed.

The CHAIRMAN: I rule that my hon. friend is out of order.

Mr. LAPOINTE: Very well. So it is clear to my hon. friend that public opinion amongst the ranks of his own supporters will not support his views in that respect, and that the people of Canada as a whole will certainly resent that the information for which we are asking is not given. If my hon. friend is not in a position to give a full list of the works which are going to be undertaken, at least he might inform us as to the nature of the public works which he intends to initiate.

Mr. DENIS (Translation): Mr. Chairman, accepting as correct the report presented by the hon. Prime Minister as regards the number of unemployed in this country, I note that in the province of Quebec alone there are at present 41,190 people without work. On the other hand, according to the present bill under consideration, an amount of $20,000,000 is asked for the relief of those unemployed. Might I receive the assurance from the Prime Minister and his cabinet that the province of Quebec may expect to receive an equitable share of this amount, that is proportional to the number of its unemployed.

Mr. BEAUBIEN: Under clause 2 of this bill we are giving the governor in council the right to expend $20,000,000 without knowing where or how that money is to be expended. I understand that this sum is for the relief of unemployment. In view of the fact that certain moneys were voted during the last session of parliament, earmarked for certain public works, is it the intention of the government to go on with those works which were designated in the estimates passed unanimously last year, with a view to relieving unemployment that may exist in the smaller communities, where any unemployment that exists is not given so much prominence in the press?

I would also ask the government, in connection with the construction of highways, not to overlook the people who are living in the outlying districts. In outlying districts in my own constituency and elsewhere in Manitoba and in all the other provinces there are people who cannot afford to have an automobile, and if conditions in regard to the marketing of their products do not improve they never will have one; but they have a perfect right to ask that some part of this money shall be spent in order to provide them with an outlet for the goods which they have to market. I am making the suggestion now to the Prime Minister that the market roads, or the ordinary farmer roads, as we call them, should not be overlooked in the construction of highways under this appropriation, because such roads will give relief in the smaller communities and be of benefit to the people living there.

I would ask the Prime Minister to be good enough to advise the committee now if he will proceed with the construction of the public works that were designated in the estimates passed unanimously by the house last year.

Mr. BENNETT: The observations made by the ex-Minister of Justice I am sure he did not intend us to take too seriously. This parliament voted $200,000 for relief for Japan at the time of the earthquake. Does this house know where a single dollar of that money went?

Some hon. MEMBERS: To Japan.

Mr. BENNETT: This house is now voting $20,000,000 to relieve unemployment, and that is where it is going.

Mr. VALLANCE: Is there only one type of unemployment?

Mr. BENNETT: No, and in order that there might be no difficulty over that question, clause 3 gives illustrations of the kind of work that may be undertaken. We made a grant of a very large sum of money for the relief of the sufferers in the Halifax explosion and fire. That was administered by a commission, and the detailed destination of those payments did not come to us except that the commission made a report, which is of record, showing that the money had been spent. There are other matters of the same character. It is humanly impossible, and I fancy that my hon. friends must realize that, in any sense to detail how this money shall be spent. But this may be said, that it is the hope of the government that the whole $20,000,000 will not be spent. So far as the estimates of the number of unemployed are concerned, reckoning on the very low basis of $100 per head makes the sum of $20,000,000. The method by which that relief is to be afforded, I repeat, is to be through work and wages, on the one

hand, directly undertaken by this government where it is necessary or desirable and where such works fall, as the right hon. leader of the opposition said to-day, within the federal jurisdiction. It is not the intention to undertake the work of municipalities, but because of the extraordinary conditions which prevail and the national necessities, it is intended to assist those who, by law, are chargeable with responsibility, namely, provinces and municipalities, dealing, of course, through the provinces because it would be a usurpation of jurisdiction on the part of the Dominion to go over the heads of the provinces and deal with municipal organizations. It is exactly what was done by this parliament with respect to highways when the sum of $20,000,000 was granted for that purpose. There was nothing in the bill granting that money that detailed its ultimate destination, but regulations were made and a standard set that resulted in laying the foundation of our present highway system throughout Canada.

For instance, in the Agricultural Instruction Act, by which in days gone by $10,000,000—I speak subject to correction—was appropriated for agricultural purposes, there was nothing requiring an indication of its ultimate destination; for, humanly speaking, that was impossible. But it will be recalled that the then leader of the opposition desired that all those votes should be expended in accordance with the population of the provinces to which that money was granted. And with respect to technical education there was no indication that a certain portion of it went to Halifax, another to Calgary, and another to Vancouver. The grant was for technical education, and the methods by which it was expended were determined by regulations made with the approval of the governor in council.

Now, I put this question to this committee: Do we believe the necessity exists? I gather from what my right hon. friend says, as well as other members of this committee, that it is the opinion of the committee that the emergency does exist. I then ask this second question: Can any member of this house or any aggregation of members undertake under those circumstances to detail where the emergency will demand the expenditures of any moneys? The provinces and municipalities must determine with respect to the claims made in that regard; for that is their primary responsibilty, but because of the national character of the present necessity we are endeavouring to help them discharge that responsibility.

Apart altogether from the question by my hon. friend who has just taken his seat (Mr. Beaubien) as to public building undertakings, with respect to those, the details, or—shall I say?—particulars of general expenditure were given for the purpose of meeting that situation if it arises. I tell my hon. friend the ex-Minister of Justice (Mr. Lapointe) that if he asked me at this moment where I was going to put a particular undertaking I could not tell him. So far as I am concerned I hope the expenditures federally will be as little as possible in that regard, but it well may be that with the necessity and opportunity combining—that is, the necessity for something being done and this providing the opportunity to enable it to be done—it is in the public interest that it should be done now rather than ten or twelve months later. This affords an opportunity of calling for tenders, drawing plans and letting the contracts for doing the work. That is all.

So far as those undertakings that are covered by the estimates of the present year are concerned, they are constantly engaging the attention of the government. As the former Minister of Public Works (Mr. Elliott) has said, contracts are being let frequently—you saw three or four yesterday—and certainly between July 28 and August 7 many contracts were made by the outgoing government; the date for the expiry of the tenders having arrived between July 28 and August 7, contracts were let by the administration in the ordinary course of business in order that work might go forward and employment be provided. I take it that was the purpose of the late government in doing that. So in respect to these undertakings they will be advertised and carried forward as public works under the provisions of the law. I have no doubt parliament has exercised control in the first instance in making the grant, the audit office is there, and there are the same safeguards in respect of this grant in aid of relief of unemployment as surrounded the payment of moneys for which we obtained a receipt after the governor in council had appropriated relief for the people who suffered by the great earthquake in Italy or in Japan or by the great calamity in Halifax.

Now, with respect once more to the matter which has been discussed so much, the Canadian National Railways. The hon. member for Rimouski (Sir Eugène Fiset) has indicated that what I said yesterday was correctly said. I read from this pamphlet, and the details he referred to he admits are not in these proceed-

ings of the committee on railways and shipping of which he was chairman. I am bound of course, not having been present and not being cognizant of these particulars, to accept the report of the committee as it reads. There are the estimates and there is the language of Sir Henry Thornton where he used these words:

> It sometimes happens, not infrequently, as the year goes on, or something turns up, which is of greater importance than some other thing, and we have to switch in that case from one item to another, but those have not been very large amounts, or very numerous.
>
> Any alteration which involves more than $25,000 requires the approval of the government.

That is, of the administration of the day. I commend these words to the ex-Minister of Justice.

I have endeavoured once again to place before this committee the only reasons that were operative in the mind of the government to ask for this appropriation in the terms in which it was asked. There is no other way, I say to this house frankly, that I could ask for this appropriation; for I am not in the position of being the head of a provincial government or having before me the details from the municipalities; and only being advised by the provinces that the necessity will be great and urgent, only knowing that, that is why I could not give these particulars to this committee. But this government is bound by the circumstances mentioned by the right hon. gentleman opposite to account to the Auditor General for every dollar of this expenditure, and the designation is as well known, much better known in fact, than the designation of moneys voted for relief purposes that leave these shores and go to other countries, for in that case just what has been done with the money is a matter which is determined by the people who receive it. What is done here is determined not only by this government passing orders in council in the first instance, but by the supervisory powers of the governor general, and more by that responsibility to which Mr. Redlich refers, that this government must come back to this house and satisfy a majority of this house that those expenditures have been properly made.

In a single sentence, it resolves itself into this. When antecedent details are not procurable the details must be made subsequent to the expenditures being made. In this case antecedent knowledge is not in the hands of the administration, and unless this house feels that the emergency is fictitious and that the reasons given by those who know best are inadequate, and that there is no occasion for the voting of the money in question, the money will be voted. In any case this committee will have been afforded all the information that anyone charged with the responsibility of asking for the appropriation could give under the conditions that now prevail.

Mr. MACKENZIE KING: My hon. friend has just given the house the assurance that the disbursements of these moneys will be audited in their entirety in accordance with the methods which have been followed in the past. He referred to the moneys voted for Japan. It might be said at once that that was a grant for a specific purpose—

Mr. BENNETT: Surely.

Mr. MACKENZIE KING: —made to a foreign country, and that it would not be assumed that more would be necessary in the matter of checking up the contribution at that time than to be perfectly certain that it went to the country designated for the purposes intended. The unemployed workman stands in relation to these moneys in the same position as the country of Japan to the grant mentioned. The other comparison my hon. friend made was of the money which was voted by this parliament for the purpose of providing relief for the distress arising out of the explosion which took place at Halifax. If I recollect aright, this parliament established a commission for the purpose of administering that relief fund, and all the accounts of the commission were audited by the Auditor General, who is an officer of this house. If that course were adopted in connection with the expenditure of this $20,000,000, I think so far as the auditing is concerned it would be wholly satisfactory. Indeed, I think that would have been entirely the best plan for the government to have adopted —to have appointed a special body for the purpose of administering this fund, to have made that body responsible for every dollar of the expenditure, and to have had the accounts audited in detail by the Auditor General of this country. If that course is not to be followed—and I assume it is not—then I think it is doubly important that great care should be taken to see that the money goes to the destination for which it is intended. I am sure my hon. friend is as anxious as any one that these moneys shall reach the persons who are unemployed, that whatever proportion of this $20,000,000 is spent, as much of it as possible shall reach those who are in need, and that no appreciable percentage will be intercepted by contractors or middlemen of one kind or another. If that is to be effected, then it seems to me

my hon. friend will have to agree to a system of auditing which will make it doubly sure that the money, after it leaves the federal treasury, does reach the unemployed in this country to the degree to which he hopes it will.

My hon. friend the member for Quebec East cited a well known constitutional authority on the matter of parliamentary grants. May I cite another authority who I think my hon. friend will also recognize, and whose writings are very pertinent to the question under discussion at the moment. The volume in question, from which I shall now quote, is entitled The Principles and Practice of the System of Control over Parliamentary Grants. The author is Colonel A. J. V. Durell, and this work is recognized in Britain as an outstanding authority on the subject of parliamentary grants. I wish to quote a paragraph or two which will bring out more succinctly than speaking extempore I could hope to be able to, the essential features which I feel ought to be recognized at this time.

On page 2 the author states, first of all, in a sentence:

The bedrock on which the English system is built is the principle of the maintenance by parliament of control over the grants which it makes.

On page 3 he states:

The most ancient, as well as the most valued, prerogative of the House of Commons is the right of supreme control over taxation, to which the right to control issues is a natural corollary. The prohibition of raising taxes without parliamentary authority would be nugatory if the proceeds, even of legal taxes, could be expended at the will of the sovereign. The right, therefore, of appropriation was a logical consequence of the right of levying supplies. "The chain of historical evidence undeniably proves that a previous and stringent appropriation, often minute and specific, has formed an essential part of the British constitution." Though the practice of appropriating supplies, in a general sense, is of early origin, that of appropriating them to the specific purposes for which they were granted did not become an established usage until the Revolution, when the principle that "the grant of supply, and the control of public expenditure in conformity therewith, belongs inalienably to parliament, and preeminently to the House of Commons" was formally incorporated amongst the maxims of the constitution.

The next advance is set forth in the paragraph which appears on the same page a little below:

The power of appropriation drew with it the necessity for estimates being regularly laid before the House of Commons, and by exposing the management of the public revenues, has given the house not only a real and effective control over an essential branch of the executive administration, but in some measure made parliament a partaker in it. Appropriation alone is, however, of little avail if no provision is made for securing compliance with it. The right of appropriation must be accompanied by the right of parliament to satisfy itself as to the expenditure of the money on the services for which it has been voted.

Dealing somewhat more specifically with that last feature, which is the one I wish to discuss more particularly, the writer says at page 6:

Real responsibility cannot be attached to the acts of the executive without publicity, and can only be ensured if, after the executive has performed its part, the way in which that part has been performed is ascertained by independent officers, and the result made known to parliament.

The value of the publicity of the accounts is in direct proportion to their completeness and detailed information. However valuable a summarized statement may be in affording prima facie evidence that the provision made by parliament has been followed, it cannot in itself furnish that full information which parliament is entitled to have and which alone will enable it to follow up the expenditure. This principle applies not only to the normal annual provision, but still more to any extraordinary and supplementary provision made during the year.

I repeat that phrase:

This principle—

That is to say, the principle of having full detailed information with respect to expenditures— in other words, a complete audit—

—applies not only to the normal annual provision, but still more to any extraordinary and supplementary provision made during the year. If parliament has placed money at the disposal of a department for extraordinary services, that department is bound to show parliament in return, as completely as circumstances permit, the manner in which the money so entrusted to it has been expended. Publicity furnishes the most effectual mode by which control can be exercised through the instrumentality of an audit office, and is therefore a most effective check upon improper or irregular expenditure of every kind, provided due advantage is taken of it.

At page 9, the writer says:

The supreme control of the Commons over public grants, as already mentioned, necessarily demands the complete right of control over the manner in which those grants are spent. This second right must be inseparable from the first if the control over the grants is to be effective; but it is a right which was not claimed nor enforced by the House of Commons until long after the right of control over supply had been established.

In view of the principle herein set out, I would ask my hon. friend whether he would be prepared to give consideration to this suggestion: That where any moneys are expended under this act by way of contribution to provinces, municipalities or other bodies the

Auditor General shall audit the expenditures made by the province, municipality or other body and shall report thereon to parliament within thirty days after the commencement of the next session.

As I have said, I do not wish to propose an amendment myself, nor to occasion any divisions in the house on this important measure. I think it is eminently desirable that we should avoid divisions on matters of this kind if they can be avoided. But I would ask my hon. friend, during the recess which we shall have in a few moments, to give consideration to the underlying idea in the proposal which I have just made. It does not go further than to suggest that the audit department shall do, with respect to these moneys, precisely what the hon. member himself a moment ago suggested he was prepared to have done, namely, to follow in this case a method similar to that which was adopted when moneys were voted to meet necessitous cases arising out of the Halifax explosion.

Perhaps I might touch upon another matter before I conclude. My hon. friend kindly said that he would be agreeable to inserting in the bill an amendment to ensure that payments under this legislation would not be continued beyond March 31 next. Could he tell the committee what he would suggest as an amendment to the bill in that regard?

Mr. BENNETT: I had not prepared an amendment because I gathered that an hon. gentleman opposite intended to submit something in this respect. However, I would add by way of amendment that any moneys that have not been expended, or that are not liable to be paid under obligations already created, shall lapse on March 31, 1931. With respect to the other point which my right hon. friend has made, I shall be glad to consider it. But may I put this to my right hon. friend—and I think the law officers would so advise him: this parliament has no jurisdiction to interfere with the provinces and the municipalities in the expenditure of their moneys. If that were made a condition I think it would be regarded by the provinces as an insult.

Mr. MACKENZIE KING: It was not regarded as an insult to the province of Nova Scotia when this parliament voted money for the relief of sufferers after the Halifax disaster.

Mr. CAHAN: That was not under the control of the provincial government in any particular.

Mr. MACKENZIE KING: But it was in the nature of relief money voted by this parliament.

[Mr. Mackenzie King.]

Mr. BENNETT: The money was voted to a commission.

Mr. MACKENZIE KING: May I give another reason why I think a step of this kind is necessary, and in support of my argument I would quote my hon. friend the Secretary of State (Mr. Cahan) who has just spoken. On April 15, 1926, we were discussing the question of contributions from the federal treasury to the provinces, and my hon. friend is reported in Hansard as follows:

> Furthermore, this scheme contemplates that in its operation there shall be cooperation between the provincial governments and the federal government.

That is very similar to what we are doing at the moment.

> I suggest, Mr. Chairman, that in the recent political history of this country we have proceeded altogether too far in the way of cooperation between the federal government and the provincial governments in respect, for instance, to road appropriations, which are within the proper jurisdiction and control of local legislatures. The same refers also to certain building schemes in which there was cooperation, but in respect of which the federal treasury, which provided the money, really had little or no control over the management of the funds and little or no supervision over the actual expenditures made. I do not wish to stress the matter, but I went through for several weeks, as counsel, an investigation in my native province of Nova Scotia which clearly disclosed to me that when provincial governments or provincial legislatures are expending moneys which are not raised on their own credit and responsibility, and in respect to which their sole responsibility is that of expenditure, it leads to wasteful expenditure and very wide latitude indeed in the making of these expenditures.

That was the opinion expressed by a most eminent jurist in the cabinet of my hon. friend, and I assume that he still holds the same view, which I regard as very sound. If there is one time above another when the government should be careful to safeguard expenditures and to prevent extravagance and waste it is when this parliament is trying, with public money, to end unemployment and to use every cent to the advantage of those who are unemployed. That being the case I submit again that hon. gentlemen opposite find some means whereby all the moneys that are spent out of this appropriation may be audited to the last degree possible by the Auditor General, who is an officer of parliament itself.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Chairman, before adjournment I was referring to the remarks my hon. friend made in connection with the Halifax Relief Commission and I had ventured the suggestion that these accounts had been audited by the Auditor General's department.

Mr. BENNETT: I knew that.

Mr. MACKENZIE KING: I have in my hand a copy of the Auditor General's report for 1928-29, and under the heading of Halifax Relief Commission appears the following:

Under the authority of an order in council of June 27, 1928 (P.C. 1119) an investigation into the expenditure and accounts of the Halifax Relief Commission was made, under my direction, at the offices of the commission, for the purpose of reporting on the financial standing of the commission and the adequacy of the system of accounting.

A previous audit of the commission's accounts had been made in 1922, and the present audit dealt with the accounts from July, 1922 to June 30, 1928.

A full report on this investigation was submitted to the Minister of Finance and, through him, communicated to the chairman of the commission.

It is quite apparent that so far as the Halifax Relief Commission was concerned the Auditor General found it possible to audit the accounts. My hon. friend mentioned the Halifax Relief Commission as an instance where moneys had been appropriated by this parliament, and I think he assumed that that commission had full authority to deal with the moneys as it pleased but he did not suspect that the Auditor General had made a detailed report.

Mr. BENNETT: I knew they had been audited because that commission was set up by authority of this parliament.

Mr. MACKENZIE KING: That is the procedure I am suggesting should be followed. Page 41 of the introduction to the report contains a list of special audits.

Mr. BENNETT: If my hon. friend will pardon my interrupting him, those audits cover expenditures by bodies over which this parliament has control.

Mr. MACKENZIE KING: My hon. friend may be right, but I come now to one over which we have no control, the matter of old age pensions. In that instance a contribution is made from the federal treasury to the provinces.

Mr. BENNETT: We have limited rights in that instance.

Mr. MACKENZIE KING: Page 25 of the Auditor General's report contains the following:

Since my last report, further inspections have been made of the methods followed by the various provinces in connection with the payment of these pensions and I am informed that there appears to be a sincere desire, on the part of the provinces visited by my representatives, to cooperate with the federal government, in order to effect uniformity in the methods of administration and control of these expenditures.

Those are federal moneys transferred to the provinces and the Auditor General says that the provinces welcomed the cooperation of the federal government in controlling the expenditures. The Prime Minister stated this afternoon that he thought it would be insulting to have anyone go from the audit office to the provinces to examine accounts related to any such expenditures. I submit that the two classes of payments are parallel; each is a contribution from the federal treasury to the provinces. The Old Age Pensions Act contains a section devoted exclusively to accounting. The last clause of that section reads as follows:

The minister charged with the administration of the act may at any time require the province to furnish information, detailed or otherwise, in connection with the statements of account rendered by the province.

I submit to my hon. friend that he should not take exception to the Auditor General of Canada having his officials cooperate with the officials of the provinces and of the municipalities in controlling these expenditures where the money is for purposes of relief.

Mr. HEENAN: For the information of the Prime Minister I would say that it has been my experience that the provinces welcome an accounting in these matters as it makes for uniformity throughout all the provinces. In administering the Old Age Pensions Act we found that certain men had been denied pensions who were entitled to them, that others had not been paid full pensions while others had been paid twice. There have been a few disputes in connection with the unemployment relief plan as inaugurated by my hon. friends when they were in power before. Some municipalities put in a claim for snow shovelling, stating that this work had been carried on for unemployment relief and had it not been for the necessity of giving men work they would not have shovelled the snow off the streets. There have been several cases of that description and I think my hon. friend would be well advised if he would work with that end in view so as to have uniformity throughout the country.

Mr. WOODSWORTH: Mr. Chairman, although all of us desire to have reasonable safeguards in connection with this matter, I do not think that the position taken by the Prime Minister is unreasonable. This money is being voted to meet an emergency, and that fact creates a special situation. The member for Kenora-Rainy River (Mr. Heenan) has mentioned the Old Age Pension scheme. That scheme is being operated at the present time under a federal law and there is every reason for requiring uniformity in the administration of that act, but in meeting this present situation we will find varying conditions in the various provinces and even in the various municipalities. I do not see how the whole matter can be reduced to anything like uniformity. The Prime Minister and his government undoubtedly are asking a good deal when they ask this house to give them a blank cheque for this large amount, but, on the other hand, we must realize that an emergency faces the country and I do not think that the $20,000,000 we are asked to vote will be sufficient to meet that emergency. Under these circumstances I do not think the government should be expected to give a detailed program as to how the moneys are to be spent; that is asking too much. We ought to have and have had to a considerable extent a general outline as to the principles which underlie this act, and that is about all that can be done. Personally, I should like to see in connection with this matter as well with others a reorganization of our procedure by which representatives might be appointed from the various parts of this house to form a sort of advisory board in connection with these expenditures. However, that has not been the practice of this house in the past; governments have assumed full responsibility, and I do not think that in this particular instance the present government should be expected to deviate from that course.

Having listened to the exchanges between the Prime Minister and the leader of the opposition it struck me that the leader of the opposition is almost obsessed with the sense of our constitutional disabilities. He seems to think that no matter in what direction we turn there are lions in the way; there is always something to prevent action. I take it that the country expects prompt action and I fancy that it is willing to leave a certain degree of discretionary power to anyone prepared to take that action.

The preamble of this bill is perhaps a little too definite. For some years I have resisted the contention put forward last year by the former Prime Minister, that unemployment is primarily a provincial and municipal responsibility. That idea can be carried too far. I quite recognize that under the British North America Act the statement is made that the giving of charity is a municipal or provincial matter. I submit however that under modern conditions it becomes impossible to carry out literally the terms of that act. We have to interpret it in a general way and especially is that the case at a time of emergency such as this, we have to give the British North America Act a very liberal interpretation indeed. Let me cite one or two concrete illustrations. I was in the province of Saskatchewan this summer and the superintendent of a local hospital in that province mentioned for my benefit two examples which had come under his personal observation.

While travelling on the train an immigrant was taken ill with an infectious disease. He was taken off the train and taken to a local hospital at which place he was given medical care for some weeks, and then discharged. The bill for his care was presented to the municipality, but that body said it had nothing to do with the case. They said that he had come from the outside and they refused to accept any responsibility. The bill was then sent to the Commissioner of Immigration in the city of Winnipeg, and that gentleman denied all responsibility. He took the ground that the dominion authorities were responsible for bringing immigrants to this country but after they had landed them the provinces and municipalities were responsible for their care. To my mind that is an absurd position, and I have so stated again and again in this house. The government which is responsible for bringing diseased immigrants or in fact any immigrants to this country has no right immediately to unload them on local municipalities. Many western municipalities have resented that procedure very keenly.

The other case was that of a man and wife who had come from Manitoba to Saskatchewan and were living there in a state of very great poverty. Their case was reported to the municipal officials, who stated that they had nothing to do with these people because they were immigrants from Manitoba, and for that reason they refused to give any help. Matters drifted along for some days until at last a neighbour went into the house and there he found an elderly woman very very ill. She was carried to the hospital, and I was told by my friend the doctor in that institution that it was absolutely impossible to do anything for her relief. She was too far gone; she lived only for a day or two. She had died of starvation—absolute starvation. The authorities had

been quarrelling as to where jurisdiction was to be placed. The local authorities refused to accept the responsibility. They stated she belonged to the neighbouring province. The result was that this poor elderly woman out on the homestead was left alone to die of starvation. I myself heard the nurse who attended her describe the pitiable condition in which the woman was when she came to the hospital. It seems to me the time has arrived when people of this country expect us to get away from a great deal of this quibbling about jurisdiction; they expect us to see that people are first attended to, and matters of jurisdiction determined afterwards. Certainly when we come to an individual case of this character I think that is the proper procedure.

We are in danger when we state definitely that these are matters which pertain entirely to municipalities and provinces. The Prime Minister now proposes to enact some changes in the tariff because he believes that this would have a direct effect on employment. I submit that if the tariff has an effect on employment, unemployment is not entirely a provincial matter. So long as the federal government has jurisdiction over our policies of immigration, and so long as it controls the fiscal policies, which will be recognized on both sides of the house as very greatly affecting unemployment and employment, just so long the federal government has certainly some responsibility with regard to the question of unemployment. If at a later time we are to carry out a scheme of unemployment insurance, which I think most thoughtful people in this country recognize as inevitable, we will have to consider that unemployment under modern conditions is not entirely provincial in character. Personally then I am rather sorry that even for the purposes of this bill the preamble reads as it does. As to the clause before us it seems to me that having been given fairly reasonable safeguards we ought to give considerable latitude to those who are administering this remedy.

Mr. MACKENZIE KING: I wish to refer to the remark made by my hon. friend the member for Winnipeg North Centre (Mr. Woodsworth) as to my placing or seeing lions in the path. I was endeavouring in what I was saying to get the lions out of the path so as to make sure that this money would reach the people for whom it was intended. I was suggesting a system of auditing the moneys which were paid out, so that the public might be in a position to see that they are given to workingmen who may be out of employment, and not to contractors, middlemen, surveyors, professional men or others for their respective services in one form or another. That is the lion I was trying to get out of the path. I do not think my hon. friend could have understood my reference or he would not have opposed it. All I ask now of the Prime Minister, with respect to the $20,000,000 which is being voted by this parliament to end unemployment, is that that large expenditure which is to be made from the federal treasury should be audited in such a way that the public will know that this money has gone to the people for whom it was primarily intended and has not been intercepted by other persons.

Mr. BUTCHER: I hope that the right hon. the Prime Minister will excuse me if I refer to a question which was directed to him this afternoon by the hon. member for Bow River (Mr. Garland). I represent a western constituency, the population of which is composed approximately of 90 per cent farmers, and their wives and children, I am just a little bit concerned about the phraseology of the first sentence in the second section of this bill—"for the relief of unemployment." I was perfectly satisfied with the explanation given by the Prime Minister as to the intention of the government in this respect. In the province from which I come and probably in all other provinces of Canada there are very many municipalities. These municipalities are controlled in many cases by a reeve, six councillors, and a secretary. The secretary will probably bring before his council this particular act, and not having had the advantage of hearing the Prime Minister give his explanation as to the intention of the government, and not having read Hansard in regard to the matter, he will advise his council that any relief which may be given to a farmer who is in a very difficult situation will be given entirely on the responsibility of the municipality and that the municipality cannot look to the government for assistance. I have in mind the case of one particular farmer in my constituency who sowed some 500 acres of wheat. Owing to the excessive drought of the season and a hail storm he reaped no crop. The result is that he has no feed for his stock, he has no seed, no means and no security to offer if he wanted to borrow. There are many other similar cases. Such a man may go to the council of his municipality and ask for relief. The secretary may read paragraph 3 and point out to the council that the government will reimburse expenditures made by the province and by municipalities in connection with unemployment. Not having

heard the Prime Minister's explanation and not having read Hansard the secretary will probably advise his council that should they make this advance to the farmer, as it is not given strictly to relieve unemployment, they must not look for any assistance from the government. I think it is not unreasonable to say he would be giving fairly good advice. I think also it is probable that should the council refer the matter to their solicitor he would say: "The terms of the act are precise; they are not ambiguous; therefore it seems to me that the council has no right to look to the province or to the Dominion for assistance. If it is agreeable to the Prime Minister I suggest that he amplify this clause so as to make it quite clear to the municipal councils that the needy centres will receive some measure of relief from the government.

Mr. HURTUBISE: I listened with a great deal of interest to the remarks of my right hon. leader this afternoon when he asked the Prime Minister if it would not be wise to incorporate in the bill a provision that within a certain period there should be an official auditing of the moneys expended under this appropriation in every province. That struck me as a very wise suggestion. Northern Ontario, for which I am speaking more particularly, is in a very peculiar situation. Unless some such provision as has been suggested is made, the moneys expended in that part of the province, through the northern development branch of the Ontario government, will never be heard of. I heartily endorse the suggestion of my right hon. leader that an official audit be made by the Auditor General of the moneys expended more particularly in northern Ontario, where for years we have been accustomed to the steam-roller system. I have every confidence that the leader of this government has no intention of railroading us, but I am afraid that if he gives a free hand to the government of Ontario, we shall be railroaded again through the northern Ontario development branch. That is what I want to avoid.

Last night I read an official affidavit signed before one of the representatives of the government as to the way in which moneys were expended in northern Ontario for political purposes. That affidavit was signed before a notary public. I read another, signed by the man making the affidavit, to the effect that the document stated the truth. I have other documents here which I propose to read to show how money is being spent in northern Ontario for political purposes. Here is the first affidavit:

Ontario
District of Sudbury
To wit:

I, Polydor Gratton, of the township of Balfour, in the district of Sudbury, labourer, make oath and say:—

1. I was called upon by Wilfred Vaillancourt, the foreman in charge of the works on the road between concessions two and three in the township of Balfour, for the Northern Ontario Development branch to make an affidavit to the effect that I had voted Conservative on the elections of the 28th of July, 1930. This was on the 30th or 31st day of July, 1930.

2. He told me that if I did not want to pay for the affidavit that he would pay of it.

3. My employment with the said works was that of feeder at the crusher, and after refusing to make such affidavit he told me that I would go to shovel rock and I ask him the reason for changing me, he said: "Go and shovel rock this forenoon and you go to work for Bowman this afternoon."

Bowan was the Liberal candidate. The affidavit continues:

I answer that I might as well start to work for Bowman right now and I left the place.

4. That the cheque for the payment of the work I had done for the month of July, 1930, was delivered to Abbé Vaillancourt according to statement made to me by Wilfred Vaillancourt when I ask him for the said cheque, when I asked him why he had not delivered this cheque to me he told me that I would have to call at Abbé Vaillancourt to get it. Finally he went and got the cheque and delivered same to me on Saturday night the 23rd day of August, A.D., 1930.

(Signed) Polydor Gratton.

Sworn before me at the town of Chelmsford, in the district of Sudbury, this 25th day of August, A.D., 1930.

(Signed) Louis Groulx.
A Com. &c.

Here is the other one:

Ontario
District of Sudbury
To wit:

We, Louis Leduc and Ferdinand Leduc, both of the township of Balfour in the district of Sudbury, make oath and say, each for himself, make oath and say:—

1. That before the elections we were promised $500 to spend on the road between lots 10 and 11 or the road between lots 8 and 9 of the second concession of the township of Balfour, by G. A. Chouinard, Raoul Vaillancourt, Edgar Eaton and Ed. Vaillancourt, if we voted for G. B. Nicholson.

2. That on the 2nd day of August, 1930, we came to Chelmsford and stopped at Mr. Chouinard and spoke to him about this money and he told us that we would likely be asked to take affidavit to the effect that we voted Conservative but that as for himself he would not care for it but told us that we had better go with him to see Raoul Vaillancourt.

3. When we were at Raoul Vaillancourt we asked Raoul Vaillancourt about this money, and he told us that we would have to take an affidavit to that same effect, but still that he

did not believe that very good as that a lot of people make false affidavit. Louis Leduc told to Ferdinand Leduc to come away that "We are not going to make a false affidavit for five hundred dollars."

4. That the $500 above mentioned was promised to us on the 25th day of July, A.D., 1930, on Friday night at our home.

(Signed) Louis Leduc.
(Signed) F. Leduc.

Sworn before me at the town of Chelmsford, in the district of Sudbury, this 25th day of August, A.D., 1930.

(Signed) Louis Groulx.
A Com. &c.

I have special reasons, Mr. Chairman, for bringing this matter before the house. We are being asked to vote money in blank to this government. I believe that this government has good intentions, but in turn it will hand over some of this money to the government of Ontario, which I am convinced will railroad us, through the Northern Ontario Development branch. I would therefore urge the Prime Minister to consider the suggestion of the leader of the opposition that an official audit be made of the moneys appropriated by this government and expended by the provinces, so that we shall know just where the money goes and how much is expended in each place.

Mr. BOURASSA: A little more attention should be given to the question raised by the leader of the opposition and the ex-Minister of Justice. The government ought to know by now that I am not fostering any opposition to this measure or endeavouring to put any obstacles in their way. In absolute good faith did I enter into the spirit which inspired the government in calling this session to remedy a real and grievous situation. On the other hand, the history of all parliaments, and especially of British parliaments, teaches us that it is in times of panic or of great emergencies that parliaments are apt to forget basic principles of legislation and government. That was done during the war, by both parties, may I say? But this is no reason why, when extraordinary measures are proposed, some attention should not be given to the proper safeguards to be taken by parliament and its executive committee, the government, to preserve good principles of administration.

The objections raised by the leader of the opposition before we entered into this stage of the discussion ought not to be swept aside without any consideration, either from the viewpoint of parliamentary procedure or principles of government, or from a practical point of view. The leader of the government has expressed frequently during the various phases of this debate his view—and I think it is right—that it is impossible to remedy this situation and to apply the money that is so to be voted by parliament in the ordinary way. In this I agree with him, and I stated so when the resolution was before the house. But as between setting aside some of the rules of procedure, and doing away with all the proper safeguards to see that this money will be employed properly, there is a wide margin. Not only so far as the rights of this parliament as representing the people are concerned, but even for the safety of the government itself, some of those safeguards should be preserved.

I have followed pretty attentively the whole debate. Questions were put; objections were made. The leader of the government gave much evidence of his good will and his patience in listening and answering in his dual and triple capacity as Prime Minister, as Minister of Finance and as representing the Labour department. I thank him for it and I congratulate him. But what is to come out of all these half open doors? None is closed and none frankly open. Municipalities may apply through their provincial governments or, if they do not find sufficient support from their provincial governments, they may apply to this government direct.

An hon. MEMBER: No.

Mr. BOURASSA: Oh, yes.

An hon. MEMBER: No. The channel is the provincial government, I think the Prime Minister said.

Mr. BOURASSA: In cases where a municipality does not find the provincial support that it might have expected from its government it may have a hearing direct. And I think it is right. Supposing, for example, a municipality applies, as I have cited one in my constituency, for help in the building of a branch line of railway; surely that application should not of necessity pass through the provincial authority. Supposing another municipality applies to this government to have a public building erected, to have a breakwater built, as the Prime Minister himself suggested; then surely in those matters they should not be obliged to pass their requests to the federal government through the provincial authority. As regards roads, there are roads that are purely municipal—and I think the member for North Waterloo (Mr. Euler) made the distinction—while others are provincial in their character. Besides, the legislation with regard to highways varies with the provinces.

Now, what I wish to bring to the particular attention of the committee and of the government is this, that after this legislation has been enacted in its vague terms, especially this clause, what does it mean? It means that the governor in council is allowed to spend $20,000,000, for the sake, it is true, of relieving unemployment. But at the same time if you look through the other clauses of the bill, if you apply the various explanations and answers that have been given as to the spending of this money under this unqualified and unreserved power, the government may, without any further legislation or control, initiate public works of all kinds—some of which would ordinarily come from the marine department, others from the public works department, others from the railway department. It may likewise grant to the provinces and the municipalities moneys for all sorts of things under various provincial laws.

Now, this being carried to its logical conclusion, what does it mean? It means that in any future session, so long as this problem of unemployment remains—and it is upon us and upon the world for many years to come—under pretence of an emergency, any government could come before parliament and ask for a lump sum of money, which it could spend how it liked, either on public works, on railway building, on marine developments, on grants to the provinces and the municipalities. Without any control by parliament it could go on from year to year substracting from the supervision and the authority of parliament a growing portion of its budget. Carried to its final conclusion, it would mean this, that any government could come before parliament and say: Because we are fresh from the people, because we have received a mandate from the people, we ask you to vote $400,000,000 to carry on the government of this country. And this money, without curtailing the general and undefined powers of the government, could be made use of for building railways, breakwaters and various public works, and for the exercise of all the functions of government. In other words, under the influence of an extraordinary situation, we would abandon one of the basic principles of parliamentary control which have grown up and have been established by law, by practice and by the constitution because of the experiences of the past.

It must not be thought that the abuses to which governments in the past have resorted were all due to the caprice of men, and that they may not be attempted again. Many kings and many governments meant well; but because they were not under control, because they were not obliged to give an account for all the money they spent—money got by taxes levied on the people—abuses grew; and when they became so strong that they could not be remedied otherwise, revolution followed. Look at the origin of the socialistic movements in the various countries of Europe and you will find things of this nature. Kings and governments probably were animated by good intentions, but they thought it would be handier to do away with legal enactments or with traditional precautions in order to accomplish their purposes in an easier fashion. We must be guarded against that.

When the resolution was before us, I stated, and I repeat it now, I would be the last to ask unreasonable things from the government. I admit with them that the situation is grave and urgent. I admit with them—and I think I stated it even before the government, if not in these terms—that under those circumstances we may stretch somewhat the boundaries of rules and precedents, but not to the length of losing sight of all safeguards, present or future.

I agree with my hon. friend from Winnipeg North Centre that when it comes to a mater of life and death, very often in this country the basis principles of justice and the most elementary dictates of human charity have been forgotten by reason of legal quibbles. But that is not the situation here. Does my hon. friend really believe that there will be any impediment to the legitimate exercise of the powers asked for by the government in the fact that we require that certain precautions shall be taken in the expenditure of this money? This government has already been in power a month now. It embraces some men of ability and practical knowledge. I credit the Prime Minister with being above the average so far as breadth of conception and strength of will are concerned. Surely therefore, when they were contemplating a measure of this character, they must have given some consideration to the manner of its execution. As the former Minister of Justice has stated, when they thought of launching new public works in order to provide work for the unemployed, they must have formed some idea as to what some of those works would be. When they speak of encouraging the railways to build branch lines, it must have occurred to them where some of those branch lines would be constructed. They have ascertained from the labour bureau, from the mayors of all the cities and towns of the Dominion with a population of over 10,000, the most accurate cal-

culation possible of the number of unemployed. Surely then they should be in a position to tell the house approximately how they will opportion this money in relation to the number of unemployed in the various provinces. But no. Under this legislation, as the hon. member for North Waterloo has pointed out, one-half of the money could be used entirely in the building of a highway in the northwestern part of Ontario and the eastern section of Manitoba. I do not say that the government intend to do this, but they might. And the Prime Minister, so well versed as he is in the history of parliamentary institutions, knows that government and legislation and the principles of administration are based, not on good intentions but on express policies and concrete measures. I think there is enough breadth of mind, even so soon after the election, among members on this side of the house—even those who compose the official opposition—not to begrudge the government wide latitude in the application of the act. But, on the other hand, all the members of this house have a duty to perform towards the people of Canada at large and especially towards those whom they individually represent; and that duty is to see that this money shall be properly used. I am prepared to trust the government with the proper use of it. At the same time, I am not prepared to place this government, or any other cabinet, in such a position that claims may come to them from all municipalities, from all the provinces, from all classes of people who might wish to interpret the legislation in such a way that everyone could have a claim upon the fund.

The hon. member for Quebec South this afternoon made an argument which I think he was careful not to support. He suggested that it might be possible, as a means of giving work to lumbermen, that the great lumber concerns of the country would request a remittance of their stumpage dues from the provincial governments, which remittances could be reimbursed by this government. What would that mean? It would mean an invitation to one of the most powerful of the capitalistic classes of the country to carry on their operations with further profit at the expense of the provinces, leaving this government to compensate the provincial exchequers under legislation passed for the relief of unemployment. And that could apply to many other classes, railway companies, for example. If there were nothing definite in this legislation they might claim, indirectly or even directly, some assistance under the pretence that they were going to keep under employment men who otherwise would be unemployed. Provincial governments could take advantage of this legislation to ask the government to supply, out of the funds voted by this parliament, thousands or hundreds of thousands of dollars which they would otherwise pay out of their own exchequer.

Among the suggestions made by the leader of the opposition there is one which, from the practical point of view, is very timely and ought not to be ignored by the government. It is that the government shall see to it that the money that is to be spent under this legislation shall reach the unemployed. Otherwise what will happen? New enterprises will be launched; tenders will be submitted by great building companies, either to the municipalities, to the provincial governments or to this government; and contracts will be obtained for $100,000, $200,000, $500,000 out of this fund. Under such contracts work will be given. What assurance will this government have that the men employed by these building companies will be men who at the present time are unemployed? There is a great probability that, if no further safeguards are embodied in this legislation than have been suggested in the preparation of the program which it contemplates, the bulk of the money will go to governments, municipalities and large companies to retain in employment men who are already at work, and will not give relief to the poor devils who have no work. In that respect the hon. member for Muskoka-Ontario was absolutely right when he said that in this matter we must not concern ourselves so much with organized labour. I am not opposed to organized labour; on the contrary, I have helped in my humble capacity the organization of labour in my own province in the last fifteen years. I believe in the organization of labour. But I also believe in the moral obligation of the government, whether federal, provincial or municipal, to have some concern for the fate of those people who are not organized. And under the social conditions in Canada, there is and always will be a large percentage of unorganized labour, scattered throughout a territory as large as Europe—farm-helpers, settlers, lumberjacks, men of every description who go to seek work where they can find it. The lake St. John district, two or three years ago, was invaded by numbers of men who were looking for work in view of the operations that were going on there. Those works are now completed and those people

have gone elsewhere to find employment. They are travelling right and left, east and west, north and south. They cannot organize themselves nor form part of regular labour organizations, because by force of circumstances they are nomads in the field of labour. It is that class of people who form at the present moment by far the largest percentage of the unemployed. And it is of them and their families that I am thinking. I therefore agree entirely with the leader of the opposition when he says that some precaution must be taken to see that, whether, directly through this government, or indirectly through the municipalities and the provinces, the money voted by this parliament shall reach the people who are most in need of it.

The Prime Minister said it was not the business of the government to assume the authority of the provinces and the municipalities. That is true under normal conditions; but then, I will make use of his own argument—which I think is excellent, but which should be followed right along—and say that this being an abnormal situation and this being abnormal legislation, the means that we take to meet the condition being abnormal as well, surely the government should take this attitude with regard to the provincial and municipal governments: "We are now taking the money of the people of Canada at large to help you out in this matter. You must give us some means of supervision; you must give us some means by which we will be in a position to render an account to the parliament of Canada, not only of the money that we spend directly upon our own works but of the money"—which I think will be probably the larger proportion of this sum—"we spend through your agency." Morally, constitutionally and in point of law and equity, surely after this money is spent this government will not be right in saying that because it was spent by the municipalities or the provinces the government is not accountable for it to parliament.

The leader of the government has spoken of the control of the Auditor General. We all know what that means. Once every slice of this melon has been cut and given to this municipality, to this government or to that contractor or railway company, if it is stamped for relief of unemployment, and if there is no engagement taken now to see that through this intermediary the money will reach the unemployed, where will the Auditor General be? He will have to simply find out whether the amount of money paid to the government of Ontario or to the government of Quebec coincides with the engagement undertaken by the government—not by parliament, but by the government—under this clause. If, for example, for a certain kind of work this government obligates itself to pay to the government of the province of Ontario the sum of $500,000, the Auditor General will find that $500,000 has been handed over to that government, and his duty will be ended so far as that is concerned. He has no control whatever, directly or indirectly, over the use that will have been made of that money by the Ontario government.

I will not refer now to the small aspects of the question, the small political uses that may be made by this or by that government of this sum of money; I am not concerned with that now. I am concerned with our responsibility, whether it is used for political purposes or whether it is used for legitimate purposes. What guarantee have we that money spent through the provincial and municipal governments will be spent for the object of this legislation? We do not know, and we can know only if some means are devised now and approved by parliament to follow up the spending of the money according to the intentions of parliament and the intentions of the government. So far as that is concerned, I heartily support the attitude taken by the ex-Minister of Justice and the leader of the opposition, not to embarrass the government, but on the contrary to help the government in the carrying out of the undenied mandate which they received from the people to settle this problem.

Mr. MACKENZIE KING: After the unanswerable arguments so clearly and forcibly presented by the hon. member for Labelle, I think the Prime Minister should at least intimate to the house whether he intends, or does not intend to incorporate in this measure a clause which will ensure the auditing of these public moneys whether they are paid over to the provinces or to the municipalities. Before recess I handed my hon. friend for his consideration—because I thought that was the most courteous and effective way in which to deal with the matter—a suggestion as follows: I suggested that there should be incorporated in this bill some such clause as the following:

> Where any moneys are expended under this act by way of contribution to provinces, municipalities or other bodies, the Auditor General shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session.

My hon. friend last night heard read in this house an affidavit by a humble labourer who had received moneys voted by the

legislature of Ontario for work in northern Ontario. This man swore that he was obliged to choose between his political convictions and committing perjury before he could receive any of that money in wages for work performed. This evening my hon. friend heard two further affidavits read with respect to moneys which were appropriated by the legislature of Ontario for the construction of roads in northern Ontario, and in each case the man who made the affidavit stated that he was given to understand that all men who were to receive any portion of these public moneys would have to swear that they had voted Conservative in the election or they would not receive any of the money. One man refused to accept $500 of provincial money which he was offered in connection with certain public work because he was told he would have to take an oath after having received it that he had voted for the Conservative candidate.

If this has taken place within the last month and a half and men have sworn that such is the case—and we are told that these affidavits merely represent what might be said with respect not to one, two or three but to hundreds of men—surely my hon. friend will feel that there is a very great responsibility resting upon his shoulders to see that as far as the public moneys voted by this paliament are concerned, if they are to go through that channel as he says they must, at least they shall be free with respect to their expenditure from any possible happenings of that kind.

I am not going to take up more time in stressing the importance of a detailed public audit with respect to the millions of dollars being voted for unemployment relief, but I will say to my hon. friend what in my heart I sincerely believe, that if he does not take with respect to these expenditures, the precautions which business and parliamentary control show to be wise, he will live to rue the day he did not do so.

Mr. BENNETT: I have listened with some interest to the observations that have been made by hon. gentlemen opposite with respect to an audit. I assured them two days ago that the usual safeguards that surround all federal expenditures would be made in this case. I am not prepared to yield to the observations that have been made by hon. members in this house, criticising the provincial administration, when there is no one here to answer for that administration; and what is more I will not become a party to the insulting of the electors of Ontario. The electors of that province have chosen a government, and against that government charges have been made by affidavits to which there has been no opportunity to give an answer, and one of which I have been credibly informed to-day is wholly untrue. I am not in a position to say whether or not that is the case, but one of the members of this house, on his responsibility as a member, has read two affidavits charging men with gross irregularities in connection with the conduct of public business in the province of Ontario. That is a matter that will be dealt with by the legislature and the electors of Ontario. As I understand it we are here to deal with problems that touch the people of Canada, and if we are right in our diagnosis—and everyone seems to think we are right, most of all the leader of the opposition, who says that his party does not propose to offer any opposition to the enactment of this legislation—how can we depart from a fixed principle, that principle being that this parliament must provide machinery for the audit of public expenditures, but that it cannot follow to its destination every expenditure that is made, involving an interference with the jurisdiction of provincial legislatures and municipal councils and bodies of that character. Are we to be told, because two or three members of this house stand up and complain of a provincial legislature, that therefore we are to insult that legislature by saying that we are to deal with their affairs and not our own? Are we to mind our business or their business? Were we elected here for that purpose or not? I have some reason to believe that the Premier of Quebec would resent very greatly any effort on the part of this Dominion to interfere with the transaction of business which is within the scape of his jurisdiction. I have every reason to believe that if one of the legislatures of this Dominion passed a statute seeking to audit our accounts in connection with any matter to which they contributed and in which we were jointly interested, we would say that that was not their affair. The audit of provincial accounts is made by provincial auditors, and in some instances they are more efficiently checked than those of the Dominion. I can say that with great certainty because I have made it my business to analyze the accounts of every province in this Dominion. Starting at British Columbia and coming eastward, you will find that in most of the provinces they set out the appropriation side by side with the expenditures, giving a record of the grant and full details of the expenditures even to the day's work done by individuals and what they received for it.

The position taken by the hon. member for Labelle (Mr. Bourassa) and others is based upon an improper appreciation of the meaning of this legislation. It does not contemplate handing over grants of money to the provinces; it contemplates just what it says—an aid to obligations which under the constitution rest upon the provinces, and not the creation of new constitutional obligations. It is merely an effort on the part of this Dominion, because of the magnitude of the problem which confronts us, to assist the provinces in the discharge of their liability. It ill becomes any member of this house to say that he is unwilling to make an appropriation to the provinces whose primary responsibility is to care for the poor and needy and the unemployed, both as to food and clothing and sustenance, because he believes the provincial authorities are unfit to be entrusted with that responsibility. That is a new doctrine of Liberalism; that is the kind of Liberalism my friend the ex-Minister of Justice would call Toryism gone mad. The theory has been advanced by one or two hon. gentlemen that because a certain provincial government does not appeal to them the vast majority of the people in that particular province are wrong and they alone are right; that that provincial government cannot be entrusted with responsibility because it is not the government they would like to have. I could apply the same principle with respect to the governments of Prince Edward Island and Quebec, because they do not happen to be Conservative.

Mr. MACKENZIE KING: The same principle should be applied to all.

Mr. BENNETT: Certainly. If I were like-minded with my friends of last evening and this afternoon, I could produce affidavits concerning matters I know of personally with regard to federal expenditures.

Mr. BROWN: That would only strengthen the case.

Mr. BENNETT: I have in mind certain federal expenditures on works where a man could obtain a position only by producing a piece of paper signed by the president of a Liberal organization. This government has control over matters of that kind, and auditing has not stopped that form of abuse. Should this government endure, a statute will be enacted with respect to some of the things which have happened during the last few months. I do not believe that any government should make appropriations by order in council between the date of the issue of the writs of election and its going out of power. As I said before, I am prepared to follow up that statement by legislation. Why were 828 charwomen voted retroactive payments going back to April 1, 1930, and the cheques handed to them in Ottawa on the Saturday night before the election?

Mr. ELLIOTT: Does my hon. friend say that they were not entitled to that increase?

Mr. BENNETT: I say that nothing so disgraceful has happened in the history of Canada. Ten dollars per head—is that the idea of government? That happened right in the capital city of this Dominion under an order in council passed by the late government presided over by hon. gentlemen opposite. Would an audit cure that? Does my hon. friend think that if the Auditor General of Great Britain came over here and audited these accounts it would stop that? My hon. friend says that there is danger that this money which is being appropriated—to help not those who can help themselves but those who are unable to help themselves and are looking to the government for assistance which they would not accept could they obtain work to do—will not be properly administered? These men are to be told that their fellow citizens will deny them that right of assistance because they happen to be of another political faith. Is that your conception of those who are charged with the responsibility of government in Ontario?

Mr. BRADETTE: That is what happened in our section of the country.

Mr. BENNETT: With respect to relief?

Mr. BRADETTE: Not with respect to relief.

Mr. BENNETT: I am talking about the question of relief, and those people who need work. If they are unemployed, of course they will get work because that is the form of relief we are contemplating by this measure.

Mr. BRADETTE: It was in connection with work on the provincial roads.

Mr. BENNETT: What we are talking about is work which will be done for the purpose of supplying relief to those who would otherwise be a charge upon the country because they have nothing to do. I have more faith than that in the governments who will administer this money. I have a higher conception of the citizenship of Canada and of the men who have been elected by the suffrages of their fellow citizens to high places in the provinces. The voters can deal with them and castigate them, if need be, rather

than hon. members sitting in this parliament who would be under no obligation to give an answer.

I have stated to the committee that this fund would be subject to the federal machinery of audit, and I have said further that this government accepts the responsibility that is involved in this expenditure. Should a majority of this house think that the expenditures have been improperly made, then this government would go out of power. I stated further that inasmuch as it had been pointed out that this might be a continuing credit, we should be glad to have a clause added to the statute as follows:

> Any portion of the said sum of twenty million dollars remaining unexpended or unappropriated on the 31st day of March, 1931, shall thereupon lapse.

Furthermore, the bill is in committee and the sections may be passed if such is the pleasure of the committee. The bill can be allowed to remain in committee for the purpose of preparing a clause which will meet the views of every member of this house as to the lapsing of the unexpended and unappropriated portion of the $20,000,000. I will look further into the suggestion made by the leader of the opposition, but I cannot conceive how under our constitution any self-respecting province would expect the Dominion government to place upon it what I regard as an unenviable and unnecessary insult by saying:

> Where any moneys are expended under this act by way of contribution to provinces, municipalities, or other bodies, the Auditor General shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session.

If this parliament can vote $200,000 for relief in Japan it can vote the sum of $20,000,000, which the hon. member for Winnipeg North Centre (Mr. Woodsworth) says will be wholly inadequate, to provide relief for Canadians.

Mr. RALSTON: I am not going to follow my hon. friend the leader of the government into his flights of oratory or sentiment, nor am I concerning myself with his tu quoque argument, which does not get us very far on the point we are discussing. Just for the moment I am going to address to the Prime Minister a request that he consider the suggestion which has been made, even forgetting if he likes some of the reasons which might prompt it, but remembering that after all he is undoubtedly a business man. I believe that business principles will appeal to him.

He suggests that we are not minding our own business when we propose that there should be an audit of the moneys which will be expended under this bill. I suggest to him that on the contrary that is exactly what we are doing. It is our business, and that is what we are assembled here for; that is why parliament has been called. It has been called so that money may properly be voted and that the appropriate safeguards may be applied in this extraordinary situation. I want to remind my hon. friend and this committee that the terms of this bill repose in the present government the widest power of expenditure which has been given any government since confederation, with the one exception of the war measures. I think that statement can be made without fear of contradiction. This government is given power to spend money for public works which not only are not even specified, but the nature of which is not even forecast. The Prime Minister has made no attempt to make any guess as to what public works may be undertaken by federal authorities. He has quite frankly intimated that he has no idea as to what those public works will be. As has been suggested by other speakers in this committee I contend that with about five weeks elapsing between the election and the opening of parliament, and in view of the assurance which was given that unemployment would be ended by this session of parliament, my hon. friend must have some idea of the works which are to be undertaken in the federal sphere in order to provide, work to end unemployment.

In the first place then I submit with regard to federal works that this committee can fairly ask that there be at least some indication of the nature of the works contemplated. Then when we come to provincial projects I think we are getting into a realm which is altogether extraordinary and where it seems to me my hon. friend's business judgment and business acumen should direct and even impel him to put in the very normal and logical safeguard suggested by the leader of the opposition. We are dealing with unemployment, which is said to be primarily a provincial and municipal responsibility; we are proposing to go into partnership with those authorities and to do what under ordinary circumstances we would not do. We are about to take money which has been collected under federal taxation from the taxpayers of Canada and to divert it for purposes which could hardly be said to be contemplated by the constitution of this country and could be so used only under the extraordinary situation which the government considers has arisen. Under those

circumstances it seems to me that if the Dominion is going into partnership with the provinces and the municipalities it is no insult to them and nothing about which they can complain to ask that we be permitted to examine the accounts in connection with which federal money has been spent. I am sure if my hon. friend were a partner in business with another person he would not be insulting his partner or in any way reflecting upon his honesty if a request were made that at the end of the year there should be an audit of the accounts and that the partner should account to the auditor for whatever moneys of the partnership had been expended by him. How much stronger is the argument where it is purely trust money which is being voted and where the money which is in question is paid not as a regular business transaction but under extraordinary circumstances and for a purpose which was not ordinarily anticipated in connection with the powers of this parliament. It seems to me that ordinary business principles should commend to the Prime Minister the suggestion that there should be some opportunity for the federal authority to be at least given the right to make some examination in connection with the manner in which these expenditures are made. We must remember that the federal authority may invest even 90 or 95 per cent of the money involved in these provincial and municipal projects, because there is no limit whatever. Some provincial governments quite often do not call for contracts by public advertisement, but call for tenders from lists. It may be that that practice may turn out all right, because there may be sufficient competition. On the other hand on some occasions there may not be, and public advertisements might result in a lower price. Would it not be advisable in connection with matters of this kind at least to take the precaution of requiring public competition in connection with tenders on projects above a certain amount to make sure that this fund for employment is made to go just as far as possible? Would it be a reflection on provincial governments if they were asked to allow a regularly appointed federal official to look through the accounts to see that everything is regular? To my mind there could be no objection to such procedure. My hon. friend has I think only conjured up the supposition that it would be an insult to the electors of the different provinces if they were asked to submit accounts in the usual way in connection with expenditures of moneys which have been granted to them.

[Mr. Ralston.]

Further I submit to my hon. friend that the thing which he values or ought to value as much as anything is the confidence of the public of this country. That confidence would be much more assured if he were to accept the suggestion which has been made and if he placed in this bill something to indicate that he is determined to see to it that the federal moneys which have been entrusted to his charge and to the charge of those who sit on the treasury benches with him have been expended for the purposes for which they were voted, and have reached the people who would otherwise be unemployed. Would it not be better if he knew that as small an amount as possible had remained in the hands of contractors and that it was not otherwise intercepted. On the other hand if he does not accept the suggestion, I believe he himself will feel that as a business man he has not taken the precautions which the public would consider he should have taken in connection with moneys which are voted in this extraordinarily broad, loose and unrestricted fashion to the government for the relief of the unemployment situation. On the grounds of business prudence and to maintain public confidence I ask him to accept the suggestion which has been made and that he place in this bill a provision for the audit usual in commercial affairs so that the federal authorities may feel that they have discharged their duty to the public from whom they collected this money, and to the citizens of this country for whose benefit it has been voted.

Mr. DUPUIS: I wish to assure the committee, Mr. Chairman, that it is not my desire to be listed among those who are desirous of undue delay in connection with this legislation. I should like to revert to the remarks of the hon. member for Bow River (Mr. Garland), and particularly to his comments in regard to the definition of the word "unemployed," to which it seems to me that we have not attached enough importance. Soon we will realize that the word "unemployed" does not necessarily mean what the hon. leader of the government would have it mean when he wishes to come to the rescue of suffering humanity, because the suffering of humanity is not always attributable to unemployment. It will soon be found that some of the unemployed have other resources and that a certain proportion of them will not be needy, and then it will not be necessary for this government or any other body to help. Consequently I think the hon. member for Bow River was right in suggesting that there should

be a clause defining the word "unemployed", or that another word should be used in its place.

As one hon. member remarked this afternoon, surely the agricultural class contains some who are badly in need of help and are just as deserving as the working class. Representing a constituency comprising farmers as well as working men, I should like to say a few words on behalf of the farmers of my riding. I have not made an investigation to find out just how many are in need, but if I am to judge by the number who answered the call of the Conservative candidate in my riding in the last election, a few hundred applied for the position of policeman in Montreal, and they are still in hopes of getting the job. If we call them unemployed, they also should be helped. The police are generally chosen from among the agricultural class in our province.

So far as the working men are concerned, there are in my riding about five brickyards, and if I am well informed they are now working only a few hours a week and the employees will soon be out of work. I should like the leader of the government to tell me in what way he will come to the rescue of these men who are now working in these brickyards but will be out of work within a week or two. I do not see that there are any public works to be done in my constituency or any public works that can be undertaken by the municipalities. For the sake of illustration, perhaps the Prime Minister would tell the committee in what way he would come to the relief of the unemployed and needy in Laprairie and Delson. In these municipalities there are no public works to do. Perhaps the Prime Minister will come to the rescue of the people of Laprairie by completing the construction of the dyke which has already been begun. If I am well informed, those who cannot obtain work on this dyke are Liberals. I do not know whether they are among the sinners that the government is calling to repentance. I do not want to put that too strongly, because I would wish always to be above small things. I know that the Prime Minister is upright enough, if he finds out upon investigation that there is something wrong, to straighten matters out, and if there is something wrong in my riding there may be something wrong elsewhere that is deserving of the attention of the government.

I would ask the Prime Minister if the last two lines of clause 2 of the bill, reading "for such purposes and under such terms and conditions as may be approved by the governor in council" are broad enough to permit of an amendment to the Farm Loans Act to reduce the interest rate from 6½ to 4½ per cent. If it is possible for the government to do that by order in council or by legislation, I should be pleased to see it done, because it would be a great help to the farmers of this country.

The Prime Minister said that it would be an insult to ask the Auditor General to supervise the expenditure of the moneys expended by the provincial governments and the municipalities. I fully agree in the reply that was made to that suggestion by the ex-Minister of National Defence. May I add this, that those who would have a right to be insulted would be the needy and the unemployed who are suffering, to use the expression of the Prime Minister, rather than the provincial governments? If the unemployed and the needy see that through some loophole between the treasury board at Ottawa and themselves a part of this money is lost, they have a right to feel insulted. Let me give you an illustration, Mr. Chairman, to show that the provincial governments need not feel insulted if the federal government comes to the rescue of those who are in need, although it is in a matter over which the provincial government primarily has control. Let us suppose, for instance, that the Prime Minister, who is a well-to-do member of this house, offers me, a poor man, a sum of money to help me build a house that I need. Do you think I would be insulted if he asked me to give him a receipt? Surely not. I should be very glad to do it, and to shout from the housetop that the Prime Minister had helped me out. Surely the provincial governments would not be insulted, especially when they know that we are not bound to turn over any of this money to them, and that we are doing it only in a spirit of humanity, for which I must praise the Prime Minister. I am fully in accord with this house as to this legislation. It is only with a view to ensuring that the money shall reach the poor people who need it that I have taken the opportunity to say a few words.

May I suggest to the Prime Minister a way in which he can control the money that he may hand over to the provinces or to the municipalities? We know that when the federal public works department contributes, let us say, fifty per cent towards any works done by the provincial government it sends an engineer to supervise that work. By way of illustration, supposing at Napierville some dredging work is done in the little Montreal river; half the cost is borne by the provincial government and half by the federal

government. Although it is purely a provincial work, the federal government is willing to come to the assistance of the farmers, whose farms would be subject to inundation but for this dredging, and contribute fifty per cent of the cost. Well, nobody is insulted to see the engineer of the federal public works department control the work done by the contractors. Why should not this government adopt the same practice in regard to any public work to be undertaken by the provincial or the municipal authorities to whom they may grant assistance from this vote? I make the suggestion not to embarrass the government, but in order that the unemployed may be satisfied that the $20,000,000 that we are now being asked to vote for the relief of unemployment shall go to the unemployed and not elsewhere.

Mr. MACKENZIE (Vancouver): I had not intended, sir, to intervene at all in this debate. As a mater of fact, I have not yet offered any observations in regard to the principles or details of this bill. I may say as a new member of this house and having an historic appreciation of the essential privileges of parliament, knowing that my hon. friend the leader of the government is a jurist of international eminence, knowing that there is no one in this house or in this country who has a deeper appreciation of the essential principles of the law and the custom of the constitution, that I am convinced in my own mind and heart that he knows to-night that he is asking this house to do a wonderful and a justifiable piece of work for the suffering unemployed of the Dominion through absolutely improper and unconstitutional means.

He said last night that it was necessary, that it was essential for parliament to vote this money promptly. I agree with him as to the necessity for this legislation, I agree with him as to the necessity for promptitude; but I say it is equally important for hon. members, regardless of whether they are supporters of the government or whether they belong to the official opposition or to any other party, to see that these moneys are not only promptly voted, but that they are also properly voted and properly controlled by the parliament of Canada.

And, Mr. Chairman, I am somewhat amazed. We were told during the campaign by the hon. leader of the government that this problem of unemployment would be settled by him overnight. We were told by the hon. Minister of Justice (Mr. Guthrie) in his Winnipeg speech that they would settle it within three days.

Mr. GUTHRIE: No, you were not.

Mr. MACKENZIE (Vancouver): Sir, the radio has the peculiar and most fascinating habit of reaching even the confines of British Columbia. But to-day we see the hon. leader of the government between the Scylla of this most embarrassing session and the Charybdis of the imperial conference which he hopes to attend in London within two weeks time. He is trying to steer his rickety ship of state through the embarrassing waters of this session. He is trying to force this legislation down our throats on the ground of necessity, expedition and promptitude. Then when my hon. friend from Quebec East (Mr. Lapointe) asks the leader of the government what his plans are, he says he does not know. His government is craving for haste, demanding promptitude, clamouring for expedition in voting this $20,000,000 and yet he does not know what his administration is going to do with the money.

Last night in speaking to the resolution on which this bill is based my hon. friend the leader of the government said that we had no right to ignore the needs of suffering humanity. May I tell him in a spirit of absolute sincerity and humility that there are many of us on this side of the house who through birth and struggle have probably a better appreciation of the struggles of the labouring people of Canada than has my hon. friend. Let me tell him that he has no right to assume that because we are here protecting the fundamental rights and privileges of parliament he has any monopoly of sympathy with the sufferings of humanity. My hon. friend's party also too often assumes that they have a monopoly of loyalty to the empire.

Now, sir, some hon. members on this side of the house last night and to-day read several affidavits in regard to malpractices throughout the Dominion during the recent general election, and the leader of the government sought to find fault with them for so doing. May I differ in all kindness with him and say that I believe it is not only the right and privilege, it is the undoubted duty of any member of this house when he finds malpractices such as were revealed last night to bring them before the supreme public body of the Dominion—this parliament.

The hon. leader of the government tells us it is an insult to the provincial governments to send a humble engineer to supervise any works undertaken under this legislation and

to see that the moneys are properly controlled and properly expended. May I tell him that in the province of British Columbia we have a government that is ten times worse than the government you have in the province of Ontario. I said the same words exactly last year and the year before right to the faces of the hon. gentlemen who form that government. We have the most inept, the most extravagant and the most inefficient government in Canada, and the people of British Columbia to-day do not want the hon. Minister of Finance of British Columbia to be responsible for any expenditure in that province of any part of the money which this parliament is about to vote. I have every faith in my hon. friend's sincerity and integrity of purpose, and the people of British Columbia to-day would much prefer to have the expenditure of any portion of this $20,000,000 in the province under the direct supervision of this government through its Minister of Public Works, the Prime Minister, or any of his colleagues than that such expenditures should be controlled or supervised by the government of British Columbia.

May I re-echo the fundamental principles that were so well expounded and analyzed this afternoon by the hon. member for Quebec East, the hon. member for Labelle and my hon. leader, in regard to the all-important necessity of the control of parliament over all expenditures? The leader of the government knows as well as anyone in this house that the struggle for responsible government in England since the days of Edward I has been the struggle on the part of the people's representatives to secure full and final control over every cent of money expended. Further, the hon. gentleman knows quite well that as a result of the constitutional struggle of 1910 in the old land the final financial control of the House of Commons was completely established. The same principle holds in Canada. I say to my hon. friend therefore, speaking on behalf of at least a portion of the province of British Columbia, that it is no insult to the government of that province to send either engineers or auditors there to see that this money shall be properly expended. I assure him that we are with him in the desire to do everything possible for suffering humanity. Personally I wish to do all I can to help the unemployed. I believe too in the great ideals behind the economic conference. But in addition to these two things I believe also in preserving the inalienable and fundamental rights of every member of parliament in a British country.

Mr. GUTHRIE: Just a word in reply to a statement made by the hon. gentleman who has just resumed his seat (Mr. Mackenzie). The hon. member attributes a certain statement to me. He says that I made the statement at Winnipeg that if the Conservative party were returned to power we would cure unemployment in three days. I never made such a statement. I did make a statement in reply to a newspaper article published in Ottawa written by a man named Lemieux. That article said that we could not call parliament together before December, and that it would cost $2,000,000 to hold the session. I said: If you elect the Conservative party we will hold a session early in September. If we are not opposed we can pass the necessary legislation in regard to unemployment in three days. And I maintain my statement was correct. But it is within the power of an opposition to protract the matter. I have seen $100,000,000 voted in this house in thirty minutes. I saw on the 30th March last between fifteen and twenty million dollars voted in twenty minutes. We can pass all this legislation in twenty-four hours and give it fair consideration. We have wasted too much time now. My statement at Winnipeg was as I have given it to-night, and I have been misquoted almost daily in the Manitoba Free Press ever since. An article in regard to misquotations hes been published recently in the newspapers. I give this as a sample of what newspapers can do.

Section agreed to.

On section 3—Purposes to which grant may be applied.

Mr. HEENAN: I asked the leader of the government yesterday whether he would consider the provision of a fair wage clause in this bill. As the hon. member for Labelle has pointed out, in all probability the majority of men working on highways are unorganized, and if that is so, then there is all the more reason why there should be some provision in the act regarding a fair wage. The Prime Minister will realize that some of this work will probably be let by contract by the provincial governments or the municipalities. Again, there is all the more reason why there should be a fair wage clause to protect the men who will be employed by these contractors. I am suggesting this not by way of criticism but as a matter which I think the Prime Minister might very well consider. I think there should be a fair wage clause to take care of all men employed under this legislation, providing for a fair wage and an

eight-hour day. Let me point out that this is really an order of parliament. In 1900 a fair wage resolution was passed unanimously by the House of Commons. The second paragraph of that resolution reads:

It is hereby declared that the work to which the foregoing policy shall apply includes not only work undertaken by the government itself, but also all works aided by grant of dominion public funds.

I respectfully ask the Prime Minister to consider the provision of a fair wage clause.

Mr. BENNETT: I am advised that the legislation of last session in that regard will be applicable to this statute. The statutory law would apply to this, and so far as we have jurisdiction over the matter we shall see that it is applied.

Mr. HEENAN: Probably the Prime Minister has not had time to look into the matter.

Mr. BENNETT: I am so advised.

Mr. HEENAN: The statute we passed last session provides only for work done by the Dominion government in the way of public buildings, construction and so on. Under this legislation the money will be paid out to other governments to carry on works, and the second part of the resolution I have read will not be applicable. I am asking the Prime Minister so to provide that the men employed under this legislation shall receive the protection I have indicated.

Mr. BENNETT: Our contracts are governed by statute. So far as the contracts of the provinces and the municipalities are concerned, they are made antecedently to our giving assistance and we have no control over them.

Mr. RALSTON: They are not made antecedently. As I understand the procedure, they will come to the federal government with a project, let us say, for the building of a bridge or wharf or the construction of a municipal building, and if the federal government feels that it can contribute a sufficient proportion to enable them to carry on the work, then it will be undertaken. You will not find many antecedent contracts made by the municipalities; rather, they will wait to see what terms they can get from the federal authorities. In that case the resolution to which my hon. friend (Mr. Heenan) refers ought to be applied, and I think it will be proper to insert a fair wage provision in the bill. That is a condition which is only fair, and one which I am sure would be acceded to.

[Mr. Heenan.]

Mr. BENNETT: It is not intended to insert it in this bill.

Mr. HEENAN: I take it then that the Prime Minister's position is that he will not observe an order of the House of Commons, because this resolution was passed unanimously by parliament in 1900.

Mr. GUTHRIE: We will follow it to the letter.

Mr. HEENAN: And the resolution declares simply that in all such contracts some sort of fair wage provision should apply.

Some hon. MEMBERS: Oh, oh.

Mr. HEENAN: I had better read it again, because some of my hon. friends seem to laugh at it. I just want to add that when the question of protection for the steel and coal industry was up last session, some of my hon. friends thought the government of the day should have made some provision for the protection of the men engaged in that industry in order to provide fair wages and the eight-hour day.

Mr. MacDONALD (Cape Breton South): Because we were giving them a bonus out of the federal treasury.

Mr. HEENAN: This government is giving a direct grant to some of the provinces, which might go to a contractor and so on, without any protection for the men who will eventually receive that money. Further, I want to point out that in 1913, I think, when there was a period of depression, the Ontario government put men in camps in northern Ontario and paid single men 50 cents a day and married men $1 per day. I do not think this parliament should give money to the provincial governments with which to pay such starvation wages as that. If we are to contribute money in order to provide work for the unemployed, let us make it work carried on under white men's conditions instead of under conditions approaching slavery. The order of this House of Commons, which was passed in 1913, says:

That it be resolved, that all government contracts should contain such conditions as will prevent abuses, which may arise from the subletting of such contracts, and that every effort should be made to secure the payment of such wages as are generally accepted as current in each trade for competent workmen in the district where the work is carried out, and that this house cordially concurs in such policy, and deems it the duty of the government to take immediate steps to give effect thereto.

It is hereby declared that the work to which the foregoing policy shall apply includes not

only work undertaken by the government itself, but also all works aided by grant of Dominion public funds.

That was an order of this parliament, and again I respectfully urge upon my hon. friend that he should protect the workingmen and women who will be employed with the funds voted by this Dominion government.

Mr. MacLEAN: When I was speaking the other day I referred to the question of highways in the province of Prince Edward Island. This proposed legislation deals with highways, and I wish to get a little further information from the Prime Minister with regard to a misapprehension which seems to prevail in that province as to some promises alleged to have been made by the Prime Minister on his visit to Prince Edward Island.

Mr. CANTLEY: If you are not ashamed of what you are saying, speak up.

Mr. MacLEAN: Thank you; the hon. member is a real gentleman, and I appreciate his interest. He is a real acquisition to this house. What I had reference to, Mr. Chairman, was the fact that the newspapers carried an advertisement right after the visit of my hon. friend, which was as follows:

What Bennett will do for the Island.
Provide total cost of national highway from Georgetown and Tigonish to Borden.
Restore highway grant-in-aid of all roads.
Restore agricultural grant-in-aid.
Restore technical grant-in-aid.
Provide old age pensions without cost to the province.

That statement appeared in the Charlottetown Guardian under date of Friday, July 11, 1930. When I referred to that matter the other day my hon. friend asked me whether I said he made that statement. I answered that I did not know of my own knowledge, but that the papers had so reported him. Now I would like to ask the Prime Minister whether the report is correct. I should like an explanation.

Mr. BENNETT: I am afraid my hon. friend will not get the explanation to-night. I have seen enough post mortems carried on here during the last two days.

Mr. MacLEAN: Then we must take it for granted that the newspapers, in publishing the report of my hon. friend's meeting in that province, summed up the situation correctly and gave the province to understand that the total cost of these roads would be paid out of the federal treasury. In addition, the question of old age pensions is very important and is right in line with the matter we are considering now. If the federal treasury is to pay the total cost of old age pensions, and if it could be put through this session, that would be one way of assisting unemployment; that would relieve a great deal of hardship in the different provinces this winter. These are some of the matters upon which I should like an explanation from the Prime Minister, and regret that I have received no answer.

Mr. BRADETTE: I hope those sitting on the government side of the house will not become too impatient with me if I take up a little time to-night. I have the same mandate that any other member has, and I represent a riding which is directly interested in this money which is being voted, so I am going to take a little time to deal with several matters affecting the constituency of North Timiskaming in particular.

I do not quite agree with some of the remarks which were made this afternoon by the hon. member for North Waterloo (Mr. Euler), who said that most of the money for highway construction should be spent in southern Ontario for the reason that any highways constructed in northern Ontario will be built through the wilderness. In southern Ontario naturally the agricultural people are more prosperous than the settlers of our section of the province, and no matter how distant the settlers in northern Ontario may be from their work they are always able to follow that work because they have very little land cleared and no stock to look after.

Last evening I referred to the fact that in 1919 millions of dollars were voted for highway improvement throughout Canada, but that we in the northern section of Ontario did not receive one single dollar of that money because of the fact that there is no highway commission functioning in that part of the province, and all the money spent in that section is spent under the direction of the northern development branch. I presume the same principle will apply in this instance, and I believe the government should see to it that any money for highway purposes is spent under the direction of that branch, if it is impossible to place it under the supervision of the highway commission.

I believe this is also the time and the place to discuss the route of the trans-Canada highway through northern Ontario, because I read with some astonishment—I should call it great delight—an article in the Mail and Empire this afternoon which is as follows:

Province To Aid Highway

As soon as the federal government makes a start on construction of the transcontinental highway, money for which is included in the $20,000,000 asked for by Premier R. B. Bennett for unemployment relief, the Ontario govern-

ment will offer every asistance towards constructing the Ontario section of the highway.

This was the statement made by Premier Ferguson last night when asked what steps should be taken by the province in the matter of route, cost and other phases.

"It is a federal matter and no doubt the question of route will be decided" said Premier Ferguson. "Ontario will offer every assistance to the Dominion authorities."

All during the discussion, for the last three days at least, I have been under the impression, and we were told by the Prime Minister himself, that the expenditures on the trans-Canada highway were purely and simply a provincial matter, but here we have the statement of the premier of the province of Ontario that the expenditure of that money is purely and simply a federal matter, so really we do not know where we stand on that important question.

I was surprised to hear the criticisms voiced a few moments ago by the Prime Minister when we were denouncing some of the things that happened in the northern part of the province with regard to public expenditure. I believe that under the circumstances we are absolutely warranted in bringing up these matters. During the last election the Conservative party, now the government of the day, committed itself to the construction of the trans-Canada highway through northern Ontario, and really I cannot see how I could be blamed for bringing into the discussion, political activities that I feel positive are deeply resented by all thoughtful citizens regardless of their political affiliations.

I know that my hon. friend the Minister of Immigration (Mr. Gordon) will bear me out in the statement I have made as to the Conservative party committing itself to the construction of the trans-Canada highway through northern Ontario. My opponent in the last election made the same utterance, as did the present Minister of Railways and Canals (Mr. Manion). They all said that if the Conservative party were sent back to power the trans-Canada highway would be constructed. The newspapers of the country contain the same statement, as is borne out by the Kapuskasing Northern Tribune, an independent paper, which reports as follows:

> The national highway was definitely promised by Mr. Bennett during his campaign, and early consideration of it will undoubtedly be given, in view of its close relation to the problem of unemployment, which loomed so large in the campaign.

There is also the fourth clause of the manifesto issued in northern Ontario, as follows:

> A policy that will build a national highway across Canada, instead of forcing motorists to use American roads to get past the great lakes,

with the result that they now leave in the United States the money which they spend by the way instead of spending it for supplies in Canada, as they would do if Canada had a through road.

The Premier of Ontario has stated that the trans-Canada highway is purely a federal matter, and if such is the case then it should be the subject of discussion on the floor of this house. Three routes are suggested for this highway. One would cross the southern section of northern Ontario, passing through North Bay, Sudbury, Sault Ste. Marie, Fort William, and Port Arthur to the Manitoba border. An alternate route would pass through North Bay, Sudbury, and continue northward until it joined the northern section at Moba, a point on the Algoma Central about fifty miles south of Hearst. The northern route, which in my opinion is by far the best, would pass through North Bay, Haileybury, Cochrane, Kapuskasing, and Hearst and continue westward along the Canadian National railway up to Sioux Lookout where it would converge with the southern system of highways. I hope the Prime Minister will not think that we are trying to interfere with the business of the house. The Premier of Ontario has said that this matter has become almost wholly a federal matter, and this is the only place in which we can discuss it; the Hon. Mr. Ferguson has put it before the House of Commons for discussion.

The hon. member for East Algoma (Mr. Nicholson) is to attend a meeting next Tuesday in my home town where the route of the trans-Canada highway will be discussed. There are many phases of this matter which should be taken up by the house. First, there is the question of cost, and in this connection the Hon. Wm. Finlayson, speaking at Port Arthur during the last elections, is quoted as follows:—

> Hon. William Finlayson, Minister of Lands and Forests for Ontario, while in Sault Ste. Marie recently, said that he was confident work on the lake Superior highway would be prosecuted before long. This, however, depended to a large extent on the attitude of the dominion government, he added, which had not yet accepted the proposal of the province that the work be undertaken on a 50-50 cost basis, as an unemployment measure.
>
> "The trans-Canada highway, of which the lake Superior stretch is referred to as part, is a huge undertaking, and may cost Ontario $50,000,000," the minister said. "And the province is prepared to go ahead with a reasonable amount of support from Ottawa. In the United States the government takes care of roads like the Lincoln highway and goes 50-50 on all state and interstate roads. We regard the trans-Canada highway as a similar undertaking and we are very anxious to start the work at once in view of the tremendous amount of unemployment in the country at the present time."

The people of northern Ontario claim that the highway should be constructed from the Quebec boundary to pass through North Bay, Haileybury, Cochrane, Kapuskasing and Hearst, then to follow along the Canadian National railways to converge with the southern system of highways. To construct the highway through North Bay, Sudbury, Sault Ste. Marie, Fort William and Port Arthur would entail a prohibitive cost and it would be at least ten years before such a highway could be completed. The Minister of Lands and Forests of Ontario has stated that the cost of such a highway would be $50,000,000, while the cost of constructing the northern route could not be, at the very most, more than $10,000,000. It has been stated that the southern route would be the more scenic, but northern Ontario contains the best scenery of that part of the country. We are willing to accept a fair compromise on this question, and if the Prime Minister will listen to me for a few moments I will put a direct question to him.

Mr. BENNETT: I have followed my hon. friend; he had just finished a quotation from a speech made by a distinguished statesman and now he is going on with the main theme.

Mr. BRADETTE: I would like the Prime Minister to corrobrate a statement reported in the press of Toronto with regard to the construction of this highway.

Mr. BENNETT: I am sorry but I can add nothing to the hon. gentleman's knowledge.

Mr. BRADETTE: The Premier of Ontario, who is one of the first lieutenants of the present Prime Minister, should be in the secret as to how this money is going to be spent. Mr. Ferguson, being the first citizen of the province of Ontario, would not make any statements without having received a certain amount of information from the present government. He is quoted as saying:

"It is a federal matter and no doubt the question of route will be decided" said Premier Ferguson. "Ontario will offer every assistance to the Dominion authorities."

He had said previously that this was primarily and solely a federal matter, and I would like to have a definite answer from the Prime Minister on this important question.

Some hon. MEMBERS: Proceed, proceed.

Mr. BRADETTE: When I sat on the other side for four years I believe I was very patient, but it must be understood that I am vitally interested in this matter.

Mr. BENNETT: I think the report of the discussion on this bill will show how patient I have been. Job has received honourable mention, but I think I will be ahead of him.

Mr. LAPOINTE: Explain.

Mr. BENNETT: It will be remembered that Job was said to have been a very patient man.

Mr. BRASSETT: Mr. Chairman, I would like to have the opportunity of making a few remarks in connection with the construction of a railroad through the interior of the Gaspe peninsula. Is it the intention of the government to complete a final survey of a route through that part of the country? The first survey was made by a gentleman named Mr. Sullivan, who, if my memory serves me aright, was an uncle of the present member for St. Ann (Mr. Sullivan). The construction of a railroad in that section, besides being of considerable benefit to a country in which the mining possibilities are very great, would also put the district served by it in direct communication with other parts of the province. I wish to add that in the year 1914 it was from the port of Gaspe that the soldiers constituting our first contingent left Canada. In that fleet there were about forty liners in addition to many other war vessels. The making of such a survey as I have suggested would relieve unemployment which exists to a great extent in the Gaspe district. There are more than 2,000 unemployed men around Gaspe at the present time. I would strongly urge upon the government that they do something for the benefit of those men in Gaspe county.

Mr. LUCAS: Under the purposes for which this grant may be applied I notice the expression "assisting in defraying the cost of distribution of products, of the field, farm, forest, sea, lake, river and mine." May I ask the Prime Minister in what manner any portion of this money may be expended to defray the cost of distribution of products of the field and farm?

Mr. BENNETT: As I said this afternoon, no plans have been made. That is a detail of particulars to amplify the general clause which precedes so as to make it possible to utilize the money in that way if occasion arises.

Mr. GARLAND (Bow River): What does the leader of the government mean? He is most vague. Frankly I think it is just a trimming, and if it is not that I do not know what it is.

Mr. BENNETT: It is a particular, Mr. Chairman. If for instance the order in council that provides for the absorption by the state of one-fifth of a cent per mile on coal from a certain locality had to be supplemented, this would be the authority to charge it against this fund.

Mr. GARLAND (Bow River): We have a precedent in this case. Already there has been established a bounty for the movement of coal. There is no bounty rate for the movement of farm products. The question which was asked by the hon. member for Camrose (Mr. Lucas) was with respect to field and farm products. Perhaps the leader of the government will tell us specifically what that means.

Mr. BENNETT: As I have said, Mr. Chairman, no arrangement of any kind has been made. The former Minister of National Defence (Mr. Ralston) mentioned the movement of fish, and I think the Minister of Fisheries (Mr. Rhodes) mentioned the same matter to me last evening. The movement of potatoes was mentioned the other day in connection with the province of Manitoba. The freight rates made it impossible to bring potatoes east beyond a certain point, and it was felt there should be a subvention so as to move potatoes farther east. These are illustrations of suggestions which have been made. A suggestion came from the constituency of Willow Bunch that the state should take care of a portion of the freight on grain. While no arrangements have been made in connection with any of these matters they indicate what the words "for such purposes and under such terms and conditions as may be approved by the governor in council" might mean. And it is stated in that way without in any sense placing a limitation upon the generality of the words preceding.

Mr. GARLAND (Bow River): In many of our western districts there are sections so hopelessly pauperized through adverse climatic conditions that they will require feed this winter and seed next spring. They have not the means with which to buy either feed or seed. May I ask the leader of the government whether he would be willing to state that part of this $20,000,000 will be laid aside for the purpose of relieving that condition in the sections to which I have referred.

Mr. BENNETT: Mr. Chairman, it must be within the memory of the hon. member for Bow River that this house was of the opinion that nothing should be laid aside, and anything which was not spent on March 31 next should lapse. My colleague from the Department of Trade and Commerce has added that the provinces have already made some provision in that regard. If the province makes application in connection with a matter such as that suggested it will be dealt with on its merits, and if the case made out is of sufficient merit to bring it within the terms of the statute, namely to assist unemployment or to afford relief, the application would certainly be favourably considered, according to my conception of the case mentioned by my hon. friend.

Mr. MacINNIS: As a new member, Mr. Chairman, I would like to say a few words in connection with a matter which already has been discussed. I have listened to this discussion with interest and with some slight amusement. I find myself very much in agreement with the position taken by the hon. the Prime Minister. Under the circumstances, considering the short time between the election and the date of calling parliament, I do not think that he could have done more than he has done. Considering the wide field he has to cover and the details the unemployment problem involves it would have been impossible to make detailed estimates of what he intended to do with the appropriation for which he is asking. There is one thing however about which I think he could give some assurance. The point to which I refer was raised by my hon. friend from Kenora (Mr. Heenan); I refer to the fair wage clause. I think it should cover any contract to which the Dominion government contributes either directly or indirectly. In giving this money to any province or municipality the Dominion government has a right to say under what conditions it shall be spent. I shall be pleased if the Prime Minister can give some assurance that the fair wage clause in Dominion contracts, which I think at the present time is very favourable, will be inserted. This clause should be insisted upon in connection with any expenditures from the appropriation for which he is now asking.

Mr. BENNETT: It is because I feel a condition may arise under which it would be impossible to give such an assurance as that outlined by my hon. friend that I am not prepared to make a promise which I am not in a position to implement in this house.

Mr. COOTE: I wish to make one or two remarks in regard to the provision for defraying costs of distribution of the products of field and farm. The Prime Minister stated

that it was possible that this defraying of costs could be carried out. I wish to urge him to give that matter his very serious consideration. I had before me to-day the latest copy of the Winnipeg Free Press, and I notice that the Winnipeg cash price for No. 6 barley is 25-1/8 cents. That is the price that is paid for this barley when it reaches Fort William. From a point in my constituency the freight to Fort William on that barley would be 12½ cents. I take it that the threshing would amount to at least 10 cents, and elevator handling charges and commission to at least 2½ cents. That would make 25 cents, leaving the farmer 1/8 of a cent per bushel for the barley after he had delivered it to the elevator. The threshing liens in the western provinces provide that the thresher's bill must be paid first. If the bill is not paid, the thresher may haul the grain to the elevator and sell it. The thresher would not get enough to pay for his threshing in the case of No. 6 barley at its present price. No. 6 barley is perhaps an extreme instance, but it is an indication of the low prices prevailing in western Canada to-day. A good deal of the grain threshed this year will not be able to move unless the government gives some assistance in paying the freight on the grain.

Take even No. 1 wheat. After the farmer has delivered it to the pool he gets an initial payment of 60 cents. He has to deduct from that freight, elevator and commission charges amounting to 18 cents, and threshing I have put down very conservatively at 12 cents, which would leave the farmer 30 cents a bushel after he delivered the grain to the elevator. Then he must pay the cost of delivering the wheat, pay for the twine, for stooking, repairs to machinery, and so on. I doubt therefore whether he would have anything left to pay for the necessities of life, and he would be in exactly the same position as the labourer in the city who was unemployed; he would be unable to provide for his family. This man belongs to a class that produces a lot of new wealth in this country every year; he is engaged in one of our most important industries, and I think that no case of greater need for assistance can be brought forward under this appropriation of $20,000,000 than that of the men who are producing grain. Even without the promises that were made during the election, assistance should be given to them, although the promises furnish an additional reason why that should be done. I do hope that the Prime Minister will give this suggestion very serious consideration. I believe that it is something that should be done.

There is one other matter that I should like to bring to his attention. I presume that some of this money is going to be used for unemployment relief in eastern cities; we take it for granted that that will have to be done. One purpose for which this money will be required is the purchase of coal to keep people from freezing this winter. The Prime Minister might very well in such cases insist that the cities that are giving coal to the unemployed should provide them with Canadian coal. That would serve two purposes: it would give more employment to coal miners—and the furnishing of employment is the prime reason for this bill; secondly, it would serve to introduce Canadian coal in cities where it is not now known. That is a point that I think the Prime Minister might very well take into consideration.

Mr. CAMPBELL: I should like to make a suggestion to the Prime Minister. In the part of Saskatchewan in which I live, cordwood takes the place of coal, and this winter the Saskatchewan government is putting men to work cutting cordwood to relieve unemployment. The problem is not to get cordwood; we have plenty of it. But it will not move; the freight rates are too high. You cannot sell it at any reasonable distance from where it is cut. I suggest to the Prime Minister that he look into the possibility of promoting the cutting of cordwood. If it could be moved a distance of twenty miles further than it can be moved at the present prices, that would help the Saskatchewan government to a large extent in solving the problem of unemployment. I suggest that the Minister of Agriculture give me a little assistance on this, because his district is affected to about the same extent as mine. There is an enormous amount of land there to be cleared and a lot of cordwood that has to be cut. It is close to the railway, but the freight rates make it impossible to move it any distance. A little assistance in that direction would greatly assist the Saskatchewan government in their efforts to relieve unemployment.

Section 3 agreed to.

The CHAIRMAN: Clause 4—

Mr. NEILL: Mr. Chairman, I move to insert a new section 4, reading as follows:

In carrying out the purposes of this act there shall be no discrimination allowed either in favour of or against those of any particular political affiliation.

The CHAIRMAN: I think I ought to read clause 4 before my hon. friend puts his amendment

Mr. NEILL: I understood that clause 4 was before the committee. This amendment is to be inserted before the present clause 4, and to be known as clause 4. I think this is the proper place for me to move the amendment. If it is adopted, the present clause 4 would have to be renumbered, and I will then move a further amendment changing the present clause 4 to clause 5.

The CHAIRMAN: I think my hon. friend knows that a new clause should come after the other clauses have been adopted.

Mr. NEILL: Then, to meet the situation, I ask that the new clause I am proposing, be known as clause 3a. Waiving the point of somewhat trivial importance whether it is to be known as clause 3a or clause 4, I will read it again:

> In carrying out the purposes of this act there shall be no discrimination allowed either in favour of or against those of any particular political affiliation.

The Prime Minister must have been gratified to notice to-day and yesterday how several members on this side of the house, including, I think, two from British Columbia, were unanimous in stating that they were perfectly willing to accept the control of his government in regard to the expenditure of these moneys, but he must also have observed how they were all unanimous in deprecating the idea that the money should be handed over to the control of the provinces. In that I fancy they spoke from somewhat bitter experience, judging by what was said here to-day and yesterday. We are perfectly willing to accept control by the Prime Minister and his government, but sometimes a leader is the victim of his subordinates or of his friends, and that is what would happen of it were left to the control of the provinces. I do not want to repeat the statements that have been made concerning affidavits, and so on. It is abundantly evident that the use of provincial moneys has been abused by both parties but more particularly of course by those in control in the provinces during the last election. That being so, it is surely desirable to take such steps as will prevent that kind of thing happening again. It may be said that it is an insult, and so on. It is not an insult to suggest to an honest man that you check him up. No honest man is insulted if I ask him to give me a receipt for money that I have paid him. No honest politician, if there be such, can object to being checked up to prevent the creeping in of abuses. That is as much in his own interest as in the interest of those whom he serves. We must, however, judge the future by the past. Apart from the people who are looking for work and want it to be distributed in the fairest manner possible, the suggestion to take this entirely out of politics would be a great thing for the party led by my hon. friend opposite.

[The Chairman.]

I am rather in a unique position. In the district I represent there are a large number of Conservatives, many of whom vote for me—the better grade of Conservatives. There are grades in Conservatives just as there are grades in heaven—we hope to find them there at any rate. I heard a prominent Conservative say immediately after the election, a man who supported me: "I am successful in two ways; I have got my man in, and I have got my party in." He meant the Conservative party at Ottawa. He, like many other Conservatives, wants to see that party continue there. He represents the best element in his party, and he wants his party to continue in power. He is bitterly opposed to anything that will affect the character and reputation of his party, therefore he has been strongly against the abuse in our province in connection with road work and patronage. He is the type of Conservative who will be gratified if this amendment passes; for it will strengthen the party tremendously in the country generally, and it will let many a workingman sleep easier when he hears there will be no danger of his not getting relief for his family by reason of his political convictions. It may be said that this amendment is not necessary. Well, if it is not necessary it can do no harm. Certainly it would have a strong moral effect. If a foreman is told under the terms of this resolution that there is to be no discrimination in any way although he might not be a Conservative, but of some other party, still he is much more likely to carry out the spirit of the resolution. I think it would be a tremendous benefit in every way, and I am satisfied it would meet with a great deal of satisfaction among a large body of the electors of Canada.

The CHAIRMAN: Is the amendment carried?

Mr. BENNETT: I need hardly say to you, Mr. Chairman, that neither political parties nor political affiliations are recognized by statute in British parliamentary institutions.

Mr. RALSTON: Enumerators under the election act are.

Mr. BENNETT: I was just coming to that. Under the election act this year an exceptional condition arose. Even then the recognition

was not of party affiliations; it will be remembered it was with respect to the candidates at the particular election.

Mr. EULER: That meant the same thing.

Mr. BENNETT: No, it is quite different.

Mr. EULER: The candidate is the party.

Mr. BENNETT: The best evidence to the contrary has just been given by the hon. gentleman who sat down. He said the better grade of Conservatives voted for him.

Mr. EULER: They did for me as well.

Mr. BENNETT: And yet one would hardly say that the political affiliations of the hon. gentleman were Conservative, would they?

Mr. EULER: I cannot see the point yet.

Mr. BENNETT: I should not think my hon. friend would want to. At any rate, in 1919 under the Canada Highways Act $20,000,000 was appropriated for such improved highways as the governor in council might authorize, and at that time all the provincial governments but one were Liberal. I remember the discussion at the time, but the government of that day felt that it was its duty to make the appropriation. When you begin to talk of party affiliations in connection with work of this kind, I need hardly say it is not only impracticable, it is impossible to recognize; and as to this amendment, apart from the fact that there is no recognition by statute of party affiliations in British parliamentary institutions it would be wholly impossible in practice so far as this measure is concerned. Therefore it cannot be accepted by the government, because it would be placing upon them a responsibility which they would not be in a position to discharge.

Mr. NEILL: It may be that parties are not recognized by statute, although I thought this principle was recognized in our election act last year as far as enumerators are concerned. But I do know that if parties are not recognized by statute, alas! they are too often recognized by road bosses.

Amendment negatived.

On section 4—Report to parliament.

Mr. RALSTON: While the clause as it stands may have the effect which my hon. friend intends, at the same time I think it is pretty general in its scope and particularly in the sort of return to be furnished. It provides:

A report shall be laid before parliament within fifteen days after the opening of the next session thereof, containing a full and correct statement of the moneys expended under this act and the purposes to which they have been applied.

Having in view what my hon. friend has said with regard to the fact that this government is discharged if it pays over moneys to a province in connection with any particular project, it seems to me that the provision for laying that report before parliament might be said to have been complied with if there was laid on the table of the house simply a statement showing so much money for a federal wharf, so much money to the province of Nova Scotia, let us say, for a project—if there was a definite project—so much to the province of New Brunswick for something else, and so on, without going into any detail; or perhaps it might be even more general than that, the whole thing might simply be lumped and the report might only show for instance "$500,000 paid to the province of Nova Scotia for unemployment relief". Would my hon. friend be willing to particularize the return which is to be made so as to show at least the various moneys which were paid to the different authorities and also the number who have been benefited, that is to say, the number of those who have been employed in connection with these works, where there are works, and the amount expended for wages. I will read the section with my suggested addition.

A report shall be laid before parliament within fifteen days after the opening of the next session thereof, containing a full and correct statement of the moneys expended under this act and the purposes to which they have been applied—

Adding the words I suggest as follows:

—by the different authorities actually furnishing employment or relief, and showing the number benefited by the various measures taken and the amount expended in wages.

That would call for a statement showing that the province of Nova Scotia, for instance, had spent money for this or that public undertaking, or this or that piece of road; it would show the number of men who had been employed in connection with that work; and it would show the amount expended in wages. That is not unreasonable, and I commend it particularly to my hon. friend in view of the fact that he has seen fit not to comply with the suggestion that there be an examination of the accounts. This leaves it entirely in the hands of the province, or of the municipality or whatever authority has received the money, to make the return, and the information from that return ought to be tabled by the government under the provisions of section 4. My hon. friend has sug-

gested, and it is quite true, that under the statute expenditures might be made by this government by way of giving assistance to individual societies for relief of unemployment, or to any body of any description, whether public or private, and that makes it all the more necessary that at least a return should be furnished. It is necessary particularly as we cannot have an audit.

Mr. BENNETT: I am rather surprised that one of my hon. friend's experience should say that we cannot have an audit. I have explained that there will be an audit provided by the statutes of Canada.

Mr. RALSTON: The hon. gentleman knows what I mean.

Mr. BENNETT: Obviously my hon. friend meant an audit by the federal authority of the expenditures made by a provincial authority.

Mr. RALSTON: Of federal money.

Mr. BENNETT: My hon. friend is wrong also in saying that there will be no record; for the province when it receives the money must enter in its receipts, in its accounting system, the fact that it has received this money from the Dominion; and its accounts will show the expenditures.

Mr. RALSTON: But this house does not get that.

Mr. BENNETT: It is part of the public accounts. I cannot ask this parliament to impose upon any government a responsibility which that government may not be in a position to discharge, and I should not think therefore that this or any other government ought to accept such an amendment. But this government will discharge its responsibility under the constitution, the provinces making their own arrangements in their own way, and their efforts to deal with their primary obligation being assisted by the action of this parliament, if this statute passes, —that is, by the government of Canada. And the extent to which this parliament has contributed, the detailed report will indicate when it is made within fifteen days after the date on which the house meets. If the hon. member thinks that the section as it reads does not impose on the government sufficient responsibility as to the character of the report to be made I would certainly be willing that it should be added to in that sense. But I may say to him that I have looked up similar statutes, the highways act and the agricultural instruction act, and I believe the language is almost the same—a full and correct statement of the moneys expended under the act and the purposes to which they have been applied. I am bound to say that this parliament could not follow the expenditures made by a provincial government under a contract made by that government. It has been suggested that such a condition might be imposed, but as we are dealing with the relief of poverty and the necessity for taking care of it, I should not wish to take the responsibility of providing a return which I might not be in a position to have any control over.

Mr. RALSTON: I think my hon. friend has misapprehended what I am suggesting. In the first place, as regards the highways act, under that act the object of the legislation was set out, namely, highways. And the portion of highway to be built had to be indicated in the application to the governor in council, which had to be approved. The federal engineers themselves inspected the work to see that it was up to standard, and there was no insult to any provincial government or authority in any way; it was regarded as perfectly proper. I do not think that the highways act can be cited as a parallel case. Here we have not just a highway but all sorts and conditions of work can be constructed, aid for which may be asked by the provincial governments. My hon. friend will have before him from a province an application for assistance in the building of a particular public work. I am sure that his Department of Labour will have in connection with that a statement as to the number of men who will be employed. I am sure they will have also a statement as to the amount which it is expected will be expended in wages. My hon. friend will have a statement when they have concluded, and I am sure that statement will show the amount that has been expended in wages, as well as the number of men who have been employed. I am asking that the report shall contain that information. I do not think that is unreasonable. It is not encroaching upon the provincial sphere; it is merely asking the province to furnish that information when making the returns. Surely the house is entitled to that information so as to have assurance that the money has been expended for the purpose for which it was voted, namely, that those who are unemployed have received the money in the way of work and wages.

Section agreed to.

On the preamble.

Mr. BENNETT: I suggested a clause to meet the views expressed yesterday as to the desirability of providing that any unexpended balance of the fund shall lapse, and in view of the necessity of that clause to meet the wishes of the opposition, I will move that the committee rise and report progress and ask leave to sit again in order that I may submit the proposed section to the leader of the opposition.

Mr. MACKENZIE KING: If my hon. friend had had the clause in readiness this evening we should have been glad to see the bill go through to-night. However, if it is not ready at the moment—

Mr. BENNETT: I have a clause, which would be section 5, to the effect that any portion of the said sum of $20,000,000 remaining unexpended or unappropriated on March 31, 1931, shall thereupon lapse. But as I have said, I thought of having the clause prepared and having a copy sent to my right hon. friend and my hon. friend yonder (Mr. Gardiner) in order that there might be no question about it.

Motion agreed to.

Progress reported.

CUSTOMS ACT AMENDMENT

VALUATION FOR DUTY OF GOODS IMPORTED INTO CANADA

Hon. E. B. RYCKMAN (Minister of National Revenue) moved that the house go into committee to consider the following proposed resolution:

That it is expedient to amend the Customs Act in respect to the provisions relating to the fair market value for duty of goods imported and subject to ad valorem duty, and goods imported the prices of which are published or listed by the manufacturers, producers or persons acting on their behalf, the allowance of discounts, and the valuation of imports prejudicially or injuriously affecting Canadian producers.

Mr. MACKENZIE KING: Will the minister make a short explanation?

Mr. RYCKMAN: Mr. Speaker, I am afraid that in the short time available before the hour of adjournment I cannot deal with everything that I would like to place before the house concerning this resolution, which to me is a very important one. Upon the resolution, if it is passed, will be founded legislation which will deal with the anti-dumping clauses of the Customs Act and which, if I may use the immortal words of the former Minister of the Interior, will sound the deathknell of dumping.

Mr. STEWART (Edmonton): I have no doubt of that.

Mr. RYCKMAN: We are convinced that the dumping legislation, as I shall call it, which has been upon the statute book for some time, has not been as effective as it should have been, and we are convinced also that had it been enforced in letter as well as in spirit this country would have been better off and we would have less unemployment to provide for now.

The first dumping legislation, I am told, although I have not had an opportunity to investigate the matter, was placed on our statute books by the government of Sir Wilfrid Laurier through the action of Hon. William Paterson, whom I knew very well and who was a free trader. I have no doubt these hon. gentlemen found that proper dumping legislation was necessary in order to carry on the business of a country like Canada which had a revenue tariff or a tariff of a protective nature, and certainly I think dumping legislation would be necessary in a country such as Canada even if free trade were its fiscal policy.

Dumping really is, in most of its application, unfair trade; it is competition in trade which no one should be asked to meet. It is often very pleasant to get the benefits of, I was going to say, stolen goods, at low prices, and this acts in the same way in relation to the business of this country. Canada is a country of which we are all proud, with its wonderful resources, but it is the prize dumping ground for the whole world, there is no question as to that. Unfair trade has been foisted upon Canada because we have not had proper protective laws against the United States and other countries whose labour and living conditions are different from ours, which we are anxious to maintain and improve. It is decidedly a onesided game. The United States have taken great care that dumping conditions shall not be foisted upon them; we cannot spill on that country the trade we would like to get rid of ourselves, and we find that the United States, highly industrialized and successful in business, has chosen Canada as a place to which its merchants and manufacturers can send their goods when they have surplus products which they wish to unload. For example, if a manufacturer in the United States makes up ten thousand sets of furniture of which he sells nine thousand, leaving one thousand which he desires to clear off in order to make way for some other style, the thousand sets come to Canada. The business has been

done on the nine thousand sets and consequently the remaining thousand may be sold at any price the purchaser may see fit to put upon it, in agreement with the manufacturer of the goods.

The effect of such trade is disastrous; it means that a man who is honestly in business in this country is not able to meet the competition and is driven out of business. That is one example which came to my attention not very long ago, although not in relation to exactly that amount of goods. However, it is a case which repeatedly comes up in this country.

The resolution will provide that the fair market value in the country of origin from which the goods are exported to Canada shall not be less than the jobbing or wholesale price in the country of origin.

Mr. McMILLAN: Might I ask whether that will apply to all commodities?

Mr. RYCKMAN: I should prefer to answer that question at the end of my remarks. I wish, Mr. Speaker, to move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Bennett the house adjourned at 11.02 p.m.

Monday, September 15, 1930

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SHIPPEGAN BREAKWATER

Mr. VENIOT:

1. On whose recommendation was the foreman of repairs on Shippegan breakwater, Gloucester county, New Brunswick, dismissed?
2. On whose recommendation was his successor appointed?
3. Is the government aware that an assistant foreman is being employed and classified on the pay sheet as a carpenter who is of such an advanced age that it prevents him from giving a proper day's work?

Mr. STEWART (Leeds):

1 and 2. On the recommendation of A. M. Robichaud.

3. No assistant foreman employed on this work. Joseph Boucher, age 52 years, only head carpenter employed.

[Mr. Ryckman.]

LITTLE SHIPPEGAN WHARF

Mr. VENIOT:

1. Have tenders been called for the construction of a wharf at Little Shippegan, Gloucester county, New Brunswick?
2. If so, who was the lowest tenderer?
3. In view of the unemployment situation in this district, is it the intention of the government to award said contract?

Mr. STEWART (Leeds):

1. Yes.
2. Charles L. Comeau, Caraquet, N.B.—only tender received.
3. Matter under consideration.

TRACADIE HARBOUR, BREAKWATERS

Mr. VENIOT:

1. In view of the unemployment situation, is it the intention of the government to go on with the construction of the breakwaters necessary for the development of Tracadie harbour, in the county of Gloucester, New Brunswick, for which tenders were called?
2. Have any tenders been received for such work?
3. If so, who was the lowest tenderer?

Mr. STEWART (Leeds):

1. Matter under consideration.
2. Yes.
3. Waldo Bosca, Bathurst, N.B.

HOUSE AND SENATE POST OFFICE STAFFS

Mr. VENIOT:

1. How many permanent and temporary employees of the House of Commons and Senate post office have been dismissed since August 1, 1930?
2. How many appointments to said staffs, permanent and temporary, have been made since August 1, 1930?
3. What were reasons for such dismissals referred to in question No. 1?

Mr. BENNETT:

1. None. Sessional employment lapses at the end of every session.
2. The staff is now being re-organized.
3. Answered by No. 1.

FOREMAN AT BAILEY'S BROOK, PICTOU COUNTY

Mr. ILSLEY:

1. Who was dismissed as foreman on work at Bailey's Brook, Pictou county, under the Department of Public Works?
2. When was he dismissed as foreman?
3. What was the date of his dismissal?
4. Who was appointed to succeed him?
5. On whose recommendation was the dismissal, and the new appointment made?

Mr. STEWART (Leeds):

1. No foreman dismissed, as work not yet commenced.

2, 3, 4 and 5. Answered by No. 1.

ST. LAWRENCE WATERWAY

PRODUCTION OF CORRESPONDENCE

Hon. R. B. BENNETT (Prime Minister): Before proceeding with the orders of the day I wish to deal with a matter which should have been attended to before questions were called. I wish to lay on the table correspondence to which I referred the other day between the Minister of the United States and the Secretary of State for External Affairs. I would ask to have this handed to the leader of the opposition. I may say to my hon. friend from Acadia (Mr. Gardiner) that at present I have not a third copy, but I shall send for one.

BUSINESS OF THE HOUSE

WEDNESDAY NIGHT SITTINGS

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

That on Wednesday, the 17th instant, and subsequent Wednesdays to the end of the session, the sittings shall in every respect be under the same rules as provided for other days.

Mr. E. J. YOUNG (Weyburn): I object to the passing of this motion. This house has been called together in special session to deal with an emergent situation, that of unemployment. Last week the government met with very little opposition from this side of the house.

Some hon. MEMBERS: Oh, oh.

Mr. YOUNG: That was not opposition, it was merely questioning. We did not raise opposition, but merely asked what was to be done with the money. May I say that we were not told. With very little opposition the government was allowed to pass the measure to spend $20,000,000 for the relief of unemployment. Under legislation which will no doubt be presented to-day or to-morrow it purposes to introduce further measures which will have the effect of changing fundamentally all parliamentary government, by taking out of the hands of parliament the control of taxation and tariff, and placing those matters in the hands of the executive.

Mr. BENNETT: Where did the hon. member get that idea?

Mr. YOUNG: This would be drastic legislation, and it should not be introduced and forced through without due consideration. These matters should be debated in the house for days and days and we should have time to consider them outside the house. I will go further; I will say they should be discussed throughout the country and in the press, so that all may fully know what is intended. I would respectfully urge that the Prime Minister adopt the suggestion made the other day by the leader of the opposition (Mr. Mackenzie King), to the effect that the legislation should be introduced and the house adjourned to enable the Prime Minister to attend the imperial conference.

Some hon. MEMBERS: No, no.

Mr. YOUNG: In that way these matters could be discussed from the platforms and in the press throughout the country so that all might know the full meaning of the suggested legislation. Upon the return of the Prime Minister early in November the house could be reassembled and could then decide whether it wanted this legislation. When the Prime Minister was leader of the opposition he was fond of quoting from a book entitled The New Despotism. Since he became Prime Minister I have not heard him mention the book.

Mr. BENNETT: You will.

Mr. YOUNG: There is one sentence which I would like to read to the house.

"Is it conceivable that a parliament may some day arise which will refuse to pass lumps of undigested legislation and will enact only that which it understands and definitely intends."

So far as I am concerned I do not intend to support any measures until I definitely understand what they involve, what they mean and why they should be passed.

Motion agreed to.

BEAUHARNOIS POWER CORPORATION

On the orders of the day:

Mr. ROBERT GARDINER (Acadia): May I ask a question of the Prime Minister? During the debates on the Beauharnois project contained at page 2419 of Hansard of May 22 last the Prime Minister is quoted as follows:

I do think, and I say it to the Prime Minister, that this matter should be the subject of judicial inquiry. It should be inquired into.

I wish to ask if it is the intention of the Prime Minister to inquire into this project.

Hon. R. B. BENNETT (Prime Minister): While the question of my hon. friend might well stand as a notice of motion I shall say to him that departmental inquiries have been instituted. Until they are received, on behalf of the government, I have nothing further to say in the matter

RUSSIAN ANTHRACITE COAL

On the orders of the day:

Mr. E. J. GARLAND (Bow River): On several occasions during the last session the then Minister of the Interior promised that a full investigation would be made of shipments into Canada of Russian anthracite coal. I would like to ask the Prime Minister or the minister now holding the portfolio of Minister of the Interior whether that investigation is completed, and if not when we may expect a report.

Hon. R. B. BENNETT (Prime Minister): This matter really concerns the Department of Trade and Commerce and the Department of Finance. Speaking for the latter I can say that the inquiries have been made, and some information in that regard will be communicated to the house when another measure is under consideration.

Mr. GARLAND (Bow River): Is it the intention of the government to stop the importation into Canada of Russian anthracite?

Mr. BENNETT: The intention will be disclosed by the measure which is to be introduced.

Mr. GARLAND (Bow River): For the sake of courtesy perhaps the Prime Minister would be willing at an earlier time to extend to us the information.

CANADIAN REPRESENTATIVES

APPOINTMENT OF HIGH COMMISSIONER IN LONDON AND MINISTER TO THE UNITED STATES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask my hon. friend if he has any information to give to the house concerning the appointment of the High Commissioner for Canada in London and the Canadian Minister to Washington? If not is he in a position to say when these appointments are likely to be made?

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I shall make a statement in connection with this matter before the house rises.

CUSTOMS ACT AMENDMENT

VALUATION FOR DUTY OF GOODS IMPORTED INTO CANADA

The house resumed from Friday September 12, consideration of the motion of Mr. Ryckman that the house go into committee on the following proposed resolution:

That it is expedient to amend the Customs Act in respect to the provisions relating to the fair market value for duty of goods imported and subject to ad valorem duty, and goods imported the prices of which are published or listed by the manufacturers, producers or persons acting on their behalf, the allowance of discounts, and the valuation of imports prejudicially or injuriously affecting Canadian producers.

Hon. E. B. RYCKMAN (Minister of National Revenue): When the eleven o'clock rule on Friday night interfered with my statements I had reached the point where I intimated that the proposed legislation would provide that the fair market value should not be less than the selling price of jobbers and wholesalers at the time and place of shipment.

I have received several communications. One was a telegram which stated that if that was my idea of how the dumping situation should be met, I was falling very far short of a realization of what was absolutely necessary to be done to eradicate this dumping disease. I think if the critic had waited until the legislation was introduced, he would have found that we have endeavoured to combat, so far as is humanly possible, this canker in our business life. There are men on the other side of the line who, for a fee, will tell you how our customs laws can be evaded and the goods of their clients sent in here to be sold in unfair competition with our own goods. We have fully determined—and if any one on the other side of the house can help us, I invoke his aid—that so far as is humanly possible, dumping is going to cease. I am told that not only firms and corporations, but even governments, one government in particular, assists in the dumping of goods made in that country by its producers. The way it is done is this: They desire to avoid unemployment in that country, and so the manufacturer is told to keep his factory running and go on turning out goods, to use his usual avenues of sales, to do the best he can, and then sell his surplus for what he can get, and the government will help him out. That is the sort of competition, I am told, which we have to face, and so we are providing in the legislation this clause:

> In case of new or unused goods the value for duty shall not be less than the actual cost of production of similar goods at the date of shipment to Canada, plus a reasonable advance for selling cost and profit.

That is aimed at just such a situation as I have instanced.

Another case in which I think the legislation will be helpful is where the goods are sent in on consignment. Goods are sent into

this country to await a market. It may be a seasonal market. The Canadian manufacturer is manufacturing his goods for purposes of sale, and just before he is ready to market them, these foreign shipments anticipate the goods of the Canadian producer, with the result that our trade suffers and foreign trade is enhanced.

There is another situation which is equally reprehensible and with which, in my capacity as minister, I have had to deal during the short time that I have been in office. The prices of goods are listed, and the price lists are sent abroad and are published in other countries. When trade languishes, producers cannot sell all their goods. They are not anxious—it can readily be understood why—to lower their prices, because, for instance, if a man pays $5 for a hat to-day and sees a friend to-morrow wearing exactly the same hat for which he paid only $2.50, he feels that he has been cheated; and probably he has not been fairly dealt with. These manufacturers and producers have their price lists; they are well known and published. They want to maintain them. It is good business to try to maintain them. If those prices are slashed, it is very hard to set them up again. What is done in that case? The agent comes to the Canadian buyer and says, "You know our price list. How do you like this one?" And he will show him another list. Within my short experience, what have these other lists shown? As high as 86 per cent of a discount off the list price, which means, to return to the illustration of the hat, that if the list price was $5, you could buy the hat for 70 cents.

Mr. YOUNG: Are hats sold that way?

Mr. RYCKMAN: I am giving that as an instance. I am not sure but what hats are. In another case 84 per cent was the discount allowed; in another case, 81 per cent; and our good producers in this country are expected to meet that competition. Mr. Speaker, we intend to meet it, and we intend to meet it by eradicating it, by making those producers who are seeking to make Canada a dumping ground pay a reasonable sum towards the revenues of this country, and at the same time to protect our own manufacturers and producers so far as we reasonably can.

Another section of this proposed legislation provides that where any goods are imported on sale or on consignment under such conditions as prejudicially or injuriously affect producers in Canada, the governor in council may authorize the fixing of a fair value for duty. On the statutes to-day we have that provision, but it is confined to natural products. There is that power in respect to natural products. We desire to extend it to any goods because we have found that that is necessary in Canada. It will be admitted, I think, that it is a fair, general illustrative statement to say that the difference between success in business and failure or bankruptcy is found in the last 10 per cent of sales. A man carries on a business, we will say, for purposes of ready reckoning, of $500,000. His profit, whatever it may be, $25,000 more or less, comes out of that last 10 per cent of sales. It is that which dumping girds at. In 1929 he sells $500,000 worth of goods; if in 1930 he sells only $450,000 worth of goods, he has made a loss, and he cannot keep on because that spells bankruptcy. It is at this last 10 per cent of sales that the shafts of dumping aim. If the manufacturer goes ahead relying upon a market which he expects in the natural course of things, and it does not come by reason of a flood of dumped goods, then the result follows that he carries on his business at a loss. What happens then? There is less employment, with the result that if the business is continued on such a footing, the business is gone, employment is gone, and the money is gone to other countries. These fugitive dollars taken out of Canada are of no service to us, but elsewhere they are being turned over, as we have heard, half a dozen times, ten times, even, it has been said, twenty times; all that money is gone, the prosperity of the country is affected, and unemployment is upon us, with the result that unless we eradicate a fiscal system so liable to attack this country is going to suffer more and more. One of the leading bankers of Canada—and I can give his name if desired—has said that if we were not subject to this disease of dumping, if it were possible for us to slough it off, to be rid of it, this country would enjoy a degree of prosperity that we have never before experienced.

An hon. MEMBER: He is dreaming.

Mr. RYCKMAN: At the present time there is distress selling all over the world, and we have to meet it. As I have said, in no place does it prevail to the extent that it does in Canada, simply because of the fact that other nations have taken steps to protect themselves. I do not think there is one of the premier trading nations throughout the world that has not taken care of this very situation that we are asking parliament to deal with to-day; not one. And I give it as

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my considered opinion that if during the last nine years we had availed ourselves of the law that is on the statute books and had resolutely carried it out, if the late government had not been deterred from doing so by hon. members such as my hon. friend from Weyburn (Mr. Young), this country would not be in the position it is to-day with regard to unemployment.

Mr. YOUNG: Does my hon. friend intend to put a stop to this distress selling of merchandise?

Mr. RYCKMAN: I shall be quite willing to answer the hon. member's question before this bill has received his approval. Now, it is said: This is wide authority that you are asking to be clothed with to enforce these measures. Well, those measures are of such a nature that they cannot be passed upon by parliament in detail before action is taken. The general policy of the government, the limits to which the executive of parliament can go can well be stated, but it is not possible to deal with each instance of dumping as it arises unless power to deal with it is deputed to someone in order that the wishes of parliament may be carried out. The ministry acts through the governor in council, and the governor in council in turn gives the minister power to act. We are merely asking for similar power. As the house is aware, some time ago the ex-Minister of Trade and Commerce (Mr. Malcolm) thought that a situation had arisen in relation to the dumping legislation which demanded action, and in my opinion the ex-Minister of National Revenue (Mr. Euler) properly appreciated that situation and took action. As I have tried to say as emphatically as I can, it would have been much better for the country if action had been taken in other similar cases. Now, as hon. members know, action has been taken by this government in relation to the dumping of fruits and vegetables. I have received, Mr. Speaker, so much commendation for so doing that positively I am too bashful to read the communications to the house.

Mr. YOUNG: Did you get any from the prairies?

Mr. RYCKMAN: Yes, I got some from the prairies.

An hon. MEMBER: Read them all.

Mr. RYCKMAN: There was objection taken—I am not now speaking of the prairies —but not to the principle of the legislation; and by whom do hon. members think?

An hon. MEMBER: The consumers.

Mr. RYCKMAN: No, objection was not taken by the consumers; there has been a paean of praise from them for what has been done. The only cry of distress was from the canners. Why? The canners say they have been buying American fruit and canning it, and want to continue to do so. It is the object of this legislation to require the canners, so long as they can get the products of Canada at a reasonable price, to exercise themselves in the business of canning the products of Canada. But the plea has been made by one concern: Oh, don't bring this legislation into force until the seven cars I have rolling from the United States come in. Another canner says: Oh, I have got six cars of American pears that are coming into the Niagara peninsula to be canned there. I think, Mr. Speaker, that the benefits to be expected from this proposed legislation may be measured by the objections which have been taken to its introduction.

I do not wish to detain the house any longer. I hope the resolution will meet with favourable consideration, and I move its adoption.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I was not present at the last minute of the Friday evening session when my hon. friend the Minister of National Revenue (Mr. Ryckman) introduced this resolution, but I read in Hansard and also the papers next day the report of what took place. May I quote one paragraph from my hon. friend's speech which rather touches myself? It reads as follows:

> We are convinced that the dumping legislation, as I shall call it, which has been upon the statute book for some time, has not been as effective as it should have been, and we are convinced also that had it been enforced in letter as well as in spirit this country would have been better off and we would have less unemployment to provide for now.

I take no particular exception, in fact I might perhaps support the first part of that statement; but to the latter part I take decided exception, the part where my hon. friend says:

> We are convinced also that had it been enforced in letter as well as in spirit this country would have been better off and we would have less unemployment to provide for now.

I am not sure whether I misinterpret what my hon. friend intended to say, but I cannot

interpret his statement in any other way than as a reflection upon the former Minister of National Revenue—myself—or his officials, or perhaps all of us. If I am wrong in that I should be very glad to be so assured by my hon. friend. He states if the law had been enforced in letter as well as in spirit the result would have been different. The presumption is that it was not so enforced. Now, if there was one portion of the Customs Act that I was perhaps more heartily in sympathy with than any other it is what is known as the dumping clause. So far as I am concerned, not a single complaint ever was made by any manufacturer or producer in this country as to dumping but what was promptly investigated, and if the facts warranted it was promptly dealt with according to the law. Instructions were given to the Commissioner of Customs and by him to the officials of the department to apply the dumping clause without fear or favour wherever it was being violated, and I have every reason to believe that those instructions were carried out. I should like my hon. friend to say whether he so meant it or not; and if he did not so mean it he should at least absolve the minister and those who were supporting him of any such action as he has intimated.

Mr. RYCKMAN: If the hon. member will permit me, I did not mean to cast any personal reflection upon him; not at all. What I did mean was kindred to this: that in 1926, in the short time we were there, we passed administrative acts, with regard to fruit and vegetables, similar to what has been done recently. The Prime Minister of my hon. friend's government interfered, and that resolution was rescinded, and the country suffered.

Mr. EULER: I had not concluded my remarks, Mr. Speaker, but anything further I have to say I can reserve until the resolution is in committee. I simply wanted to have that point cleared up.

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

Mr. MACKENZIE KING: The minister replying to a question addressed to him by the former Minister of National Revenue (Mr. Euler), made reference to some legislation passed during the time the previous government was in office, and said that the then Prime Minister objected to the legislation and it was withdrawn. I should like to know from my hon. friend why in that regard he referred particularly to the former Prime Minister.

Mr. RYCKMAN: As I understand it, the Prime Minister is the head of the government, and this was an order in council rescinding that prior order in council. I understood that this action was taken by the right hon. gentleman's government.

Mr. MACKENZIE KING: My hon. friend knows that in these matters the cabinet have a collective responsibility, and there is no more reason why he should mention the then Prime Minister in the connection he did than there is for my mentioning the present Prime Minister as solely responsible for what my hon. friend is now doing, or with respect to anything else done by this government.

Mr. STEWART (Edmonton): If I caught the remarks of the minister correctly, it is proposed to amend section 43, making it applicable to all goods coming into Canada instead of only to natural products. If that is the case, may I ask the minister what necessity there is for any further amendment to the act. If the minister can make recommendations to the government, and if parliament gives the government authority, then they can fix the tariff on every article entering into Canada. I wish to be corrected if I am wrong in that regard.

Mr. RYCKMAN: As my hon. friend knows, the government had, in relation to natural products, the power which we are now seeking in relation to any goods which it may be desirable to act upon. In short, it is just an expansion of the old section 43 to cover any goods whatever; and as my hon. friend knows, the situation must be such that producers in Canada are prejudicially and injuriously affected. That condition must exist before action will be taken by the governor in council.

Mr. STEWART (Edmonton): Then I am correct in my assumption that what the government is asking from parliament now is authority to fix by order in council the duties on all articles entering Canada.

Some hon. MEMBERS: No.

Mr. WHITE (Mount Royal): The value.

Mr. VALLANCE: Allow the minister to answer.

Mr. RYCKMAN: It is only in the event of producers or manufacturers being prejudicially and injuriously affected, and where instant action is necessary, parliament not being in session, that authority is relegated to the governor in council.

Mr. GARLAND (Bow River): Who is to be the judge?

Mr. RYCKMAN: The governor in council.

Mr. GARLAND (Bow River): Does not that, therefore, make the governor in council the effective authority determining tariffs?

Mr. RYCKMAN: Yes, if the producers and manufacturers are prejudicially and injuriously affected by anything that might happen.

Mr. McKENZIE (Assiniboia): What about the consumer being prejudicially affected, as he has been?

Miss MACPHAIL: And what about the farmers? I remember all the tears we heard in the campaign over the farmers—yes, we heard them, they were so loud. Where does the farmer come in on this? Is the farmer's interest being adversely affected, and, if that is the case, why are valuations to be increased?

Mr. RYCKMAN: I think the farmer will find that he is well protected. And the very first step taken by this government was a step which the farmers themselves rejoiced in; I refer to the action we took in regard to cabbages and such commodities.

Mr. IRVINE: Have the advantages accruing from the dumping of goods into Canada in the past been enjoyed by the consumer or, where there was a difference in prices between the dumping price and the ordinary price, have these advantages been absorbed by the dealer?

Mr. RYCKMAN: I think it will be found that in the long run the farmer has not benefited by any cheap prices that prevailed as a result of dumping.

Mr. WOODSWORTH: As I am not a member of the Consumers' League, perhaps I may be permitted to speak freely with regard to the consumers. How will it be determined whether the interests of the consumers are or are not prejudicially affected?

Mr. RYCKMAN: If parliament were in session, quick action would be taken; otherwise its executive would do the best it could in the interests of the consumer. Further than that, there are the governments of the provinces, and we have very great confidence in some of the governments now in power.

Mr. WOODSWORTH: Is any machinery provided at all whereby the point of view of the consumers can be presented to the government and embodied in any order made by the governor in council?

[Mr. E. J. Garland.]

Mr. RYCKMAN: I know of no machinery that is not available equally to any other interest in the community.

Mr. ILSLEY: Under this amendment is the cost of the product in the country from which the goods are to be imported to be the basis of valuation for duty purposes?

Mr. RYCKMAN: That is a tariff matter and is dealt with in the Customs Tariff.

Mr. ILSLEY: When the minister read some extracts from his proposed bill I understood him to say that the valuation was not to be less than the cost of production in the country from which the goods were imported. Was that correct or not?

Mr. RYCKMAN: I said that the valuation for duty first of all was not to be less than the selling price to jobbers or wholesalers generally and then I stated that with regard to new or unused goods the value for duty should be the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit.

Mr. ILSLEY: That is the information I wanted. What machinery is contemplated for the purposes of ascertaining the cost of production in the foreign country? That problem has been a troublesome one in the United States, as the minister well knows. The United States has been sending its agents to foreign countries asking for the production of books by manufacturers in those foreign countries. That practice has caused a great deal of illwill and produced a lot of false information. Is Canada under this legislation embarking now upon the same practice?

Mr. RYCKMAN: The department has done that work in the past. If more work is entailed, the department will be able to carry on that additional work.

Mr. EULER: As is well known, the government by order in council, on the recommendation of the Minister of National Revenue, had the power to fix the value of natural products. That power was made use of by the short-term government and also for a brief period of time by the government which recently went out of office. I understood from the explanation given by the minister that it is the intention of the government to fix those values upon the basis of cost of production plus a reasonable profit.

Mr. RYCKMAN: No. Please allow me to interrupt.

Mr. YOUNG: That is what the minister said.

Mr. RYCKMAN: Pardon me; it is not.

Mr. EULER: That, I think, was said at the outset of the hon. gentleman's remarks. I would like to ask this question: The government are apparently widening the power which they had under the old section 47a or the present section 43 which dealt with the valuation of natural products. Under that legislation there was no limitation as to the price which might be fixed. For instance, a bag of potatoes coming in at a dollar might have the valuation fixed for duty purposes at $5 a bag and in that way the importation of the commodity would be absolutely prohibited. That was true with regard to natural products. I am trying to find out now whether under the widening of that power to include all commodities which may be imported, there is any limit beyond which the governor in council may not go in fixing those valuations. For example, let us take furniture which has been mentioned and which was mentioned repeatedly during last session. Would it be possible by order in council to fix the value of furniture which was invoiced at, say $1,000, at $2,000 or $3,000 or any figure whatsoever; or will the proviso which I understood the hon. gentleman to mention as to cost plus profit be applied in that case also? If it is not, I should like to make a suggestion, though it might be better made when the bill is before the house. Instead of the government taking the authority absolutely to fix values at anything at all it might choose to take, thus making it possible to shut out completely every manufactured commodity, because the government could do that under the interpretation I am putting on the legislation now, some limitation ought to be placed upon those powers in the manner suggested by my hon. friend. No producer in Canada, whether he be manufacturer or farmer, should desire that a value higher than cost of production plus a reasonable profit be fixed at any time by the governor in council. It seems to me the government might very well restrict their powers in that way. If they do that, I for one would not have any great objection because I have also had this conception of the interest of the producer in Canada, namely, that if he is in a legitimate business, conducting it properly and efficiently, he should be able to sell his product at cost plus a reasonable profit. With that principle I have no fault to find, but as I have said before, I think we are going too far when we give to the government power to fix a valuation two or three or even four times the cost of production in this country. I do not say that the government would take advantage of that power, but it could, and I hardly think parliament should give the government power which it does not expect to use and which, if used, would be wrongful. I would suggest that if they do take power to fix the value of any commodity for customs purposes, they limit that power so that the price may be fixed at not more than cost plus a very reasonable profit. If my hon. friend would tell me whether that is in the mind of the government I would appreciate it.

Mr. RYCKMAN: The difficulty my hon. friend has met with is due to confounding old section 43 with our amendment to section 36. In the proposed legislation section 43 is exactly the same as it was during the regime of the right hon. gentleman opposite, and the power to fix values will continue to be just the same as it existed under the former government. There is no doubt there is an absolute power to fix values, but that was enjoyed by the government of the right hon. gentleman and fifteen gentlemen sitting around a table are not likely to fix a value of $5 on something that is worth only $1. If they do, it is very easily shown they are not only blundering, but intentionally doing what is not right.

As it is proposed to deal with section 36 there is no added power; there is, however, enlarged scope and the proposed amendment to section 36 provides for a duty on new or unused goods upon a value which shall not be less than the actual cost of production of similar goods plus a reasonable advance for selling cost and profit. There is no extension of the authority of the minister under the statute; there is a wider scope for the governor in council under section 43 in that new goods are mentioned instead of natural products. That is the only difference.

Mr. EULER: My hon. friend's point might be well taken with regard to natural products. I appreciate the fact that there was no limitation there and that any price might be fixed. I might be confronted with the reply that if it was right in connection with natural products, it would be equally justifiable in connection with any other commodity. My answer to that is this: In the case of natural products such as fruits and vegetables, where prices change so quickly, it is quite impossible to ascertain the cost of production. That was the reason for placing that law upon the statute books, in order to give the producers of vegetables and natural products the same

sort of protection given to the producers of other commodities; that was the reason that power was made absolute. When that act, commonly known as 47a, was put through by the Liberal government in 1922, that government was met by the statement from the then leader of the opposition, Mr. Meighen, that it was protection gone mad. The government, by means of this resolution, is taking absolute power to fix prices at anything it pleases. I do not question the good motives of any government, but we are all human. It is quite possible that parliament might not be in session for six or eight months and the government would have the power of fixing a valuation so high that it would be utterly impossible for any like commodity to be imported into the country. This statement of mine is not new to most of the hon. members of this house; I have been and am now in favour of giving our own industries a chance to live. I have no intention of retracting my statement, but surely a reasonable limitation could be placed on the powers which the government now proposes to take for itself. Why could not a reasonable limitation be placed upon the absolute power to fix prices given by this resolution? I do not see why the government would want this power if they did not intend to use it. I know that many hon. members on this side will object to what I am saying, but I contend that no government should have the power to fix values at a price higher than the cost of production plus a reasonable profit.

Mr. CAHAN: Not in any case?

Mr. EULER: I think not. I do not think that any producer should expect to get more than the cost of production plus a reasonable profit.

Mr. CAHAN: What about the case of Japan, where the cost of production may be based on labour at 10 cents per day?

Mr. EULER: Let it be the cost of production in Canada.

Mr. CAHAN: Would it not be wise to wait until we have the bill before us rather than to discuss these hypothetical views of the matter?

Mr. EULER: I consider this to be a rather important principle. However, as is suggested by my hon. friend, it might be better to discuss this matter when the bill is before the house. I offer this suggestion for the consideration of the government, although I do not expect very much success.

[Mr. Euler.]

Mr. RYCKMAN: The principle underlying this control is that there must be a situation existing which injuriously and prejudicially affects the producers of Canada.

Mr. EULER: That would leave it pretty wide open.

Mr. RYCKMAN: I do not believe that there would be much danger of anyone being so unwise as to state a false value of any commodity. He would certainly be afraid to do it in the case of natural products. It is quite possible that it might happen, although I can hardly foresee it, where the value of natural products given under the law as it exists to-day would be out of range as compared with the prices quoted from day to day in the newspapers. I do not think my hon. friend should trouble himself too much in regard to the step we propose to take. We consider it to be a step in advance of the protection given to natural products, and it will be predicated upon a situation existing which will injuriously and prejudicially affect the producers in the country.

Mr. BOTHWELL: Mr. Chairman, the hon. minister (Mr. Ryckman) has stated an instance of goods coming into this country to be sold at 86 per cent off the list price. Under the proposed legislation, what would be the value for duty of those particular goods?

Mr. RYCKMAN: The governor in council has the right to fix the discount which shall apply to that price, which would give a fair value for duty.

Mr. BOTHWELL: Would that be referred to the governor in council, or would the list price be taken as the value for duty purposes?

Mr. RYCKMAN: The value for duty purposes would be fixed by the department, based upon that discount. A value would be fixed which would not rob the revenue and which would not permit dumping against the producer in Canada.

Mr. BOTHWELL: In the case of goods being sold below the list price, the value for duty purposes would have to be fixed by the governor in council?

Mr. RYCKMAN: As I have stated already, there are manufacturers who submit list prices to their trade at home and then for the purpose of doing business in Canada offer a greater discount in this country. Upon such a case coming to the notice of the department, the department will say what shall be the fair discount from list prices for duty purposes.

Mr. BOTHWELL: The department or the governor in council?

Mr. RYCKMAN: The governor in council.

Mr. WOODSWORTH: Hon. members will recall that for several years automobile dealers have been trying to secure legislation which would have the effect of prohibiting the importation of used cars from the United States. Would it be possible under this proposed legislation for the governor in council to introduce regulations which would have the effect of prohibiting the entry of used cars?

Mr. RYCKMAN: If a crisis should arise and Canadian producers were being injuriously affected, and such was honestly stated to be the case, I think it could be done.

Mr. WOODSWORTH: They have been asserting for several years that their business has been injuriously affected.

Mr. BROWN: We do not like that phrase "the producers being prejudicially affected." If we accept the argument advanced by hon. gentlemen opposite during the last campaign, the interests of the Canadian producers are always prejudicially affected when anything comes into Canada in competition with their products. What does the hon. gentleman mean by being prejudicially affected; does he mean that advantage can be taken of this act to exclude entirely other goods from entering Canada?

Mr. RYCKMAN: If my hon. friend is satisfied, I will go back to the hat case. If it were thought that Borsalino hats with an ordinary value of $5 were being dumped on this market to sell at 70 cents— I used that figure before—I think the governor in council would be lacking in duty to this country if they did not put a stop to such a practice and take action under this section 43 as amended.

Mr. HEENAN: May I ask the hon. gentleman if his investigation disclosed the fact that Canadian citizens were getting the benefit of those $15 hats which could be bought for seventy cents?

Mr. RYCKMAN: They did not get the benefit.

Mr. YOUNG: But have hats come in at that price?

Mr. RYCKMAN: I was merely using that as an example.

Mr. MacINNIS: This session has been called to consider the unemployment situation. The Prime Minister when asking for the appropriation of $20,000,000 stated it was to be palliative but not curative. Is this another palliative, or is it a specific cure?

Mr. YOUNG: It is an aggravation.

Mr. EULER: The hon. gentleman has stated that when producers are prejudicially or injuriously affected the governor in council may proceed to fix higher prices to correct the situation. What means are to be taken to ascertain whether these interests are so affected? For example, will the government reconstitute the tariff board and empower it to make investigation?

Mr. HANSON (York-Sunbury): Nothing doing.

Mr. RYCKMAN: I think the government would take the responsibility of deciding whether there was a situation which was deemed injurious.

Mr. EULER: But they must have the machinery of investigation.

Mr. MACKENZIE (Vancouver): Would they have public hearings?

Mr. RYCKMAN: My hon. friend might ask if he could be employed to represent some of them.

Mr. BROWN: Hitherto representations on behalf of consumers have been made before the tariff advisory board by the Canadian Council of Agriculture.

Mr. RYCKMAN: But without effect.

Mr. BROWN: I am not so sure of that. At least it placed clearly before the people of Canada the exact situation in regard to these matters.

Mr. HANSON (York-Sunbury): That may be your opinion.

Mr. BROWN: It is a matter of very great importance. What method have hon. members opposite in mind of receiving representations from the general consuming public? Do they purpose to receive representations, because we know that individual consumers cannot present their respective complaints. Will the Canadian Council of Agriculture, the Consumers' League and the Manufacturers Association be privileged to make representations to the government?

Mr. RYCKMAN: I fancy the government always has been happy to receive representations.

Mr. YOUNG: That is not the point.

Mr. RYCKMAN: I must say however that the question whether a tribunal such as

the tariff advisory board shall be set up does not in my opinion come within the purview of this proposed legislation.

Mr. HEPBURN: I think a very important point has been raised in regard to the principle of the bill. It would appear it does not constitute a protective measure but is rather in the nature of a prohibitive measure. I would ask the minister if statistics have been prepared as to the probable loss of revenue to the treasury of Canada. If those figures have been prepared would the hon. gentleman indicate to the house from what other sources he intends to raise revenue?

Mr. RYCKMAN: I have not caused an investigation to be made.

Mr. HEPBURN: I think it would be well to have an investigation made, when an important measure like this is before the house.

Mr. STEWART (Edmonton): I have not yet got clearly in my mind why the minister is concerned about the value of the goods. As I understand from the purport of the legislation, the minister will make representations to the government because of representations made by the producer that he has been injuriously or prejudicially affected, and in turn the government will take action. Under section 43, which is very wide in its provision, the government has power to fix any price. I am bound to say I most heartily agree with what an hon. member said the other night respecting the death knell. This is the death knell in reality.

Mr. YOUNG: Yes, of parliament.

Mr. STEWART (Edmonton): And the death knell of anything in the way of protection for the people who have to buy these goods. If I am wrong in my statements I hope the minister will put me right.

Mr. STEVENS: You are all wrong.

Mr. STEWART (Edmonton): I would like to think I was wrong, but I am afraid I am only too correct.

Mr. MANION: You are wrong.

Mr. STEWART (Edmonton): The government is taking upon itself the right to fix the value of every piece of goods which enters Canada. If they think the case demands it, they act without reference to value, discount or anything else. It is in connection with this matter that I would like the minister to give me more light.

[Mr. Ryckman.]

Mr. RYCKMAN: My hon. friend is mistaken. If he will take the trouble to look at sections 35 to 43 of the act he will see that he was content for nine years to rest under the same situation that he is now inveighing against.

Mr. STEWART (Edmonton): Why the necessity for this legislation if the answer of my hon. friend is correct?

Mr. COOTE: In the first place I wish to urge that the minister and hon. members who are taking part in the discussion speak more loudly so that members at this end of the chamber on both sides of the house may hear. It has been impossible for me to hear much of the debate which has taken place to-day. Because of my inability to hear what has been said I have not been able to learn whether it is proposed to amend section 43 of the present act, but I think that is the intention. The present section was introduced in this house in 1922, and the power given to the minister to fix valuations was restricted to natural products. The excuse the minister gave at that time for asking for such authority was that it was impossible to learn the cost of certain natural products, and fruit was mentioned. He stated that the value of cherries could not be ascertained when some were graded as No. 3 and others as No. 4, as compared with cherries graded No. 1. On that occasion the minister raised many objections which possibly could be raised by any minister after he has held the portfolio of Minister of National Revenue for some years. For reasons he outlined parliament was induced to pass this amendment which to my mind was wrong. Certainly the same excuse cannot be lodged in regard to manufactured products; it is possible to obtain information as to that cost. For that reason the excuse given by the Hon. Mr. Bureau, who was minister at that time, in regard to fixing the value of natural products does not apply to manufactured products. It might be interesting to the house if I were to quote the views of a very strong protectionist who sat in the house at that time. At page 3414 of Hansard, June 22, 1922, Right Hon. Mr. Meighen is quoted as follows:

> This provision is protection personified. This is the last emanation from the government that denounced protection two or three days ago. For purposes of valuation the minister can fix the value where he likes, and any basis he likes, on any principle he likes, to suit any interest he likes, as low as he likes, as high as he likes, and when he likes. In a word, this simply puts into the power of the minister the whole elevation of the tariff of this country.

That is my objection to it. It puts within the power of the government the right to raise the tariff of this country on any item they like. All they find it necessary to do is to say, "We have been told, we believe and we have found that the interests of producers are being prejudicially affected." Further Mr. Meighen stated:

Now, let me repeat, if ever a government came down to parliament with a measure distinctly, emphatically, superlatively protectionist, that measure is the one now proposed.

And further on he states:

That hon. gentleman is now standing up and asking parliament to give him power to exercise a degree of autocracy unknown in any country in the world.

I agree absolutely with Mr. Meighen in that regard. I think the minister has been ill-advised. Under this resolution he certainly can protect the producers of this country from dumping.

Mr. ILSLEY: Does not the proposed legislation give the governor in council much greater powers than the flexible tariff provision gives the president of the United States. As I understand it the president has power to raise or lower duties to the extent of 50 per cent, but he can go no farther than that. As I understand it this legislation by increasing values will give the government of Canada power to raise duties to any degree or to any level, and power to lower duties without any limitations whatever. The minister said that all other countries in the world had taken steps to meet this evil. I wonder if any other British country has the powers that this government proposes to take under this legislation. I think the committee would be interested in knowing that. It is possible that they have, but I would like to know for my own information.

I would also like to know what the minister means by dumping. I understand dumping to have a statutory meaning; that is, the selling of goods in this country at a price lower than the selling price in the country of origin. I understood also that machinery is already in existence for penalizing the exporter in another country who ships goods in here at a discount from the list price. I listened this afternoon to the minister talking about discounts from the list price, and for my own information I would like to know in what respect the machinery which at present exists in the statutes is inadequate to cope with the situation. I must say that I thought when an exporter in another country discounted the list price of hats, let us say, by 80 per cent as compared with the price in the country of origin, he immediately came within the four corners of our present legislation, and that our customs officers immediately raised the value by the difference between the price in the country of origin and the price at which it was proposed to sell goods in this country, but in no event more than 15 per cent. I would like to know in what respect the existing machinery has fallen down, and why it cannot be worked without giving the government of Canada these enormous powers.

Mr. RYCKMAN: I am sorry if my hon. friends could not hear me. I desire to point out that there is a misapprehension in the mind of my hon. friend from Hants-Kings. This act that we are now dealing with fixes the fair market value upon which the duty is calculated. The customs tariff fixes the duty. We are trying to interpret fair market value in these different cases. If my hon. friend, who is a lawyer, will read section 35, he will find that it is the fair market value which governs the value upon which the duty is fixed by the customs tariff. Section 35 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.

So it is not fair to say that we can calculate the duty upon any valuation we like, because the act fixes the basis upon which the duty is to be calculated. There will be amendments to the customs tariff which will show the rate for duty on the fair market value.

Mr. EULER: But does not your amendment to section 43 over-ride all that?

Mr. RYCKMAN: No. Section 43 provides that the fair market value can be fixed by order in council with respect to any goods, just as it could be fixed on natural products under the legislation of my hon. friend when he was minister.

Mr. EULER: Perhaps I have misunderstood my hon. friend. Does he mean to say that the amendment to section 43, which dealt with natural products only, and which gives the power to fix values at anything whatsoever, is changed, and that the values which may now be fixed on commodities other than natural products, by the amendment to section 43, shall be based on the cost of goods plus 10 per cent? I must say that I think that what the minister said and what the resolution itself means is this, that under the amendment to section 43, power will be taken to fix any price whatsoever without reference at all to cost.

Mr. RYCKMAN: As I stated before, I repeat, that there is no essential change proposed in section 43 with this exception, that for natural products we are substituting any goods. That means that the governor in council can fix the value for duty; in other words, the fair market value upon which the duty is calculated according to the customs tariff.

Mr. EULER: But there is no interpretation of what fair market value is.

Mr. RYCKMAN: If my hon. friend will pardon me, the old section 43 determines what the fair market value is and gives the governor in council power to fix it.

Mr. EULER: But it has no reference to cost.

Mr. RYCKMAN: No, and never had.

Mr. EULER: I am curious to know why the reference to amending section 36, refers to cost. As I said a moment ago even if prices were fixed according to cost under section 36, you could override that entirely by your amendment to section 43; section 43 gives you power to fix any price whatever without reference to cost at all. It seems to me that that is a power which the government should not take.

Mr. RYCKMAN: Apparently against such "forceful opposition" as that of the Right Hon. Arthur Meighen—I am now quoting the words of those who were opposed to him at the time—hon. gentlemen opposite introduced and put on the statute books a provision with respect to natural products which they now think was of too wide a scope, and they therefore feel that this legislation, which is to cover any goods the dumping of which will prejudicially or injuriously affect producers in this country, should not be passed.

Mr. EULER: My hon. friend knows why in section 43, or the old 47a as it was, there was no restriction placed on the valuation. It was because it was simply impossible in the case of fruits and vegetables to find out the cost. I want to be clearly understood. I am not opposed to proper legislation protecting the interests of producers as well as consumers, but I cannot see why that purpose cannot be absolutely served with this restriction to be placed upon the power of the governor in council, that the governor in council shall not make the valuation any greater than the cost of production plus a reasonable profit. No manufacturer can object to that. It is eminently reasonable. My friends to my left will not agree with that. Many of them believe—I do not support them—that Canadians ought to be able to buy their goods at slaughter prices no matter how low those prices might be. I am not in sympathy with that view, because I believe that when a man is engaged in a legitimate business, a business that ought to be established in this country, and when he is conducting it properly and legitimately, it ought to be possible for him to get his cost plus a reasonable profit. But when you give the governor in council power to fix the valuation for importation purposes at anything at all—four, five or ten times the cost of production—well, it seems to me that it is unnecessary for the government to take such power, and I think they are unwise to do it. It is not fair for my hon. friend to draw a parallel with section 43. The only reason why the governor in council was given unlimited power so far as the valuation of natural products is concerned was that it was impossible to ascertain the cost in the case of those commodities. But there are very few manufactured commodities, the cost of which cannot be ascertained.

[Mr. Euler.]

Mr. ILSLEY: I would ask the minister for an answer to my question. Has any other government done what this government proposes to do under this legislation? The minister has dealt with other countries in his remarks and has no doubt made a study of the steps they have taken. Has any other country passed legislation such as this?

Mr. RYCKMAN: I understand so—Germany, France, Italy, the United States, and so on.

Mr. ILSLEY: That brings me to the other question. Does not this legislation differ materially from that of the United States which places a limitation of 50 per cent upon the existing duties?

Mr. RYCKMAN: I have no doubt that would be considered under the tariff legislation at this session, of which my hon. friend has been advised.

Mr. ILSLEY: My question is a perfectly proper question. Had the minister not himself brought up what other countries had done, I would not have introduced the subject.

Mr. RYCKMAN: I answered the question.

Mr. ILSLEY: My hon. friend did not answer it.

Mr. RYCKMAN: I said Germany, Italy, France and the United States.

Mr. ILSLEY: I then asked the minister if the United States legislation was not materially different from this in that it placed a limitation upon valuations which this legislation does not.

Mr. RYCKMAN: My answer is that the limitation will probably be dealt with in the tariff legislation.

Mr. ILSLEY: There is to be a limitation introduced then?

The CHAIRMAN: Order.

Mr. ILSLEY: That is the first mention in this discussion that there was to be a limitation to be placed upon valuations made by the government.

Mr. RYCKMAN: I said nothing other than this; my hon. friend has been advised there will be tariff legislation at this session.

Mr. ILSLEY: All I can say, Mr. Chairman, is that the minister, quite inadvertently doubtless, is not answering the question I put to him. I should like information about legislation in the United States.

An hon. MEMBER: Why?

Mr. ILSLEY: Because other countries have been mentioned by the minister. If he is not able to answer, very well; but surely I an entitled to the courtesy of an answer. Either the minister should say he is not acquainted with the legislation in the United States, or he should tell me the difference between this legislation and that.

Mr. RYCKMAN: I have said, and I think the house understands, that this legislation relates only to fixing the fair market value in the cases that I have referred to. Now, if my hon. friend wants to know what is to be the duty applicable he will have to wait and see, because I am not going to tell him. The rates will be declared in the customs tariff. When my hon. friend asks me, what is the law in the United States with regard to valuations, I am not required to answer his question.

Mr. ILSLEY: I take it that the minister is unable to answer the question.

The CHAIRMAN: Order.

Mr. RYCKMAN: The hon. member may take it that the minister refuses.

Mr. GERSHAW: I desire to bring a special case to the attention of the minister and base a question thereon. We have in southern Alberta thousands of acres of land under irrigation. It has been found that wheat cannot be grown on this irrigated land at present market prices, and the farmers there cannot get a market for vegetables on account of their location; but they can grow sugar beets to great advantage. However they find that at current prices they cannot carry on the cultivation of sugar beets profitably, and the sugar beet factories there cannot carry on at a profit, and consequently other factories and farmers will not come in. Now if these producers could prove that their business was being adversely affected, could they get relief under this resolution?

Mr. RYCKMAN: If it were a case, Mr. Chairman, coming within the class of cases that we are now endeavouring to provide for, my answer would be yes.

Mr. VALLANCE: I notice, Mr. Chairman, that the minister in reply to a question by a member on this side of the house, dealing with the limitation on valuation existing in other countries, pointed out that France, Italy and Germany had adopted the principle that he is now proposing. I would point out that there is a large percentage of the people in this country suffering from that very thing. Apparently he proposes to add to their difficulties by introducing it here. In other words, our farmers are selling their goods at distress prices, and he proposes to increase the value of the goods that they have to buy to such an extent that they will not be able to buy them at all. Now I understand the minister's purpose in doing this is to relieve unemployment. Well, he may alleviate unemployment by shutting out further importations until he accumulates such a volume of Canadian goods that there will be serious congestion, because undoubtedly the Canadian farmer will be unable to buy them. Then what does he propose to do with those goods; does he propose to sell them as distress goods in the markets of the world? If so, how will he go about it?

Mr. RYCKMAN: I will wait until that time arises. I do not believe it will ever arise.

Mr. VALLANCE: It is going to arise just as soon as you put this legislation into effect.

Mr. STEWART (Edmonton): I do not yet clearly appreciate the necessity for the amendment. If the minister takes all the power contained in section 43, then undoubtedly he takes power by order in council to deal with any commodity coming into Canada, and he may exercise that power upon representations made by the producer without reference in any particular to the

cost of production in the country of origin. Thirty-five, which my hon. friend quoted, deals with the valuation of goods coming into Canada, and provides in case there is depreciated currency and other incidentals a method for fixing the value. I do not know in what particular my hon. friend intends to amend that section. I do not understand why he needs to amend it at all if he is going to take this drastic power, which, I am bound to say, if it exists in Germany and France, does not exist in the United States nor in any of the overseas dominions. I fail to understand why he wants the amendment. Moreover, I fail to understand why the Prime Minister intends to introduce increases in the tariff, because this is the most arbitrary action attempted by any government that I have ever heard of.

Mr. RYCKMAN: I should like to ask the hon. member who has just taken his seat if he thought it was arbitrary action on the part of the then government when the legislation was proposed with regard to natural products. Further, in an endeavour to help the hon. gentleman, let me say that the amendments to 37 and 38 all deal with specific cases. Then my hon. friend asks why it is necessary to amend 43. Forty-three deals only with cases where injury and prejudice arise; the others are not concerned with that.

Mr. STEWART (Edmonton): But may I point out to my hon. friend—what I think he knows perfectly well—that he seems to be skating on very thin ice. He knows that 43, amended as he proposes to amend it, will be sufficient for any contingencies that may arise. He does not need to amend 35, 36 and 37, because he can apply 43 to every article entering Canada. The hon. member for North Waterloo (Mr. Euler) has pointed out repeatedly that 43 was only intended to be used in connection with natural products and where prices could not be ascertained. Now, my hon. friend cannot contend that prices cannot be ascertained on all other commodities coming into the country. May I say that the feelings of the Right Hon. Arthur Meighen in regard to such legislation as expressed by him on a former occasion are mild in comparison with what we on this side of the house feel when we thoroughly understand the purport of this legislation. I think it will do more harm and will create more distress in Canada than any other piece of legislation that has ever been introduced. I thought that the handing over of $20,000,000, under the guise of relieving unemployment, without the slightest particulars of how the money was to be expended, was a very arbitrary measure; but this proposed measure exceeds anything that I have ever read or heard of in the way of arbitrary legislation.

Mr. RYCKMAN: I am glad that my hon. friend has got rid of the fulmination which, he says, is stronger with him than anything which the Right Hon. Arthur Meighen said. But I leave myself in the hands of the house. I say that section 43 relates only to a case where there is injury, and other preceding sections do not relate to any such condition in the fixing of fair market value. The hurdle which my hon. friend takes is not so very high this time. He was willing that this outrageous legislation, which beats all creation, with regard to natural products, should receive his approval and be acted upon. The only difference is that one says, goods of any kind, while my hon. friend is willing to go the length of any natural product.

Mr. MACKENZIE KING: In the case of goods coming into the country at the present time free of duty, is it contemplated that the government should take to itself the right to fix any valuation should it be shown that such entry of goods free of duty prejudicially or injuriously affected some interest in Canada?

Mr. RYCKMAN: In my opinion that question would be more properly asked in relation to the tariff. There is now on the statute books a dumping duty in relation to goods entering free. Goods coming in free of duty can destroy trade, and the act now provides a duty of 15 per cent.

Mr. EULER: A rather important point comes up in that connection. We had the impression that under 47a it was decided not only to fix prices but that those prices should be regarded as the proper prices for the purpose of applying the dump. But it was found that the legislation was defective; while you can fix prices at any figure you please under 43, formerly 47a, you cannot apply the dump. But you can fix prices so high as to be equivalent to the dump, and so shut out goods in any case. In the case of free goods, however, you could apply the dump only if the law were not defective; and I very much doubt, in the case of free goods, unless further legislation is brought in to remedy the defect that existed in the law, whether the dump could be applied. If that is remedied, the dump can be applied then in the case of free goods, because you can fix prices high enough.

Mr. HEPBURN: Does the minister think there is need of a customs tariff if the legislation contemplated in this resolution is

adopted? Would there be any stability? Let me illustrate. Suppose an importer contracted for foreign goods at a certain price and in turn sold to the buyer in Canada. The goods would arrive at the port of entry in Canada and the dumping duty would be applied. The importer would have either to absorb that increase in cost or pass it on to the purchaser. Would not that put the importer in this position, that before he attempted to buy goods in the foreign country he would have first to ascertain from the minister's department whether there was any likelihood of the dumping duty being applied? And would not that necessitate on the minister's part an investigation before any purchase could be made in a foreign country, if there were to be any degree of stability at all in international trade?

Mr. RYCKMAN: The importers are well informed and they know whether there is unfair trade or not. They know whether it is proposed to list a price which will really result, when the goods come to Canada, in piratical business. You do not have to inform them; they know as much about the matter as anyone else.

Mr. HEPBURN: They would have to understand the ramifications of this legislation.

Mr. STEWART (Edmonton): Would it not have the effect of preventing importation altogether? The importer would know perfectly well that if he were to quote goods at one cent lower than the price of similar goods in Canada he would be in trouble.

Mr. EULER: I do not wish to prolong the proceedings, but I desire to ask the minister a question with regard to discounts. He is taking power to fix discounts. I have in mind particularly automobiles. We had some discussion in this connection last session. Some automobiles come in with a discount of 20, 25, 30 per cent and even more than that. If the government decided that the interests of the producers of automobiles were injuriously affected, under which section of the act would action be taken—under that section which gives power to fix discounts? For instance, would they reduce the discount, or would they invoke the new section 43, which gives power to fix any value at all?

Mr. RYCKMAN: I am not in a position to state what the decision would be in such a case. But my hon. friend knows that there are sales by list, and the power which is being taken is just to say what is a fair discount, when the price in the country of production, at the time of shipment to Canada, is a well recognized price which will not be broken by the merchant. If, however, on the goods coming to Canada, he makes a sale by quoting to the Canadian buyer higher rates of discount, so that the buyer gets the article cheaper, then the proposed legislation merely provides that the governor in council shall be in a position to fix a fair rate of discount, and the market value of the goods shall be deemed to be the price less this discount fixed by the governor in council. With regard to such situations as would work prejudicially and injuriously, frankly, I am not able to say at the moment what would be done in a case of that kind, because, first of all I should have to know what injury was anticipated and what the prejudicial effects were. With that I might be able to give my own opinion or influence someone else to think as I did, although other minds might come to a different conclusion.

Mr. EULER: What is contemplated by the government with regard to these double price lists? Would action be taken to reduce these discounts because of the fact, let us say, that the country was not receiving its proper revenue, or would that action be based on the same thing as 43 is intended to combat, namely, that the interests of producers are prejudiced?

Mr. RYCKMAN: I think the situation is best illustrated in the fir door case. In that case goods were sold at 84 per cent discount off the price list, which is absolutely less than cost; indeed, not only less than cost—

Mr. YOUNG (Weyburn): Nothing to do with cost.

Mr. RYCKMAN: My hon. friend from Weyburn, who is engaged in such large commercial enterprises, probably understands this better than others. I would say to the hon. the ex-minister, (Mr. Euler) that no one knows better than he does that in such a case the revenue of the country is diverted; Canada is not getting what she is entitled to. Moreover, Canada is getting a class of trade to which, in my opinion, those engaged in business in this country should not be subject in competition.

Mr. EULER: I agree with the latter argument, but I do not see—and in this I agree with the ex-Minister of the Interior (Mr. Stewart, Edmonton)—why the amendment of section 43 would not serve the purpose, fixing prices at anything you please. And with regard to list prices and heavy discounts, my hon. friend knows that is a common practice.

Mr. STEVENS: Certain discounts are allowable, though.

Mr. EULER: Discounts in the case of drugs amount to 75 and 80 per cent. The original list price is more or less a matter of form, and the discounts vary because prices change from time to time. The trade does not change the original key price, but the discount. It is a very common practice, but I should like to ask my hon. friend whether that particular clause is not being introduced in regard to the matter of importation of automobiles.

Mr. RYCKMAN: Automobiles are not mentioned in the proposed bill. No doubt when the tariff bill comes before parliament for consideration we shall be able to satisfy, not only his mind, but all other inquiring minds in this section of the country.

Mr. CAMPBELL: While the dumping clause is under consideration I should like to read a telegram I received in connection with dumping in the matter of the shipment of automobiles. The telegram reads:

> Hudson Motor Company announced factory reductions August thirteenth on Essex cars ranging from sixty-five to three hundred dollars on several car loads shipped from factory. Thereafter Canadian government refused to recognize reductions thereby compelling us to pay old high factory price and high duty and retail at new low prices.

I should like to find out from the minister how the government could arbitrarily, under the existing law, set a price on these cars. Once that reduced price was put into effect in both the United States and Canada, there would be no other price. If, however, my information is correct, in this case the Department of National Revenue refused to recognize the reduction and assessed the duty on the old price. Under what section in the act did the government take action in that case?

Mr. RYCKMAN: I would say it would be under no section of this act. It would be under another, namely, the Customs Tariff.

Mr. WOODSWORTH: Whatever is true of the present act, would it not be possible for the minister or the governor in council to refuse, as has been indicated, to recognize a change in price in the United States, taking the ground that the earlier price was the fair market price and should be continued? Would that not be possible under the proposed resolution?

[Mr. Euler.]

Mr. RYCKMAN: I do not desire in any sense to sidestep the question of my hon. friend, but I should like to have the particulars of the case before I undertook to pass judgment upon it. If my hon. friend will permit me, I do not think the question arises under the consideration of this resolution. That would be a matter of government action and my hon. friend will of course understand that that cannot be settled by the question of the proposed amendments which relate only to fair market values for duty purposes.

Mr. WOODSWORTH: The telegram just read by the hon. member for Mackenzie contains a statement that is very clear-cut. A similar statement was made to me in Winnipeg just before I came east. Let me read the telegram again:

> Facts are Hudson Motor Company announced factory reductions August thirteenth on Essex cars ranging from sixty-five to three hundred dollars on several car-loads shipped from factory. Thereafter Canadian government refused to recognize reductions thereby compelling us to pay old high factory price and high duty and retail at new low prices.

This was the actual position in which the company found itself. The advertised price was common to both the United States and Canada. The retailers here had to sell to their customers at the same price as was being advertised in the United States. They announced that new price immediately it was announced in the United States. Then, to their dismay, they found that for duty purposes the government refused to recognize the reduced price in the United States and in this particular instance the retailers had to take a loss. Whatever may be true under the existing act, whether the department acted according to the existing act or not, I would like to know whether this would not become a common thing under the proposed legislation.

Mr. RYCKMAN: I cannot tell whether this would become a common procedure or not. I may say to the hon. gentleman that the Hudson agents have presented their case to the government, and while it is pending I would not like to deal with it in answer to a question on the floor of the house.

Mr. WOODSWORTH: It is at least possible under the proposed legislation?

Mr. YOUNG: I do not in the least resent the gibe the minister threw across the floor a moment ago—

Mr. RYCKMAN: I am sorry.

Mr. YOUNG: —but I think it is a fair indication of the working of the minister's mind. In his opinion nobody knows or has a right to know anything about these things unless he is in some way connected with big business. These two sections of the act which it is proposed to amend, place certain discretionary powers in the hands of the minister. The proposal is further to extend those powers. Every power added to those of the minister or, I might say more properly, of the officials of the department in the name of the minister, must be first taken from parliament. Therefore the question we have to consider is: Are we going to surrender to the executive any more of those powers which rightfully belong to parliament and which we are sent here to uphold. I should like to quote on this point a few words from the favorite book of the Prime Minister, namely, Lord Hewart's book, the New Despotism. It reads:

A little inquiry will serve to show that there is now, and for some years past has been, a persistent influence at work which, whatever the motives or intentions that support it may be thought to be, undoubtedly has the effect of placing a large and increasing field of departmental authority and activity beyond the reach of the ordinary law.

Further on in the same volume Lord Hewart outlines the creed of those who are persistently endeavouring to deprive parliament of its powers and place them in the hands of the executive. This is the creed:

1. The business of the executive is to govern.
2. The only persons fit to govern are experts.
3. The experts in the art of government are the permanent officials, who, exhibiting an ancient and too much neglected virtue, "think themselves worthy of great things, being worthy".
4. But the expert must deal with things as they are. The "foursquare man" makes the best of the circumstances in which he finds himself.
5. Two main obstacles hamper the beneficent work of the expert. One is the sovereignty of parliament, and the other is the rule of law.
6. A kind of fetish-worship prevalent among an ignorant public, prevents the destruction of these obstacles. The expert, therefore, must make use of the first in order to frustrate the second.
7. To this end let him, under parliamentary forms, clothe himself with despotic power, and then, because the forms are parliamentary, defy the law courts.
8. This course will prove tolerably simple if he can (a) get legislation passed in skeleton form, (b) fill up the gaps with his own rules, orders, and regulations, (c) make it difficult or impossible for parliament to check the said rules, orders and regulations, (d) secure for them the force of statute, (e) make his own decision final, (f) arrange that the fact of his decision shall be conclusive proof of its legality, (g) take power to modify the provisions of statutes, and (h) prevent and avoid any sort of appeal to a court of law.

That, I think, very well sets forth the creed of those who would deprive parliament of its powers and place them in the hands of the executive. The proposal is to add to the powers already held by the minister and the departmental officials in the matter of fixing valuations and so determining customs duties. It might be well if the house were informed as to how those powers have been used in the past. Perhaps if the house learns how our departmental officials have used or, I might say, abused that power, it may not be ready to extend such power any further. Let us take the old section 47a which is now section 43 of the present statute, passed it is true by a Liberal government, although I believe if we had had at that time a solid phalanx of Liberals from the west it would not have been passed. It was, however, passed by a Liberal government. They did not realize at the time the full significance of the act and it was not until a Tory government came into power in 1926 that the full possibilities for mischief contained therein was realized. Then my hon. friend, at that time member for Vancouver Centre and Minister of Customs, now member for East Kootenay and Minister of Trade and Commerce, discovered that by the use of that section he could increase duties enormously. Under the powers contained in that section he placed an arbitrary valuation on a long list of fruits and vegetables. Not satisfied with that, he said, "Because the arbitrary valuation which I have placed on these articles is higher than the price for which they are selling, you must be dumping these goods into this country," and he used that as a basis for adding the 15 per cent dumping duty. A moment ago the minister said that perhaps no increases over 50 per cent would take place, as is the case in the United States, but under that very act increases as high as 75 and 80 per cent have occurred. This happened in the year 1926 and in 1927 I placed a resolution on the order paper asking for a repeal of that section. Unfortunately all the private members' days during that session were occupied in the discussion of the Georgian bay canal bill, and the house did not get around to the consideration of my resolution. In the meantime I had discussed the matter with the department and had argued that under that section they had no right to collect dumping duties. They consented finally to ask the Department of Justice for an opinion on the matter. They did so and an opinion was given. That opinion was given after the session closed, and

my first act upon returning to the session of 1928 was to go to the department to find out if they had received the opinion from the Department of Justice. What did I find? No one was willing to tell me anything about it, they all seemed nervous when I asked them.

Mr. EULER: Oh, no.

Mr. YOUNG: Oh, yes. I did not ask the minister, but I went to the permanent officials and they were all afraid to tell me anything. I had to go to the commissioner himself to inquire and he told me that an opinion had been given. I asked him for a copy of the opinion, and I was furnished with same. What was it? It was to the effect that they had no right to collect dumping duties under that clause. But what had happened? They had pigeon-holed that opinion and had continued to collect the duties.

Mr. RYCKMAN: What government was that?

Mr. YOUNG: It was the permanent officials of the department; the government did not know it was being done nor did they know that the opinion existed.

An hon. MEMBER: How did you know?

Mr. YOUNG: Because I had taken it up myself. This matter later was laid before the government and when they discovered what had been done they immediately rescinded the orders in council. The hon. members will understand now why that action was taken; because these duties were being collected by the permanent officials of the department in utter contempt of parliament and in defiance of the law.

One of the first acts of this government was to increase the duty on fir doors, under section 36, I believe.

Mr. RYCKMAN: It is section 37.

Mr. YOUNG: At a time when thousands of carpenters in this country are out of work because hundreds of people cannot afford to build houses, the first act of this government in an effort to relieve unemployment is to raise the cost of house construction by increasing the duty on the material which goes into such buildings. A fir door factory was established, and like the celebrated Johnston boys, the manufacturer built it where it could not be made to pay. The factory was started in Ontario, when the proper place to manufacture fir doors is where the fir trees grow—out on the Pacific coast. Our friend in Ontario could not make his fir door factory pay and he appeared before the tariff advisory board asking for an increased duty on fir doors over and above the present duty of 25 per cent. The much abused consumers' league, and the council of agriculture were represented there. This case was examined and it was found that this man had no case at all. What did he do? He sought out some of the permanent officials of the department who were sympathetic and the first thing we knew the duty on fir doors was up to 57 per cent, 65 per cent and in one case I think as high as 75 per cent of the value depending on the grade. How was it done? No one seemed to know, but the fir door importers were having a convention in Montreal and some of them stopped off in Ottawa to investigate. Some western members undertook to inquire what the trouble was and we were told that it was done under authority of an order in council. We asked for a copy of that order in council but were told by the permanent officials of the department that it was a secret document and could not be produced. Our orders in council are supposed to be passed by the ministers of the crown, so we went to some of the ministers and inquired if they had passed such an order in council. They replied that they had not, and we asked them if they would ask for a copy of that order. Upon doing so, they were given the same answer: "This is a private document which you cannot see." It was a secret document supposed to have been passed by the ministers, and the ministers themselves were not allowed to see it. The telephone wires were getting hot, and so were we. It was getting on towards three o'clock in the afternoon, the hour the house meets and—

Mr. RYCKMAN: Did my hon. friend mention that matter to me?

Mr. YOUNG: You were not the minister; this was two years ago.

Mr. RYCKMAN: I thought the hon. member was referring to a recent instance.

Mr. YOUNG: I am sorry if I gave the hon. minister that impression. It was nearing three o'clock in the afternoon the hour the house meets, and when there would be an opportunity to ask questions, and at this time I received a telephone message that I could have a copy of that order in council. I was told that it would be sent to me, and I was satisfied. It was not sent, but one of our members secured a copy somewhere else. What did we discover? It was not an order in council at all, it was another kind of an order issued by another body which the officials of the department had chosen to use

as an order in council and as authority for raising the duty on fir doors as high as 75 per cent. I leave it to the house and to the country to say whether it is advisable that any further power should be extended to these people who in their desire to raise the tariff are willing to resort to almost any method.

Mr. RYCKMAN: I understand that the hon. gentleman inveighs against some government for action which he thinks wholly unwarranted; I hope he will absolve the present government.

Mr. YOUNG: I am not inveighing against the past government or this government, I am saying that the officials of the department will abuse the power that is being given them under this legislation as they have abused their power in the past. I for one protest and protest for all I am worth against any extension of the powers given to these officials, or, for that matter, against the powers given to the ministry.

Mr. RYCKMAN: I am sure the other members of the house will agree with me when I say that I do not like to see the officers of the Department of National Revenue attacked without their being given an opportunity to reply. So far as I have been able to find out, and I think the ex-Minister of National Revenue (Mr. Euler) will bear me out in this statement, the officials of the department are very competent, attentive to duty, and very anxious to serve the country.

Mr. YOUNG: "Competent" is a good word. When they desire to raise the tariff they are very competent to do it. I am not attacking them personally, but I claim that the official mind will do that and I object to giving them further powers. If these men are to be given an extension of power, we should have the right of examining their use of that power.

Mr. HEPBURN: Mr. Chairman, those of us who have sat in parliament for a period of years appreciate the amount of lobbying which takes place just prior to the introduction of a budget when tariff changes are in the making. Under this system there will be no finality to the customs tariff and such lobbies will be constant. Even to-day the Chateau Laurier is filled to the roof with those who are here seeking higher tariffs in order further to exploit the Canadian people. Having this in mind, the minister now thinks it will be a good idea to appoint some sort of board to act as a buffer between his department and the people representing the manufacturers' association. Does he not think that it would be advisable to allow the consumer to be represented before that board?

Mr. RYCKMAN: I would suggest to the hon. gentleman that this question is hardly appropriate to the discussion of this resolution.

Mr. STEWART (Edmonton): Mr. Chairman, my hon. friend has stated that he received considerable commendation for his recommendation to the government for action with regard to the increased duties imposed upon fruits and vegetables, but I am afraid that he did not receive very many from the territory which I have the honour to represent in this house. I have been making some inquiries and I find that while our farmers and consumers in western Canada are probably having the most difficult time in the history of the country, having come through a period of depression which has had a very serious effect upon them, the action of the minister and the government with respect to fruits and vegetables has increased very materially the cost to the consumers of western Canada. I mention pears as an example. A forty-pound box of pears is increased by 50 cents; a twenty-pound box of prunes is increased by 30 cents and a twenty-pound box of peaches is increased by 35 cents. I mention these commodities in the hope that the minister may realize that action on the part of the government which would have beneficial effects upon the producers in eastern Canada would have exactly the opposite effect upon the consumers in the west. It would not be so bad if the commodities which the purchasers have to offer were not depressed in price. The consumers can ill afford to have a burden of this nature placed upon their shoulders at a time like this. That would be the effect of the action of the government with respect to the consumers of western Canada. I am trying to ascertain whether or not the fruit growers of British Columbia have benefited in any respect by the added protection given by my hon. friend. So far I have not been able to ascertain that they have received any benefit, and I doubt very much if they will. Of course they will not be faced with the same amount of competition because undoubtedly such action on the part of the government would have the effect of shutting out every crate of American fruit coming into western Canada. I trust however that the minister will realize how very important it

is that the community extending from Winnipeg to the Rocky mountains shall not be called upon to pay increased prices for commodities of this sort when they can ill afford to purchase fruit of any kind. My hon. friend took great delight in stating that no injury was being done to anyone by the proposed action. May I say, Mr. Chairman, that when the duties were increased at the last session of parliament ample protection was given to the producers. The rate was fixed so that when fruit was coming from Ontario to the local market protection was provided. However my hon. friend did not think so, and he has placed an added burden upon the consumers of western Canada at a time when they are unable to sustain it. I bring this matter to the attention of the minister in the hope that he may reply.

Mr. RYCKMAN: Mr. Chairman, I have received so many letters of commendation from British Columbia growers' associations that I am bound to question the logic of my hon. friend's position. This morning I received such a letter from the Penticton district, and a similar letter from the growers of the Kelowna district. Two days ago I received another such letter from the Westbank Co-operative Growers' Association who are packers of Okanagan fruits and vegetables. At this time I wish to read the letter signed by Mr. C. Butt, the president of the association.

> Please accept the thanks of all the members of the Westbank Co-Operative Growers' Association for the very prompt action which your government has taken with regard to the protective duties on fruits. This protection for Canadian fruits was very warmly welcomed by all the growers of this district and it is impossible to tell you how much your efforts in this regard are appreciated by all of them. Such legislation by your government cannot help but give the people every confidence in you and may such spendid work long continue.

Mr. BROWN: It is easy to understand how the minister got those letters. This action was taken in response to requests made by the very people who have sent those letters. On the other hand has the hon. gentleman given consideration to the point raised by the former Minister of the Interior? When these duties came into effect the storekeeper in the locality from which I come spoke of the increase in duties which had taken place and he told me that if people already had not bought their supplies of preserves and fruit they would not have bought them. The hon. minister seems utterly incapable of giving consideration to this question from any viewpoint other than that of the producer. That is the situation with which we in the prairie provinces are confronted. As the former Minister of the Interior pointed out these increases come at a time when the prices we are receiving for our produce are so tremendously depressed that it is scarcely possible for us to buy fruit at the old prices. May I say that the fruit growers of British Columbia would benefit more by increasing the volume of their output than by the small increase in price of their present limited output. There is a tremendous market in the prairies for fruit, if it is sold at a price which we can afford to pay. I have no hesitation in saying that we could double our consumption if the government opposite would take steps to reduce the price to us rather than to increase it.

Mr. VALLANCE: The minister read one letter commending the government upon its action. Would he mind reading some which he must have received condemning the action of the government? As was stated by a former member for South Battleford, Mr. Thomas McConica, "the farmer will have to sow a little bit more rhubarb and do without the British Columbia fruit."

Mr. RYCKMAN: May I say to my hon. friend that I have not received more than one letter of protest from consumers. I did receive two letters from canners. Easily twenty to one have been in commendation of the action of the government, and those who think otherwise have not so stated.

Mr. BEAUBIEN: I cannot allow this resolution to pass without making a few observations. The western farmer is selling his products in competition with countries of the world which set up a lower standard of living. By this resolution we place in the hands of the governor in council the power to increase the cost of everything which we will have to purchase. As was expressed by the Prime Minister a few days ago the government might have a mandate from the people, but I have a mandate from my electors in the constituency of Provencher, and as their representative I protest against such legislation. During the last campaign practically every candidate running on the Conservative ticket affirmed very strongly that if the Conservative party were returned to power the farmers would receive consideration. I fail to see that the present proposed legislation would have anything but ill effects for the farmer. The other day after the Minister of National Revenue had passed the order in council regarding fruit I went to buy a case of pears. If the minister has had no protest from consumers, as a consumer I am going to protest at this time. The storekeeper asked me 54 cents more for the fruit

because of the new duty which had been imposed. We must grow grain in the west because we cannot grow anything else. Every member in this house and every person in the country knows that the production and sale of grain in Canada is of great importance. We had the best proof of that fact last year when our grain was not sold, and we remember its economic effect on the country. If this government are going to treat the consumers as apparently they intend to treat them, judging by the powers they are now taking, I make the prediction that within a very short time there will be no consumers in Canada.

Mr. SANDERSON: To clear up a doubt in my mind, I would ask the minister if under this legislation the governor in council will have the power to prohibit the importation of any commodity if that same commodity is manufactured here? I do not presume to say that the power would be exercised, but it is not conferred under this legislation?

Mr. RYCKMAN: If there is a case where the governor in council decides that there is a threat of prejudice or injury, the governor in council has authority to fix the value for duty.

Mr. SANDERSON: The minister's answer to my question is that under this proposed legislation the governor in council will have the power to prohibit the importation of any manufactured goods of a kind that are manufactured in Canada. To my mind that will tend to create monopolies among the manufacturers of this country. Very well; will there be any legislation brought down whereby the selling price of manufactured goods—or I go further and say, the profit that manufacturers may make—will be restricted? If you are going to give them a monopoly of our market by keeping out importations of competitive goods, surely there should be some legislation whereby their prices will be controlled. Has the minister or the government anything in mind in the way of legislation to protect the consumer?

Mr. RYCKMAN: I hardly think my hon. friend has stated the case correctly. I did say that if there was a case of stark injury or prejudice, the government would have the power to fix the fair market value for purposes of duty.

Mr. SANDERSON: You admit you have the power?

Mr. RYCKMAN: I admit that the governor in council would have the power. But it is not fair to suggest that the government would do anything more astray than the late government did in the matter of prohibiting importations. The late government had the power to fix the price of natural products at any market value. They had that power for nine years, and the trouble is that they did not use it when they should have done so. To say that the late government under that legislation could have fixed the market value of a bushel of wheat at $100 a bushel is technically correct, and in that same sense it is technically correct to say that we would have the power to fix the market value for duty purposes at any price we liked. It is exactly the same power which the late government had and did not exercise.

With regard to monopolies, I can only answer my hon. friend's question by referring to the position taken by this party in the recent campaign. As I clearly understand it, there is to be no exploitation of the consumer. We are going to take very good care to see that the consumer is looked after; and so far as we can reach them, and we will try very hard to reach them, we shall see that the manufacturers are not allowed to exploit any class in the community.

Mr. BEAUBIEN: How about that 54 cents increase?

Mr. RYCKMAN: I presume that the 54 cents increase that my hon. friend mentioned is an actual occurrence within his own experience. The complaint has not come from the consumers.

Mr. BEAUBIEN: I am a consumer.

Mr. RYCKMAN: There has been no reason for the wholesalers raising their prices, and what has happened in the case of my hon. friend and one or two other instances is that some retailer wanted to take advantage of the situation, and the result is exploitation, if there is any. The 54 cents has been loaded on by the retailer.

Mr. BEAUBIEN: How can the minister say the farmer is not being exploited when carloads of fruit are sold at certain prices, and then when the minister by a stroke of the pen puts on the extra duty it is added to the retail price? There is no doubt about that. There were carloads of fruit in Winnipeg when the order in council was passed, and the duty was simply added to the price the consumer paid.

Mr. RYCKMAN: The duty that was put on the fruit and taken out of the pocket of my hon. friend was a duty on American fruit, not on Canadian fruit.

Mr. BEAUBIEN: The price of Canadian fruit rose to the same price as the American fruit. It rose to the extent of the increased duty.

Mr. YOUNG: Even if it was American fruit, let me tell my hon. friend the minister something. Reference has been made to peaches. On the prairies we get all our peaches from British Columbia and the United States; Ontario peaches do not carry that far west. Two weeks ago it took nine bushels—it would take more to-day—of No. 1 Northern wheat to buy one bushel of peaches. British Columbia does not and can not grow enough peaches to supply the prairie market. The fruit growers have been keeping up a lobby here for a number of years past. I met some of them in my old room last autumn. They told me they had been trying to grow peaches in British Columbia, but could not do so successfully, but they said there was a valley in British Columbia where they thought they could grow them and that if the duty was made high enough they would clear up the stumps, rocks and boulders, and plant orchards and raise fruit. I ask the minister, is he going to raise the valuation and make the people of the prairies pay an excess price in order to help some real estate men to make millions by booming another fruit district in British Columbia?

Mr. STEWART (Edmonton): I am surprised at the minister making the assertion that something will be done by this government to protect the consumer against exploitation, for he may be sure that in the future, as in the past, the consumer will pay right up to the extent of the increased duty. This very incident that has been cited is an indication of what happens on almost every such occasion. We in western Canada have to import peaches from the United States whether we like it or not. Does the minister mean to tell me that the British Columbia peach grower will not charge the same price as it would cost the consumer to buy the American product plus the duty? It is absurd to argue otherwise. The consumer is bound to pay the duty, and if hon. gentlemen opposite think they will be able to protect the consumer they will find it a very difficult road to travel. Whatever may happen in the east, the people in western Canada will for the future pay more for their fruit. If this legislation goes through—and I hope my hon. friend will not insist upon it—extending section 43 to cover all commodities as well as natural products, then we will have no imports of any sort, because all that a producer or a manufacturer need do is come to the government and say he is going to be injured in his business in a certain event, whereupon under the provision of this measure the government will take action to protect him. That shows how wide the provision suggested by my hon. friend is. There is no restriction, they are not bound by the duties placed upon those goods by the action of parliament.

Mr. BENNETT: Oh, yes, they are bound by the duties.

Mr. STEWART (Edmonton): That is a new aspect entirely, then, that has not been presented to us before.

Mr. RYCKMAN: I tried to say as forcibly as I could that this related to fair market value, and that the rate of duty was a matter pertaining to the customs tariff.

Mr. STEWART (Edmonton): Quite right; but my hon. friend failed to go further and say that by the amendment of 43 he can take either course—the old course under 35, 36 and 37, or the other. But he is not bound to do so. If the producer comes to the minister and in his opinion makes out a case, he can forget all about the amended sections 35, 36 and 37 and use 43 as now proposed to be amended. That is the action that my hon. friend can take, and I am surprised at the Prime Minister's assertion that they are governed by any act of parliament if we give them this authority. As a matter of fact they will be governed by no authority except the authority they are asking for now to amend 43 to give them arbitrary power. No one will deny that.

Mr. STEVENS: The same power has been in use for nine years.

Mr. STEWART (Edmonton): I beg your pardon.

Mr. STEVENS: Absolutely.

Mr. STEWART (Edmonton): Forty-three applied only to natural products.

Mr. STEVENS: Surely.

Mr. STEWART (Edmonton): As the ex-Minister of National Revenue (Mr. Euler) time and again this afternoon sought to explain the difficulty in arriving at values with respect to natural products was the reason for the placing in the statute of the section, first as 47a and more recently as 43. Otherwise it would not have been introduced and the dumping would have been governed by 35, 36 and 37, under which there was some control over values. That is what I am pro-

testing against, Mr. Chairman, and I intend to protest against it as vigorously as I can. I do not know exactly what my hon. friend intends to introduce with respect to 35, 36 and 37 but I do know what he intends to introduce with respect to 43. I am willing to await the introduction of the bill with respect to the first amendment that he proposes; but we are under no illusions as to what he proposes with respect to 43. Under his proposal he can override any other legislation. We protest against it.

Mr. YOUNG: Mr. Chairman, the expressed purpose of this legislation is to put a stop to dumping. My information is that in all the evidence that came out before the tariff board when dumping was charged—and it was charged dozens and dozens of times—only in one single case was it proven, only one genuine case of dumping was ever brought to light before the board. That was a case where a certain Canadian manufacturer was dumping his wares into the United States. Now, I ask the minister to bring before the house after recess to-night two or three genuine cases of dumping. We want all the particulars—dates, names of shippers and consignees, class and quantity of goods, the prices for which they were being sold in the country of origin, and the prices at which they were being dumped into this country. Let us have all those particulars and then we will know if there has been any real dumping. The minister told us of an imaginary case where a $15 hat was dumped here at 70 cents, and he said the imaginary consumer did not get any benefit because he did not get the hat at that price. But we want real genuine cases with all the facts. Then we will see if there is any justification for this dumping legislation.

Mr. MACKENZIE KING: May I ask my hon. friend, when the valuation has been fixed by order in council, how long does that valuation continue to be in force?

Mr. RYCKMAN: Until altered, I would fancy. The power that makes can undo that order in council.

Mr. MACKENZIE KING: That is a rather significant answer, "until altered." I want to find out whether the government has any rule that it intends to apply as to the length of time the valuation is to be in force or whether the whole matter is to rest in uncertainty. That is the point of which I should like to be entirely sure.

Mr. RYCKMAN: I think if the proposed legislation becomes law it would tend to stability.

Mr. YOUNG: Stability!

Mr. RYCKMAN: Yes. Certainly the rates of duty that have been fixed upon apples, cabbages, canteloupes, and so on, will be removed by order in council when there is no occasion for their continuance. But what I meant by stability was this: When those who are in business know that their business is not going to be shot to pieces—if I may use the expression—by dumping, and have a reasonable expectation of fair treatment such as the intelligent consumer would give them if they were let alone, then they would look for stability and not for a market which is at one price one day and by reason of dumping is half the amount or less the next day.

Mr. MACKENZIE KING: To illustrate what I have in mind, I will take peaches, a commodity about which the hon. minister was speaking a minute ago. This is the month of September, and the government by order in council fixes a certain valuation with respect to peaches. Does that valuation continue through October, November and December, or does it cease after a certain time?

Mr. RYCKMAN: I would expect that the order in council would cease when there was no occasion for the rates of duty fixed.

Mr. MACKENZIE KING: How will the public know when that time comes?

Mr. RYCKMAN: These matters, I understand, are advertised in the Canada Gazette.

Mr. MACKENZIE KING: Peaches is but one commodity; I suppose this law applies to all commodities. Surely my hon. friend sees where that will lead if advantage is taken at all of this legislation—the valuation on which the tariff is based and hence the tariff will be continually changing, no one will know over any period of time what the tariff really is. What I want to bring out—and I think this is clear from the minister's answer—is that there are in reality two ways of making the tariff: one by parliament fixing the rate, in which case it is known to the whole country and applies at all times; the other is by the government taking discretionary power artificially to alter the tariff, so to speak, by order in council through altering the valuation to which it applies, in which event no one knows just when the tariff is to be changed or how long the altered tariff is to remain in effect. I am quite sure from what my hon. friend tells me that the government proposes under this legislation to take power to fix an arbi-

trary valuation for customs purposes on whatever articles it likes, whenever it likes, and to continue it as long as it likes.

Mr. RYCKMAN: The course would be that the value for duty having been fixed the rate would be applied by the tariff, and that rate would obtain, unless under the law it should be altered by order in council; if altered, my opinion would be—I am just giving the right hon. gentleman my opinion—that the rate would exist until it was again altered either by parliament or by order in council.

Mr. EULER: My hon. friend would not say the rate could not be altered by order in council.

Mr. RYCKMAN: No, the fair market value.

Mr. EULER: Is it the intention, under 43, that the amendment should give the minister power by order in council to fix these values, or must he in his order in council specify the values, having council approve the values themselves?

Mr. RYCKMAN: The governor in council will direct the minister.

Mr. EULER: Will it give him a blanket power to fix prices, or must he have those prices confirmed?

Mr. RYCKMAN: Council must confirm it.

Mr. BOTHWELL: Judging by the remarks of the minister in answer to the leader of the opposition, I take it that these arbitrary prices will be maintained until the last 10 per cent of the production of any particular factory is sold. The minister stated that success in all business depended upon the sale of the last 10 per cent of production, and if the sale of that last 10 per cent is affected in any way by importations, then I take it he will consider that the manufacturer is prejudically or injuriously affected. May I ask the minister this question: Does he interpret this legislation to mean that he will protect Canadian industry to the extent that Canadian industry is able to get rid of all its product, and shut out importations just to that extent?

Mr. RYCKMAN: My answer is that, for myself, I should expect to decide the case when it came before me. Section 43, as I have so often stated, deals only with a stark case of prejudice or injury. When that arises I wish to be able, in collaboration with my colleagues, to decide what is the real situation and what should best be done in the interests of the country.

[Mr. Mackenzie King.]

Mr. YOUNG: The minister stated that the prices fixed would have to be confirmed by council. I have seen a copy of a recent order in council raising the valuation of certain fruits, and no prices were mentioned. Will the minister tell me whether it is true that the value for duty on peaches at the present time has been fixed at 12 cents per pound?

Mr. RYCKMAN: I am sorry I cannot answer that question.

Mr. YOUNG: Did council confirm it?

Mr. RYCKMAN: I do not know what the specific rate is on peaches. I know the list started with apples, 6 cents a pound, cabbages, 5 cents, but I did not go past that.

Mr. YOUNG: Too much even for a Tory.

Mr. HEPBURN: The minister says he intends to protect the Canadian consumer. That sounds nice, and it is in line with statements of the Prime Minister (Mr. Bennett) during his campaign. If he could end unemployment as easily as he can talk about it there would be no unemployment now. But he cannot; nor can the minister protect the consumer any better by dealing with the tariff as he proposes. What machinery has he by means of which he can regulate domestic prices in Canada?

Mr. RYCKMAN: The machinery which I know of, so far as the tariff is concerned, is this, that what is put on can be taken off; and if it does not result in benefit to the consumer it can be changed.

Mr. MACKENZIE KING: With respect to the matter we have been discussing, I have in my hand a copy of the order in council which was passed under which power was given to the minister to fix the valuation on certain fruits and vegetables. I shall read the order in council and ask a question concerning it:

P.C. 1987
Seal
Privy Council
Canada

At The Government House At Ottawa
Wednesday, the 20th day of August, 1930.
Present
His Excellency the Governor General in Council

Whereas the Minister of National Revenue reports that certain natural products, viz:

Apples	Pears
Cabbage	Plums
Canteloupes	Prunes
Celery	Tomatoes
Onions	Peas, whole or split
Peaches	

being of a class or kind produced in Canada are being imported into Canada under such conditions as prejudicially or injuriously affect the interests of Canadian producers;

Therefore His Excellency the Governor General in council, on the recommendation of the Minister of National Revenue, and under the authority of section 43 of the Customs Act, Chapter 42, R.S.C. 1927, is hereby pleased to authorize the Minister of National Revenue to value the above mentioned natural products for duty notwithstanding any other provisions of the Customs Act, the value so determined to be held to be the fair market value thereof.

My hon. friend will see that the power there given is power given to the minister by his colleagues to fix the valuation of certain natural products at any figure he himself may choose. That is quite different from the minister recommending to his colleagues in council that a certain valuation which is set forth in the recommendation itself shall be fixed with respect to certain natural products. The two are widely different, and I do not think it is possible to exaggerate the importance of the difference. The cabinet council is composed of members who represent different interests in the country. For instance, there is present at the council table the Minister of Agriculture, who would naturally be interested in regulations affecting all agricultural commodities; and there is the Minister of Labour, who would be interested in the prices likely to be charged consumers, the working classes in particular. If the minister is obliged to specify in his recommendation to his colleagues the proposed valuation, thereby to indicate what the additional price will be, it seems to me a much more effective control will be exercised by the cabinet in the interests of the consuming public than will be at all possible if the power is given to the minister, after he leaves the council chamber, to fix arbitrarily whatever rate he himself may decide to fix. I hope the minister will recognize that difference and that, in the bill he is introducing, if that has not already been done, or in orders thereunder, he will see that there is at least afforded that measure of protection which a cabinet as a whole throws around the actions of an individual minister in the interests of the public generally, and that it be not left to himself personally—one who has special relations with particular interests—solely to determine what valuation should be placed on various commodities for customs purposes.

I wish to ask the minister another question. He was asked by the hon. member for Southeast Grey what protection the farmer was likely to receive from this legislation, and the only reply my hon. friend made was that the farmer was having his cabbages looked after all right. I do not think the minister went further than that in his reply. Can he go further than that now with respect to the benefits which this legislation is likely to secure to the farmers of the country?

Mr. RYCKMAN: Whatever benefits this legislation gives to the fruit and vegetable farmers who are interested in cabbages it will give to those who are interested in the other commodities mentioned. We have been in power only a short time, however, and there may be other legislation or administrative acts which will benefit the farmers. I can assure my right hon. friend that the farmers are in our mind.

Mr. VALLANCE: This is the second measure that has been before this house, both looking towards the relieving of a situation. In connection with the previous measure, from which I am not privileged to quote but which I should like to, I asked the Prime Minister a question and in reply was informed that no relief was contemplated for the prairie farmers about whom I was inquiring in relation to that $20,000,000. It has been asked of the Minister of National Revenue to-day what relief will be afforded the farmers under this measure, and he comes forward and says, "We are not long enough in power yet." Apparently he has considered most of the people in Canada. But in Saskatchewan 70 per cent of the population are dependent upon agriculture, and that 70 per cent, according to the minister's own words, have not up to this time been thought of. Am I right?

Mr. RYCKMAN: I think the hon. member is wrong; that is the answer to his concluding question. I do not recall—and I wish he would refer me to Hansard—any statement of the Prime Minister that there was nothing for the farmers of Saskatchewan. Further, let me tell him this: In my judgment, if this proposed legislation becomes law the whole country, including Saskatchewan, will profit by it.

Mr. VALLANCE: Just how does the minister propose to help the wheat farmers of western Canada? That is a fair question after what the minister has said.

Mr. RYCKMAN: I am not trying to evade that question, but it is not a proper one under this Customs Act where we are dealing with the fixing of valuations for duty purposes.

Mr. VALLANCE: How is the minister going to protect wheat growers of Saskatchewan or, indeed, of Canada as a whole?

The CHAIRMAN: Order.

Mr. VALLANCE: The minister himself has been talking protection. I want to know what protection he can give to the wheat growers of Saskatchewan or of western Canada.

An hon. MEMBER: A greater consumption of wheat.

Mr. VALLANCE: And in creating a greater consumption of wheat the government is going to create a larger volume of manufactured goods, and while doing that is decreasing my purchasing power by increasing this very tariff. Prior to the passing of the order in council affecting fruit, wheat was worth 41½ cents a bushel, and that could buy a certain amount of fruit. At the time the pools and the banks met the Prime Minister looking for some assistance, he refused to give it, but within twenty-four hours, or some time later, that 41½ cents would buy less fruit than it would prior to the time they met the Prime Minister. Yet we are told it is not affecting the purchasing power of the country.

Mr. STEWART (Edmonton): If hon. gentlemen are under the delusion that the fruit growers will eat all the surplus wheat of western Canada, they had better reconsider the matter. We have to sell wheat and in my opinion it is a proper question to ask—

Mr. MANION: More wheat is being sold this month than was sold during the same month last year.

Mr. STEWART (Edmonton): Yes, and there is a great deal to sell yet.

Mr. MANION: I know that.

Mr. STEWART (Edmonton): I want to point out to the minister that in this attempt of his only to increase protection but madly to enforce it, he is going to do the wheat growers of western Canada a tremendous injury, because the wheat must be sold abroad. If the efforts of the government were directed at the United States, perhaps there would not be so much complaint. We do not sell very much wheat in the United States, but we do sell wheat abroad, and so sweeping are the proposals of my hon. friend it does not matter whether goods are coming from Great Britain, the continent or elsewhere, this drastic legislation will be invoked. He is doing to the grain growers of western Canada a tremendous injury the full significance of which will be recognized only in the future.

I doubt very much whether he will help the fruit growers of British Columbia by the drastic measure of protection that he is affording them under the proposed legislation. I hope the minister will reconsider his proposal to amend section 43. Surely that section is wide enough to protect the people who produce natural products and have them to sell; to widen that to cover every import will do Canada and the Canadian people a great injury. The result if the government persists in forcing this measure through will be that no matter what it costs to produce an article in Canada, that will be the basis for fixing the value for duty purposes of the imported article coming into competition with it. I for one intend to protest as vigorously as I can against such a course, to uphold the right of parliament as in the past to govern in some degree the customs duties to be imposed, and to endeavour to prevent the government from taking entirely out of the hands of parliament the right to say what the duty shall be on any given article coming into this country.

Mr. YOUNG: I have had communications from fruit growers in British Columbia stating that they purchased their land out there at a big price, and they were advised, probably by the real estate men who sold it to them, to purchase at that price, because they would be able to grow fruit and sell it in the prairies. Because they have done that they feel they are entitled to the prairie market. What have they been asking of this government and of the previous government? They have been asking the government so to arrange things so that they can ship their second and third grade fruit to the prairies and sell their fancy stuff in New York at a lower price. A year ago I went into the market in Regina and prices of apples were quoted, extra fancy so much, fancy so much and C grade so much. I said: "I want to see your extra fancy," and they said: "We have not any; we could get only four boxes in a carload." Where was the extra fancy going? It was going to New York. The aim of the British Columbia fruit grower is to ship his extra fancy fruit to the New York and London markets and to compel the prairie farmer to take his C grade stuff at a price as high as or higher than he gets in the foreign market for extra fancy. The minister says that this will not raise the price of fruit. To one of the lobbyists who was in the house two sessions ago we put the question: What do you want in addition to what you are getting? He said: "Give us an extra ten cents a box." Would he be satisfied with that? Certainly he would not, and yet the minister says that this

will not raise the price. His British Columbia friends are satisfied if they expect to get a higher price—

Mr. MANION: What about talking about the market instead of a higher price?

Mr. YOUNG: Yes, you want the market and you want everything else shut out so that you can do what you like with the market.

Mr. GEARY: My hon. friend is a very suspicious man.

Mr. YOUNG: I am not, but I know what I am talking about. The other day I was discussing this matter with a farmer and I spoke to him about the price of peaches. "Good heavens!" he said to me, "don't talk to us about peaches; my family will not see peaches from one year's end to the other. Talk to us about turnips. We cannot afford fruit at any such price. Nine bushels of wheat to buy a bushel of peaches! How many peaches do you think a farmer can buy?" The same is the case with apples and everything else. The market for fruit will be ruined with such legislation.

Mr. HEENAN: During the election campaign the present Prime Minister made a statement to the effect that in regard to any change in the customs tariff he would see to it that he would protect the labouring man as well as other consumers. If through this legislation the cost of living goes up, I should like to ask my hon. friend to tell us whether he has any scheme by which he can help to increase the wages of the workingman?

Mr. RYCKMAN: I think my hon. friend ought to leave that question out in the consideration of this bill.

Mr. MACKENZIE KING: I should like again to stress what I see of danger in this method of proceeding. In the fixing of duty there are two methods: there is the one with which we are familiar, whereby parliament fixes and from time to time amends the tariff, and the other, now being introduced on a scale never thought of before, of having the determination of valuations on which the tariff is to be made to apply left in the hands of the governor in council. I have read one order which I assume is going to be a precedent for others that will follow under this legislation. It is quite clear that by an order of the kind the final fixing of the duty to be paid through prior valuation is being taken by order in council altogether out of the hands of parliament. I believe that to be serious enough; the tariff is a tax, the taxing power belongs peculiarly to the Commons, and that power should not be parted with and delegated to any administration whatever, let alone to an administration holding the views which hon. gentlemen opposite hold on these matters. Bad as that is, the condition is infinitely worse when what is equivalent to the making of the tariff, the fixing of the valuation on which the rate of tariff is to apply, is taken not only out of the hands of parliament but also out of the hands of the cabinet as a whole, and left to one member of the administration. That is what is to be done under this measure. Having had a little experience in matters of administration, I think I can say to hon. gentlemen opposite that they will find it very much to their interest not to part, by means of powers conferred through orders in council, too quickly, through surrender to a single colleague in the cabinet, with any power they may collectively possess or with any control they may exercise collectively. It is a certain protection to the minister himself, and it is certainly a much needed protection to the public, to require that the minister shall be obliged to acquaint his colleagues with the full meaning and consequences of what he is proposing, rather than to get from them a power to do something of his own accord which power may be exercised without their further knowledge in any particular either as to its extent, or its probable effect.

May I proceed a step further? Knowing how departments are administered I am sure that my hon. friend will not contend for a moment that he himself will fix the valuation; that will be left to some official in the department. So that, as a consequence of this method of legislation, the power of fixing the tariff or at all events, of determining its effect, is being taken away from parliament, taken away from the cabinet as a whole, even taken away from the minister himself and is being left to an official in a department of state, and, as the minister has said this afternoon, left in a very indefinite way. The order does not specify the length of time the valuation is to remain in force. Seasons may come and seasons may go, but the order goes on forever unless the official who happens to have framed its provisions suggests to the minister that the time is up for allowing it to remain in force, and the minister as a consequence consents to its revocation.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BUTCHER: In considering the resolution before the house, Mr. Chairman, to my mind we have to ask ourselves two questions. First, is the low tariff policy of the past administration, as found in our tariff schedules prior to July 28, responsible for the condition of unemployment which exists at the present time? And secondly, will increasing the duty imposed under the customs tariff have the effect of decreasing unemployment in Canada?

I should like to answer the second question first, and my answer would be that the increase in tariff duties will have the effect of reducing unemployment only under the conditions which I now state: Unemployment will be lessened first if we can sell as much of manufactured goods to our own people as we have done in the past, plus that amount of manufactured goods which in the past we have purchased from other countries but will now manufacture ourselves; second, if we can sell as much of manufactured goods to other countries as we have done in the past; and third, if we can continue to sell as much wheat and other raw materials as we have done in the past, and sell to countries which will not expect us to take their manufactured goods in return. When we can do these things the raising of tariff schedules will be successful; otherwise such a change in the schedules will not improve the present state of unemployment. Most of us on this side of the house believe that raising the duties imposed under our tariff schedule will not have these results.

In answer to the question whether the low tariff policy as found in the tariff schedules under the past administration is primarily responsible for unemployment, I say that we on this side of the house do not believe it was. We know also that there is not absolute unanimity on the part of government members with respect to this question. We are aware that in the city of Regina more than in any other part of western Canada the government was blamed for the condition of unemployment. There resides in Regina a gentleman who is to-day the Conservative representative for the constituency of Long Lake (Mr. Cowan). On August 23 this gentleman addressed a letter to the clerk of the city council of Regina, and that letter was subsequently published in the Regina Daily Star. As everyone knows, the Regina Daily Star is not a Liberal newspaper but is independent in character. It possesses the same quality of independence which was possessed by that United States newspaper which in its first issue stated that its editorial policy would be as follows:

In politics we shall be independent; in all other matters we shall endeavour to tell the truth.

The hon. member for Long Lake, in the letter to which I have referred, stated as follows:

Suppose the city makes a demand upon the Dominion government for assistance to relieve the distress of the coming winter, and the government answer, "Well, it is your own fault. There was no need for unemployment in Regina this summer. Your council neglected its duties, and by so doing kept the working men idle all summer long, and now they are asking for relief. Why should not the city of Regina bear the consequences of their own action." Where will the city get an answer?

He continues:

Personally I think it is rankly absurd that conditions such as prevailed in Regina this year should be allowed to continue. By-laws authorizing expenditures of $800,000 were submitted and passed in June.

The person who submitted this letter is quoted as follows:

We agree with Doctor Cowan. Unemployment might have been considerably lessened early in June, had governmental authorities arranged and launched their programs earlier in the year.

The following morning the deputy mayor of Regina is quoted as follows:

Doctor Cowan is quite right.

So there were at least two people in the city of Regina, including the member for Long Lake, who did not think the government policies were responsible for this condition of unemployment.

I would point out to hon. members of this committee that it is the opinion of most of us, if not all of us, on this side of the house that conditions of unemployment in Regina and elsewhere were not caused by the fiscal policy of the past administration. In our opinion, raising the tariff, instead of accomplishing what the government believes it will accomplish, will have the following result: It will be more difficult than ever to find a market for our raw products, and especially for our wheat. A few days ago I noticed that the Ottawa Citizen published an estimate issued by the Dominion Bureau of Statistics to the effect that the wheat crop for this year would amount to about 384,789,000 bushels. We have to find a market for that wheat, and we contend that a market will not be found for it unless we are willing to purchase goods from the countries who buy it. We contend that raising the tariff is not a palliative

measure and certainly is not a cure, and that it will be more difficult than ever to find a market for our wheat, thereby diminishing the purchasing power of our people. Such a change in the tariff would have a detrimental effect upon our foreign markets for manufactured goods, and finally it would reduce our national income to the extent of the amount of duties which would not be collected because of goods which are not being imported. Such a diminution in national income would make it necessary to impose new taxes upon our people. For the reasons I have enumerated many of us on this side of the house are unalterably opposed to any increase in duties under our customs tariff.

Mr. YOUNG: This afternoon I asked the Minister of National Revenue if he would state some specific cases of dumping. I would like to have a specific instance where dumping has actually been practised in this country, and I would like to have an answer now.

Mr. RYCKMAN: Before the close of this debate I hope to be able to satisfy the request of my hon. friend. I shall endeavour to learn the number of cases of dumping about which the department has knowledge. I regret to say that since the adjournment of the house I have not had the opportunity to get that information.

I wish to say a word in relation to what was stated by the right hon. gentleman opposite. It is quite true that the legislation proposed in relation to what has been called section 43 is not in the same language as that laid down in section 37. I desire to point out, however, and this seems to me to exclude argument on the part of the right hon. gentleman, that the language in section 43 is the language by which the right hon. gentleman himself took power to his government when he was guiding the destinies of this country. There is a difference which everybody must recognize between natural products and products of every other kind. But what is the difference? The only general class into which other goods would fall would be manufactured goods, and if it was necessary to take power in relation to natural products I submit that it is equally necessary to take it in relation to manufactured goods. That language having been adopted by parliament and parliament having been urged to pass it into legislation, I submit, Mr. Chairman, that it does not lie in the mouth of the right hon. gentleman now to object to that language. I hope that my view in regard to that matter is plain.

I have been influenced a little by what has been said by an hon. gentleman opposite in relation to helping the consumer. I have no doubt that it occurred to him, although he did not mention it, that if it is found that a duty imposed on any goods is detrimental to the consuming class, then if parliament is not in session the duty can be lowered so that the consumer may be protected against any class of manufacturers or producers or merchants who are trying to exploit him. That follows, I think, necessarily. If there is benefit to some growers, some manufacturers, if you like, in an increased tariff, there ought to be compensating benefits, and if unfair advantage is taken of any increase in the tariff, the tariff rate can be lowered. This legislation deals only with the fair market value, and it is obvious that under the legislation as proposed, if any increased duty is found to bear harshly on any class of the community, care can be taken of those who are hurt.

Mr. MACKENZIE KING: The minister says that the language of the statute he is introducing is the same as the language of the statute under which the previous administration administered the affairs of the National Revenue department.

Mr. RYCKMAN: With the exception mentioned.

Mr. MACKENZIE KING: With the exception mentioned. Of course the exception in this case happens to be much more important than the rule, because the proposed amendment makes the provision of the statute apply to all commodities. The act as it now stands applies only to natural products which from the nature of things are affected very rapidly by a change of conditions. I am taking exception, however, not to the language of the statute but to the language of the orders in council which, following that of the one I have quoted, are likely to be passed under it. My hon. friend well knows that there is administration and administration, and if the orders in council to be passed under the statute it is now proposed to introduce are to be similar to the one already passed, then without any doubt, as respects the commodities mentioned in such orders in council parliament by this legislation will to all intents and purposes be abandoning to the governor in council all rights with respect to the making of tariffs and the governor in council will be abandoning all rights to the Minister of National Revenue, who by the valuation he arbitrarily fixes will have the right to make a tariff with respect to the articles named and keep it in force for such length of time as

he himself may think advisable. I submit that that is wholly subversive of responsible government in every sense of the word and should not for one moment be countenanced.

Mr. YOUNG: When the minister brings down his report of actual cases of dumping in this country, will he also bring down a report of the number of cases in which dumping duty has been collected and later refunded? The reason I ask is this: An importer brings in, we will say, a carload of fruit. Somebody goes to the customs department and says that this fruit is being dumped, and the dumping duty is applied. The importer adds that to the price of the fruit, and the duty is taken out of the consumer. Later the importer makes a claim for a refund because the fruit was not dumped, and he gets his rebate; but he does not pass it on to his consumers. So I would ask the minister to bring in a complete report of the number of cases in the past twelve months in which the dumping duty has been collected and later refunded.

Mr. RYCKMAN: My hon. friend ought to be fair to me. If my hon. friend will ask for the information in an order for a return, I will try to meet him.

Mr. YOUNG: Thank you. There is one other question. From the explanation the minister has given of this legislation, he seems to take exception to certain foreign manufacturers selling their goods at a given price in their own country until that market is satisfied, and then reducing the price and shipping the goods to this country as distress merchandise. Does the minister intend by means of this legislation to put a stop to distress merchandise entering Canada?

Mr. RYCKMAN: I think the question is unfair at this stage. The bill will fix the fair market value. Giving this as a definition of dumping—the selling in a foreign country of goods at a price at which you would not sell them in your own country—I shall be anxious in every way I possibly can to put a stop to it. I am opposed to that practice, and if there is any legislation that can be passed by this house to help to prevent that, I am all for it.

Mr. YOUNG: I accept the minister's definition of dumping; that is, selling goods in this country at a lower price than they are sold for in the country of origin. I take it, then, that if a manufacturer in the United States, we will say, cuts the price of goods in that country as well as in Canada, he will not be subject to these dumping duties. Is that understood?

[Mr. Mackenzie King.]

Mr. RYCKMAN: That is not a fair statement. I did not say anything about cutting the price in the United States. What I did say, and I repeat it, was that if any manufacturer or merchant or any one else who owns or controls goods, declines to sell them in his usual market in his own country, and, seeking a foreign market in order that he may maintain his price in his own country, sells those goods in Canada for less than he would take in his own country, I am opposed to it. No man gets very far who has not self-respect. If I could have the opportunity of doing the same thing in return, I do not know that I would have so much to say against the practice; but if there is a manufacturer who ties me hand and foot and then tries to dump over me what he will not allow me, tied hand and foot, to do, I resent it as I believe consumers generally resent it. If we want to carry on in this country business that will redound to the benefit of Canada and help to build up a nation, that is just the kind of thing we want to strike at, and I am all for it.

Mr. VALLANCE: Does the minister believe that all goods that are manufactured in Canada and sold at a specific price are sold in the markets of the world by the same concern at the same price? Take farm implements for instance.

Mr. RYCKMAN: The answer is, no.

Mr. VALLANCE: Then you will not allow it to be done here?

The CHAIRMAN: Order.

Mr. YOUNG: Mr. Chairman, the minister has not yet answered my former question. He says he will not allow any foreign manufacturer to sell goods in this country cheaper than he sells them at home.

Mr. RYCKMAN: Excuse me, that is not what I said. I said I would do the best I could to prevent it.

Mr. YOUNG: If the foreign manufacturer is selling goods to us at the same price that he is selling them to his own people, does the minister intend to shut his goods out?

Mr. RYCKMAN: I think that is fair trade. If he does in his own country what he does in our country, who is to object?

Mr. HOWDEN: Coming from the west, Mr. Chairman, and being primarily interested in the health of the people, and as no one has as yet said what I have in mind, I suppose I shall have to say it for myself. We learn that by order in council the government

has recently put a duty on certain fruits and vegetables. I am sure the hon. Minister of National Revenue is well aware of the value and the necessity of many of these articles to the Canadian people. Modern medicine in the treatment of many forms of disease gives first consideration to diet, and citrus fruits and green-leaved vegetables form part, and a very important part, of every rational diet. There is not a hospital, a sanitarium or any other institution throughout the length and breadth of this land where people are treated for various ailments that do not purchase carloads of these commodities every year. Now, before recess the cabbage was mentioned with some degree of levity. I have no brief for the cabbage as the lawyers might say, but I would point out to hon. members that it is probably the most wholesome and most valuable vegetable that we have, and it will be found as an article of diet in more humble homes throughout the Dominion than probably any other vegetable excepting the potato. In popularity it is followed in close order by lettuce, spinach, tomatoes, celery, asparagus—these vegetables are all very necessary to the maintenance of human health. Thousands of cabbages are grown in the Red River valley every year. For the last five or six weeks in Winnipeg we have been able to buy cabbages as big as anybody would care to carry away, I should say up to six pounds, for a five cent piece. The annual crop of cabbages runs into the thousands. They are used to supply the local markets, they are stored in roothouses for winter consumption, and they are shipped in hundreds of carloads to western Canada and the northern states. I notice that recently by this order in council a duty of five cents a pound has been placed on cabbages. I presume that this means that in Winnipeg, for instance, we will have to pay from thirty to fifty cents for an article that we have been buying for five cents.

Mr. STEVENS: No, that is not right.

Mr. HOWDEN: That is the way it works out, unfortunately, it seems to me.

Mr. STEVENS: No.

Mr. HOWDEN: The consequence is, Mr. Chairman, that the Canadian people will be put to a decided disadvantage in providing not the luxuries, but the necessaries of life. In one of my early speeches in this house I remember advocating seasonal tariffs on fruits and vegetables. Evidently I was not the only one who had that in mind, because quite recently the late government introduced something along that line. But for the life of me I cannot see why the Canadian people should not be at liberty to buy free of duty all the fresh fruits and vegetables they require when their importation does not do our local producers any harm. If these fruits and vegetables were shut out by a seasonal tariff when our local producers have them for sale, and if we could have them at the minimum price for the balance of the year, it seems to me it would be a very wise course for the government to take steps to this end.

Mr. EULER: Mr. Chairman, I have no desire to prolong the discussion, and certainly not to embarrass the minister, but I think he has given a wrong impression in reply to a question by the member for Weyburn (Mr. Young). He stated he would do all he could to stop the selling of imported commodities in Canada at a price less than that charged for them in the country of origin. I agree with him in that. But no legislation is necessary to effect it. The present dumping law is designed to deal exactly with that condition and no other.

This is how it reads:

> In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, there shall be a dumping duty levied.

So there would be nothing new in that. If the goods are sold for less in this country than in the country of origin, which is what my hon. friend desires to prevent—and so would I—no amendment of the dumping law is required at all. Another question was asked of my hon. friend to this effect: If the goods are sold, we will say, at a low price, perhaps below cost, in the United States, and they are sold at exactly the same price in Canada, would he attempt to shut out those goods from sale in Canada. I think I heard him say he regarded that as fair trade. In that case I would say there is no amendment to the dumping law required at all. As a matter of fact where the words "fair market value" have been used in the present law, whether in the dumping act or in section 36 or section 37, it has always been my impression that they ought to mean something else than necessarily the price in the country of origin. Why add the word "fair"? Why not merely use the term "market value"? Under the interpretation of the Customs Act while I was in charge of the customs depart-

ment, no matter what price the goods sold for in the country of origin, if they were sold for the same price in Canada it was regarded as the fair market value. My contention has been, although it has not been borne out by the law officers, that "market value" would just as well describe that condition. My contention was, and still is, that the words "fair market value" introduce an entirely new element into the situation. My contention would be that goods are not sold in the "ordinary and usual course of business" if they are sold at less than cost. I would further say that it is not the fair market value; and I would also say that under a reasonable interpretation—not a legal interpretation—the present phrase "fair market value" would cover cases where the goods are sold at less than cost. I rose, however, particularly to correct the minister's impression in one regard. I hope I am not giving any offence in doing so, but I wish to point out that according to the opinion he has now given he would not require any amendment to the dumping act at all, because under the present law if the goods are sold in Canada at less than in the country from which they are imported the dumping regulations apply.

Mr. ELLIOTT: If I understood the minister correctly, he spoke of goods sold in this country at less than in the usual markets of the country of origin. I should like to have the minister's interpretation of that term "usual markets". What is the test to be applied to ascertain what are the usual markets in the country of origin?

Mr. RYCKMAN: When I spoke of being satisfied as to the uniformity of trade and prices in the foreign country and in Canada, I assumed, of course, that one would take into account insurance, freight and so forth. If a sale were made in a foreign country and if there were a sale in Canada of the same goods there would be, of course, to render the sales essentially comparable, the difference of freight, insurance and whatever else entered into consideration. But I had in mind—and this is in answer to my hon. friend—section 35, which states the valuation for duty:

> 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.

That is the law. That is what the hon. member for North Waterloo and I both approve of. And this legislation which we are now seeking to have passed is by way of definition, under peculiar circumstances, of fair market value as expressed in section 35.

Mr. ELLIOTT: What my hon. friend referred to was anything sold in the principal markets in the country of origin. Is that what he means when he uses the term "usual markets"?

Mr. RYCKMAN: I had in mind this definition.

Mr. ELLIOTT: That is, the principal markets?

Mr. RYCKMAN: Yes.

Mr. ELLIOTT: There are, in the country of origin, several large regular markets. But in some place in the country of origin, and not one of the large markets, goods are sold, let us say, at a rate lower than in the principal markets. Is the present resolution intended to remedy that defect?

Mr. RYCKMAN: I cannot see a defect and I cannot say.

Mr. ELLIOTT: Then how are the principal markets in the country to be ascertained? What is my hon. friend's definition of principal markets in the foreign country?

Mr. RYCKMAN: I think there are ruling prices which are well understood not only in Canada but in other countries. Take agricultural implements, for example: there is a general trend in value which is recognized, and I think that under that section, with the definitions we propose, we shall be able to ascertain fair value for duty.

Mr. YOUNG: I am glad that the minister does not intend by this legislation to attempt to shut out goods coming into Canada merely because they are cheap; he will not impose additional duties unless the goods are actually dumped according to the definition he has given of dumping. But in his first explanation of the resolution he said something about discovering production costs in other countries and adding reasonable profit. Let me ask him this question: Does he intend to shut out of this country goods sold at production costs in foreign countries without profit to the manufacturers there?

Mr. RYCKMAN: The proposed legislation to which my hon. friend has just referred deals with new or unused goods. Goods might be shipped here to await a market and sold, because they are here on consignment awaiting that market, at less than their fair price. Then we should do as my hon. friend has suggested—take cost of production plus reasonable selling cost and profit.

Mr. YOUNG: Let me give a specific instance by way of illustration. Henry Ford has made the statement that on more than one occasion he has cut the price of his cars to a point where profits were entirely eliminated, and then instructed his staff to figure out ways of reducing production costs. In such an event as that, would the minister under the proposed legislation shut out Ford cars?

Mr. BEAUBIEN: The minister said a little while ago that when parliament was not in session if he discovered that, as a result of this legislation, the consumers were being exploited, he would make an investigation and if justified take the tariff off.

Mr. RYCKMAN: If the consumer were being exploited on any account anywhere there would be redress.

Mr. BEAUBIEN: May I ask the minister then to investigate the extra price we have been paying on fruit since the order in council was passed and, if he finds that my contention is correct, as I am positive it is, to be good enough to rescind that order in council and let us have more fruit.

Mr. YOUNG: The minister made the statement a few minutes ago, when I asked him to tell us the number of cases in which the dumping duties had been collected and later refunded, that this was equivalent to asking for a return, and he said that he would bring down that return if it were asked for. Will he be willing now, if the resolution goes through, to hold up the bill until such time as that return is brought down?

Mr. RYCKMAN: Might I ask the hon. gentleman how long he would be content himself to have the bill held up?

Mr. YOUNG: I am willing to wait until the government furnishes the necessary information.

Mr. MANION: And when he got the information would he be satisfied?

Mr. YOUNG: It would depend on what it was.

Mr. McKENZIE (Assiniboia): With further reference to what the hon. member says, the minister appears to be under the impression that the instance referred to is an isolated one. That is not by any means correct, because before I left home I had occasion to visit points in my constituency and I found the people were much aroused over the order in council, which had the effect of very materially increasing the price of fruit. If this legislation is brought in with the idea of assisting the fruit growers of British Columbia, my opinion is that it will have the opposite effect and my reason for saying so this this: just before the order in council was passed it took about three bushels of wheat to buy a case of plums. After the order in council was passed a farmer had either to bring in an extra bushel of wheat or go home without any plums. The result is that the farmers are not buying fruit and they will not buy it at exorbitant prices. They refuse to be held up in that fashion. While the minister may have received all those congratulatory messages of which he spoke, I will guarantee he did not receive any from the constituency of Assiniboia which I represent. If there is no hurry for the passage of this legislation I think the minister should send a representative across Canada to find out what the views of the people are with regard to it and just what effect it is going to have. It was said during this afternoon by one of my colleagues on this side of the house that the government had a mandate for this particular form of legislation. I want to take issue with that statement, even if came from one of my colleagues. The Tory campaigners through my constituency, whenever the tariff measures were mentioned, said to the people whom they were trying to induce to vote for the Tory candidate, who by the way was ashamed to call himself a Conservative and who called himself an independent—

Mr. YOUNG: There was some decency about him.

Mr. McKENZIE (Assiniboia): —If a Conservative government get into power there is no danger of their bringing in any high tariff legislation: they dare not do it. That was what the people were told throughout my constituency. Therefore I say that the government has no mandate for the legislation it is bringing in at this time.

An hon. MEMBER: Why not?

Mr. McKENZIE (Assiniboia): Just for the reason I gave a few moments ago: if there is no particular hurry for this legislation, why not, as was suggested this afternoon, adjourn its consideration until after the Prime Minister returns from the economic conference in London, and in the meantime get the opinion of the people of Canada? Then we can come back, and if the response in the country is sufficiently strong, the government can pass this legislation. But I plead with the government not to pass it at the present time, because it is going to be detrimental to the

people of my constituency. It would be just as reasonable for me to turn my farm in Saskatchewan into a banana plantation and then, knowing as I would it would be a dismal failure, to ask for protection from the government, as to pass some of the measures that are proposed in this legislation, such as starting a fir door factory in Ontario where they must know it would be a failure, or peach groves in certain parts of British Columbia. We know that bananas cannot be grown successfuly in Saskatchewan; the people in some sections of British Columbia should have known they could not grow peaches there commercially, and they have no right to come to parliament asking for protection for an industry that is out of place as are some of these industries.

I would ask the minister not to pass this legislation at this time. I will oppose it in every way possible because I know there is no person in my constituency who is in favour of it. This afternoon in reply to an hon. member on this side, the minister endeavoured to lay the blame upon the retailer. But the retailer's carload of fruit was en route at the time this order in council was passed; he was not going to pay the difference himself and there was no other course for him to pursue than to pass it on to the consumer. The retailer was not responsible for the increase in price; the increase was entirely due to the legislation passed by the government.

Mr. YOUNG: The whole aim of this legislation as I understand it, is to keep prices up. In all the minister's explanations he seemed to be afraid that the prices of commodities would come down and this legislation is deliberately designed to prevent that from happening. He and other members on his side admit that they cannot by any legislation they can introduce increase the price of wheat. The price of wheat is fixed in the world market and they can do nothing for the farmer. The farmer, however, has to buy everything that is imported. Everybody admits that imports are paid for by exports, and it is equally true that exports are paid for by imports. We export wheat. We import other commodities. We exchange our wheat for those other commodities. Let us say that we ship a bushel of wheat to England and bring back a yard of cloth and let us assume that the bushel of wheat and the yard of cloth are of equal value. The minister will send his agents abroad to see if he can find any reason for increasing the duty on that cloth. If he can find that that cloth is being sold cheaper in this country than he thinks it should be, what will he say? He will say to the farmer: You cannot have that yard of cloth for a bushel of wheat; you must give a bushel and a half for it. When the farmers of Canada are coming to the government at their wits' end, asking: How are we going to sell our wheat? What answer does the government make? The farmers say: We cannot get rid of our wheat; what can you do to help us? And the government replies: We will make you give more of it for everything you buy, an extra bushel for a box of plums, an extra bushel for a box of peaches, two extra bushels for a box of pears, five extra bushels for a suit of clothes, ten extra bushels for an overcoat, fifteen extra bushels for a plough, twenty extra bushels for a binder, fifty extra bushels for a piano, one hundred extra bushels for a motor car. That is the way in which the minister proposes to help us get rid of our wheat. That is the way in which he proposes to relieve unemployment. The whole cause of unemployment in this country to-day is that the farmers have no purchasing power and by this legislation the government proposes still further to decrease that purchasing power. I protest; it is the most protection-mad legislation I ever heard of.

Resolution reported, read the second time and concurred in. Mr. Ryckman thereupon moved for leave to introduce Bill No. 3, to amend the Customs Act.

Motion agreed to and bill read the first time.

The CHAIRMAN: When shall the bill be read a second time?

Mr. BENNETT: In view of the fact that we cannot go on with the tariff measures to-night, I do not see any reason why this bill could not be given the second reading.

Mr. MACKENZIE KING: We have no copies of the bill.

Mr. BENNETT: It has been printed both in English and in French.

Mr. MACKENZIE KING: It has not been distributed.

Mr. BENNETT: We cannot distribute the bill until after the first reading.

Mr. MACKENZIE KING: It cannot be gone on with until we have seen it.

Mr. BENNETT: The bill cannot be distributed until after it has been read the first time. It is equally true that the bill has been printed in English and in French; we saw to

that long ago. It would not be open for circulation until after this house has given first reading to the bill, and if a messenger were sent down for copies and this bill were circulated it could be advanced one stage.

Mr. MACKENZIE KING: It is equally true that not a single member on this side of the house has seen a copy of the bill. How can we be expected to go on with a far reaching tariff measure without having a knowledge of its provisions?

Mr. BENNETT: It is not a tariff measure.

Mr. MACKENZIE KING: It is an amendment to the Customs Act, and we have been told that the reason the changes proposed in the tariff cannot be gone on with is because the two interlock.

UNEMPLOYMENT RELIEF

APPROPRIATION OF TWENTY MILLION DOLLARS

The house resumed from Friday, September 12, consideration in committee of Bill No. 2, for the granting of aid for the relief of unemployment.

Mr. BENNETT: Mr. Chairman, at the last sitting of the committee I stated that I would submit an amendment to the leader of the opposition (Mr. Mackenzie King) and to the hon. member for Acadia (Mr. Gardiner). I have sent copies of the proposed amendment to each of these hon. gentlemen, with a slight change only in the wording as given the other day and as it appears upon Hansard. I move that the following be added to the bill as clause 5:

Any portion of the said sum of twenty million dollars remaining unexpended or unappropriated for the purposes of this act on the 31st day of March, 1931, shall thereupon lapse.

Mr. MACKENZIE KING: Mr. Chairman, I do not wish to take exception to the section, but I would have preferred if the words "or unappropriated" could have been omitted and the clause simply read:

Any portion of the said sum of twenty million dollars remaining unexpended for the purposes of this act on the 31st day of March, 1931, shall thereupon lapse.

The procedure would then be the same as is customary where supply is voted in the regular way and where the moneys required for the next fiscal year would appear as a revote. I understand that my hon. friend does not intend to take advantage of the words "or unappropriated" in a manner which will commit the government to expenditures over any lengthy period of time after the 31st March. It is intended, I understand, that all expenditures shall be made pretty much within the fiscal year, and these words are therefore being left in only to permit all commitments made being carried out for a short time afterwards in the form of payments.

Mr. BENNETT: I should not like the right hon. gentleman to be under any misapprehension. There may be payments of instalments which would involve a lapse of several months, but I think I said the other day—I speak subject to correction—that in any event it would not be beyond a year. I believe the right hon. gentleman asked if we would have payments extending over several years and I replied: No, not beyond the year 1931. Take the case of a public building, for instance, in connection with which the contractor was expecting to receive his payments in monthly instalments. If the supply bill were not passed it would place him in a very difficult position. I pointed out that all moneys which were either expended or appropriated would be charged against this particular account. The right hon. gentleman will see the difficulty should this clause be made inflexible rather than subject to some elasticity, and I think he will be satisfied when I say that no commitments will be made beyond the year 1931.

Mr. MACKENZIE KING: I agree with my hon. friend as to the need for a certain elasticity, but might I ask if he has considered limiting payments so that they will not run beyond the period of the next session of parliament? Assuming parliament were to meet in February my hon. friend would be able by the end of that session to obtain in the form of a revote any moneys which might still be necessary. If appropriations were made for no longer a period than that, it might meet my objection. It would be a mistake to use any portion of these moneys for a period beyond June of next year, assuming that parliament would not extend beyond that period.

Mr. BENNETT: I discussed that point the other day and pointed out the difficulties I foresaw if the suggestion of the right hon. gentleman were to be rigidly adhered to. I think he realizes that parliament might meet in February and the supply bill would not be passed until April, and then it would be only for a twelfth or sixth of the supply. Usually the supply bill is not adopted until the very end of the session and in that case considerable inconvenience might ensue.

Mr. MACKENZIE KING: That is the period to which I refer, the end of the session.

Mr. BENNETT: As we have to lay upon the table of the house a statement showing exactly how the moneys have been appropriated, the whole matter would be perfectly clear to the house and there could be no possible chance for abuse. The mere fact that the house was in session would of itself prevent any difficulties of that sort.

Mr. ELLIOTT: Mr. Chairman, I have another suggestion to make in addition to that offered by my right hon. leader. The other day the Prime Minister gave as the main reason why this should not lapse at the end of the fiscal year the fact that certain commitments would be made which would be held up until supply was granted—

Mr. BENNETT: Might be.

Mr. ELLIOTT: —which might be held up until supply was granted. If these appropriations were limited to a time not beyond the time of granting supply it would have two effects: You would have the money by the time you needed it; it would have to appear in the supply bill introduced by my hon. friends, and everyone would have an opportunity of discussing the proposition when the matter of supply was before the house. I do not think this end could be arrived at in any other way. As I said the other day, it seems to me that such a procedure is more necessary in regard to matters which have been initiated without having been first passed upon by the house than in regard to matters upon which the house has already committed itself. I would like my hon. friend to see his way clear to limit it to a time not later than that at which supply is granted.

Mr. BENNETT: These expenditures are initiated by order in council, and when an order in council is passed you have a contract with somebody for something. A breach of contract is a breach of contract, as my hon. friend discovered in connection with the cancellation of a lease for the Journal building which had been made by order in council passed by the so-called shadow government. It cost this country $24,000 because my hon. friends saw fit to cancel that order in council; the court awarded that amount in damages for the cancellation. It follows therefore as a matter of law that any sums due under contracts that are made will have to be paid by this country, otherwise damages will be assessed accordingly. It is merely to provide for that situation that I suggest that moneys appropriated and not paid should be charged against this vote so that no possible chance may arise of our not being able to implement any promise made under contracts entered into. I think in the light of our past experience in that regard the hon. gentleman should not in any sense consider that an improper thing to do, but rather it is safeguarding the public interest. If a contractor is entitled to his money on January 15 he should be able to get it on that date. Otherwise he may be seriously inconvenienced. If we fail to pay at the time the contractor is entitled to his money we are committing a breach of contract. It is to take care of that class of cases that I suggest to my hon. friend that one must be careful not to run the risk of claims for damages for breach of contract.

Mr. ELLIOTT: There is no difference in principle between this contract and any other contract in which the amount expended extends beyond the end of the fiscal year.

Mr. BENNETT: Quite so.

Mr. ELLIOTT: For instance, the country was committed to carry out the contract in connection with the Confederation building when only a small portion of the cost had been voted. All the contracts of that time lapsed at the end of the year. I see no reason why the contracts which have not been passed upon by the house should not lapse at the same time as contracts which have already been passed upon by the house. That is the point I am endeavouring to make. We are just as much bound in the one case as in the other. My hon. friend's figures in connection with the Journal building are different to-day from the figures he mentioned a few days ago.

Mr. BENNETT: No, I mentioned the figure of $24,000 the other day.

Mr. ELLIOTT: I think it was $20,000 my friend stated.

Mr. BENNETT: No.

Mr. ELLIOTT: I think my hon. friend is incorrect in his figure; however, I shall not quarrel with him. Whatever contract is made the house when passing upon it takes into consideration that we are committed to it. In all the experience of this house I do not believe any contract has been turned down by the committee of supply. The suggestion is to extend it away beyond the time when the ordinary supply lapses, the 31st March, and until new supply is granted. The object of that is to give the house an opportunity to consider the whole question in supply. That is the regular way of doing it and I submit

it is the most satisfactory way for members of this house and for the government. I do not wish further to urge the matter.

Amendment agreed to.

Preamble agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. BENNETT: Before the bill is reported I would like to point out that I have carefully considered the suggestion made by the right hon. gentleman regarding the audit by the Auditor General of Canada of moneys which might be expended under the direction of municipalities or provinces. It is quite apparent that the same safeguards which surround the Dominion in the payment of subsidy moneys to the provinces must prevail in this case. The major part of the revenue of the provinces, derived from subsidies, is subject to the same control and audit as that to which these moneys will be subjected. The audit is made by the federal authorities in the first instance, and the expenditures made out of the money so granted or paid; no special provision with respect to audit is required because the money is appropriated out of the consolidated revenue. Secondly each province audits its own disbursements out of these funds, wherever they may come from. Each province will audit the expenditures of moneys which come into its hands under the provision of this statute. So that these moneys stand in exactly the same position as any subsidy which is granted by parliament to any province of Canada.

Mr. STEWART (Edmonton): My hon. friend knows of course that the situation is entirely different.

Mr. BENNETT: Is it?

Mr. STEWART (Edmonton): Every grant of every character is a grant in toto to the province or municipality, whichever it may be. Then of course it comes under the complete control of the province, municipality or private corporation to which it is granted. My hon. friend, however, is spending this money in an entirely different way. He is joining the province in public works, and these works may extend for two or three years. I fail to see the similarity which the Prime Minister has urged in regard to the audit.

The CHAIRMAN: Shall I report the bill?

Mr. HEENAN: Before the bill is reported I should like to make one more appeal to the Prime Minister. Will he not add a clause protecting labourers with respect to fair wages? On Wednesday the Prime Minister was good enough to read a telegram which was sent to him from the offices of the Trades and Labour Congress of Canada, which body is now sitting in convention in the city of Regina. The telegram asks that the eight-hour day be applied to all works contributed to by Dominion public funds.

Mr. BENNETT: That was not contained in the telegram I received. I read the whole of it to the house.

Mr. HEENAN: I quote from Hansard:

(1) The immediate putting into effect of the recommendations adopted by the Employment Service Council of Canada at its recent meeting.

(2) The limitation of the hours of labour to not more than eight per day and five days per week on all government works and contracts and all works toward which the federal government may grant and as a measure of relief carried on by provincial governments or municipalities.

I want to point out to the Prime Minister that unless there is some protecting clause labouring men throughout Canada will not receive equitable treatment. For instance, in British Columbia there is a minimum wage law and a law respecting the eight-hour day. Consequently in all contracts let by the provincial government and contributed to by the federal government the workmen will use the eight-hour day and receive the benefit of the minimum wage law. In Ontario no such condition prevails. In some parts of Canada men will be working eleven or twelve hours per day on public contracts contributed to by moneys from this parliament. We may have another state of affairs whereby in one locality the Dominion Department of Public Works may be paying forty or forty-five cents an hour for labourers working eight hours a day, and on the other hand the provincial government may be paying only twenty-five cents an hour. Inasmuch as this government has placed its sanction on the eight-hour day I appeal to my hon. friend the Prime Minister to protect the workingmen of Canada. It may be that we can report the bill in the House of Commons and have an added clause inserted in the other house. Whether it is done in this house or the other I consider it is absolutely necessary that the workingmen of Canada should be protected.

The CHAIRMAN: I wish to warn the committee that the preamble has been adopted, and there is nothing before the committee except the motion to report the bill. I do not think discussion is in order.

Mr. HEAPS: Mr. Chairman, you allowed the Prime Minister, the leader of the opposition and some other hon. members to speak.

The CHAIRMAN: I am just warning the committee.

Mr. HEAPS: I would like to say a few words in connection with the remarks of the hon. member for Kenora (Mr. Heenan). I do not think the Prime Minister should allow this bill to pass the house without some reference being inserted therein regarding the paying of fair wages to men who may be paid with the money voted by this parliament. I have in mind a very eloquent address delivered by the Prime Minister to the House of Commons in May last, and in that address he referred to the men employed by the steel works in Nova Scotia. At that time he said that since parliament was conferring certain benefits upon corporations it had the right to see that the employees worked under proper conditions. At the present juncture, when parliament is voting funds directly for the purpose of creating work so that men and women now idle may find employment, we should at least do what we can to see that these men are paid fair wages. I can foresee that there may be a good deal of difficulty if something is not done with respect to that matter. Contracts will be let to private corporations which may attempt to have the work done as cheaply as possible in order that they may make greater profits. On the other hand municipalities may undertake some of these works, and they probably will adopt the fair wage prevailing in the district in which the work is being carried on. I would like to see those who are out of work or will be out of work this winter, and for whom we are attempting to provide by this bill, protected against exploitation by municipalities or private employers of labour, and I would plead with the Prime Minister to insert in this bill a provision which will ensure that the men who will be given employment will receive the fair wage in the district in which the work is done.

The CHAIRMAN: This whole discussion is out of order. The bill should be reported to the chair, and this discussion can take place before the bill is given a third reading. There is nothing before the committee now.

Mr. HEAPS: Speaking to the point of order, Mr. Chairman, I understand that when you wish to leave the chair and report to the Speaker, we have the right to speak—

The CHAIRMAN: I cannot allow the hon. member to speak at this time; because he can do so only when the Speaker is in the chair. There is nothing now before the committee except the question to report the bill. I have to report the bill, and then discussion can take place before the third reading when the Speaker is in the chair. This discussion is out of order.

Mr. HEAPS: Mr. Chairman, you have asked the house whether you should report the bill, and I have a right to say yes or no to that question.

The CHAIRMAN: No debate is allowed on the question to report the bill. The hon. member is out of order.

Mr. HEAPS: I would ask for your authority, Mr. Chairman.

The CHAIRMAN: I would ask the hon. member to take his seat.

Mr. HEAPS: May I ask what authority you are quoting from, Mr. Chairman, in giving your decision?

The CHAIRMAN: Standing order 77.

Mr. HEAPS: I have not the rules under my hand. Would you mind reading the rule, Mr. Chairman?

The CHAIRMAN: I will read it to my hon. friend if he wishes me to, but he can get the book easily.

Mr. GARDINER: On the point of order, Mr. Chairman, you permitted the Prime Minister and several other speakers to speak after you put the question whether—

The CHAIRMAN: The hon. member—

Mr. GARDINER: Will you please listen to the point of order, Mr. Chairman?

The CHAIRMAN: My hon. friend has asked a question which I am going to answer.

Mr. GARDINER: I have not yet finished my question.

The CHAIRMAN: My hon. friend had better state his point of order and not make a speech.

Mr. GARDINER: My point of order is this, Mr. Chairman, that you permitted the Prime Minister and other members to speak on several questions after you had put the question whether you should report the bill. I think you are quite correct when you rule that you should report the bill without discussion, but inasmuch as you permitted several other hon. members to speak, we in this corner of the house have the right to the same treatment as other members of the house.

The CHAIRMAN: With all due respect I do not think that is a point of order, although it may be a fair criticism of my action.

Mr. GARDINER: Take it as a point of order.

The CHAIRMAN: The Prime Minister made a short statement, which was answered by the right hon. leader of the opposition. This was not absolutely in order and when other members proceeded to speak I warned the committee. I cannot permit the discussion to go on. There is nothing before the committee, and I am going to report the bill now.

Mr. GARDINER: All right, go ahead.

Bill reported.

Mr. BENNETT moved the third reading of the bill.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I do not wish to let the third reading of the bill pass without again pressing very strongly on my hon. friend the Prime Minister the importance of arranging for a proper and complete and detailed audit of the large expenditures that are to be made under this measure. As I have just said, the expenditure is a large one. Twenty millions of dollars is a vast sum of money, even though it may not be adequate for the purposes for which it is intended at the moment. The fact that the money is being voted for emergency purposes renders it all the more necessary that great care should be taken in the manner of its expenditure, and that particular care is taken to see that every dollar of the money goes, so far as is possible, for the purposes for which the measure itself is intended.

May I add that the fact that the house has adopted as respects this appropriation a different method from that which is followed in voting supplies in the ordinary course of business in this parliament is an additional reason why there should be extra precautions taken in the matter of auditing the expenditures under this bill. As the house well knows, appropriations are usually put through parliament as a result of estimates being submitted in the first instance to the house, those estimates designating specific purposes for which particular and definite amounts are being voted. The present bill has an enacting clause in the nature of an omnibus provision which gives to the ministry the right to deal with $20,000,000 for a number of purposes, in any manner it pleases with respect to any one of the purposes named. That may result in considerable abuse; and I think that every precaution should be taken to see that, if at all possible, abuse is prevented. I believe that it is a sound maxim of public business that the body which has to do with making expenditures should be the same body as the one which raises the taxation necessary for the purposes in question, and vice versa; the public body that raises taxation should be the body having to do with its expenditure. Under this measure it is proposed that this parliament shall raise money to the extent of $20,000,000 and hand it over in whole or in part to the executives of provincial governments, these executives being free to make the expenditures in such manner as they may be permitted to make them, or may find it possible to make them, without any real control on the part of their legislatures. That means that this parliament, once the $20,000,000 has been voted as provided in an omnibus clause, loses its control over the expenditure and that the provincial legislatures will be without control over their executives to whom the moneys may pass. Further, if the provincial executives so decide, or the federal executive here so decides, some of these moneys may be handed over to the executives of municipal councils, which in turn will be free to spend the money at their own sweet will without any control on the part of their respective councils. Such a procedure is wholly subversive of the principles of responsible government in the matter of controlling expenditures which are made out of moneys received from the taxes of the people.

My hon. friend has given two reasons only why a carefully detailed audit should not be carried out in this manner. One of them was that it was insulting to the provincial governments to suggest that an auditor of the federal government should have to do with auditing the public moneys of the Dominion which might be handed over to those provincial executives for expenditure in connection with works which they themselves may undertake or with relief to persons in case of need. I submit that there is nothing insulting to anyone in asking the right to audit moneys which are presented to him for a specific purpose, especially where they are moneys in trust. There is no obligation on the part of the provincial governments to take these moneys. We are not forcing the moneys upon them, we are assisting them, and if they are prepared and desire to take the assistance of this federal government, they should certainly be prepared and should desire to see that a proper audit be made of the moneys which are handed over to them.

May I say that during the period of the war, when large expenditures were made overseas, the Department of National Defence had an overseas branch and, if I am not mistaken, that branch had an audit department which saw to the auditing of moneys sent to Great Britain. I am sure it was not regarded as an insult by the British nation or the British people that Canadian moneys, being spent in Great Britain, should be audited by an auditor from the Canadian government which was responsible for sending those moneys overseas. I am quite sure that from time to time in the adjustment of accounts between the British and Canadian governments the British government has welcomed the closest investigation and scrutiny of the expenditures that they have made either on behalf of the government of Canada or in part themselves in association with our government. They never regarded it as in any sense insulting that they should be asked to allow an expert accountant from this side to confer with their accountants in an examination of books and expenditures. Why in our own country provincial governments should feel any more offended than the people or the government of Great Britain in very similar circumstances, I am quite unable to see.

I think, Mr. Speaker, that my hon. friend will be well advised to reconsider his present position with respect to these moneys. Their being voted in a special session of parliament for emergency purposes, as I have said, makes the reason all the stronger why the greatest precautions should be taken to see that every single dollar that this parliament is appropriating for relief purposes is used to that end.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I have sometimes been amazed by the arguments that have been offered in this house for or against a given course by members who ought to be able to think clearly, who ought to be able to discriminate between the conditions that prevail in one case and those that prevail in another. The hon. Prime Minister (Mr. Bennett) has given as his reason for refusing to accept the suggestion of the leader of the opposition (Mr. Mackenzie King) that on one occasion parliament voted a sum of money for the relief of distress in Japan. He advanced as a further reason that we do not seek to audit the accounts of the provincial governments when they spend the subsidies that are allotted to them by law. Surely the hon. Prime Minister must be able to distinguish between those cases and the present case. Surely he must realize that there is no proper analogy between a grant made from purely humanitarian motives to the people of Japan, with no expectation that we would have anything to do with that money after it leaves our hands and goes to them, and the case before us now. Surely he ought to be able to distinguish also between what would be our duty in regard to auditing the accounts of the provincial governments when they spend the subsidies that are allotted to them under the terms of our constitution, and when they are spending our money. It is an entirely different situation, and I am amazed that the hon. leader of the opposition should seek to establish an analogy when there is none.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: I should have said the leader of the government. Perhaps in time he will be the leader of the opposition again. Now he has said, and it so appears in the bill, that reports of the expenditure of this money will be made to this house. True, those reports may be made; but if the government takes the same position that it is taking now, that we have no right to discuss the actions of provincial governments, what opportunity will we have of knowing how that money has been spent, or how effective our legislation has been? The probability is that all we will receive is a statement to the effect that certain sums have been given the provincial governments for this or that purpose, and we shall have no guide for the future because we shall have no knowledge of what has happened in the past. I must express my entire dissent from the position taken by the Prime Minister, and again I would point out that there is no proper analogy between this case and the cases he has cited.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I notice, Mr. Speaker, that the Prime Minister in the course of his remarks with respect to auditing the expenditure of these moneys stated that the grant was not made by way of charity but was intended to stimulate business and to relieve unemployment. My comment, sir, is that it is only charity grants that are not audited. In business every expenditure is audited, and I do not see why the expenditure of this $20,000,000 should be an exception to the rule. I am perfectly in accord with what has been said by my hon. friend from North Winnipeg (Mr. Heaps) about minimum wages. It is of the utmost importance that the government should take this opportunity when handing over any portion of these moneys to the provinces to confer with the provincial governments and urge upon them the adoption of minimum wage laws for men. When

doing so I think they should suggest to the provincial governments that their legislation to this end should provide for the appointment of a commission composed of the representatives of industry, finance, labour and the universities. In other words, it should be composed of the representatives of the Canadian Manufacturers' Association, of the Canadian Bankers' Association, of the labour unions and of the universities. With such a personnel the commission could be relied upon to give justice to both industry and labour. I make this suggestion to the government in all kindliness in order that this special session of parliament, which has been called primarily for the purpose of relieving unemployment, shall not result in the enactment of legislation which may be turned wholly to the advantage of the employers.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I desire to support the contentions of the member for Kenora-Rainy River (Mr. Heenan) and of my colleague Mr. Heaps. It does seem to me very important that in setting aside this very large sum for the purpose of relieving unemployment we should proceed along right lines, that we should base our actions upon sound principles. The late government, supported by the house at large, enacted a fair wage clause. I take it that any government is now committed to the principle of the fair wage clause; certainly so long as that act stands the government will proceed along those lines. I do not think that any party is likely to seek to repeal legislation of that character. Last session a great many members of this house contended that we should recognize that this principle was capable of further application and should be further extended; that although works might be carried on within the individual provinces, and although we might not have direct jurisdiction over the provinces, we should at the same time recognize the higher principle that if we were giving aid in any form we had a right—I would go further and say a duty—to stipulate under what conditions the grant should be made. We are now proposing to grant $20,000,000. We all hope that the greater part of that amount will not be spent in direct relief but rather in public works. It would seem only reasonable that since the federal government is making the grant the federal government should assume responsibility for the conditions under which the money will be spent. I would therefore move the following:

That Bill No. 2, intituled An Act for the granting of Aid for the Relief of Unemployment, be not now read the third time but be referred back to the committee of the whole with instructions that they may add the following as clause 6:

"That wherever federal aid is granted for public works for relieving unemployment, provision should be made for the payment of wages according to the Fair Wage Act where in existence, and elsewhere a fair and reasonable wage."

Hon. R. B. BENNETT (Prime Minister): Perhaps the hon. gentleman is not aware of the rule that governs in cases of this kind. The statute is applicable to this statute, and the bill contains a provision that the money shall be granted on such terms and conditions as the governor in council may impose. I assure the hon. member that each province having control as it now has of these matters and, as the hon. member for Temiscouata (Mr. Pouliot) observes, there being one rule in one province and another in another, it will be certain that, to use the language of the amendment, which I have not seen, fair and reasonable wages will obtain. I think the amendment is out of order inasmuch as it seeks to impose on this bill the provisions of an applicable statute which already exists. So far as the other part of the amendment is concerned, I think it may be taken for granted that what it suggests will prevail in any event.

Mr. MERCIER (St. Henri): Do I understand the Prime Minister to say that the fair wage act will be put into force?

Mr. BENNETT: There was passed last session a statute which applies to this bill, and no amendment is needed to meet the purpose intended.

Mr. MERCIER (St. Henri): That act does apply to the provinces.

Mr. LAPOINTE: It would not hurt.

Mr. BENNETT: It would be irregular.

Mr. LAPOINTE: May I remind my hon. friend of certain words of the old diplomat Talleyrand. Talleyrand was told once that it was unnecessary to insert something in a clause because "cela va sans dire"—it goes without saying. He replied, "It goes better being said".

Mr. BENNETT: I thought my hon. friend was going to tell us that language is used to disguise thought.

Mr. HEENAN: The Prime Minister is still under some misapprehension. The bill passed last session applies only to works undertaken by the Dominion government, and the fair wages clause and hours of service would apply only in cases where the Dominion government was doing its own work or letting con-

tracts. In this case provincial governments or municipalities might enter into contracts with a private concern. Consequently the law passed last session with respect to wages and hours would not obtain. We are asking the government now to safeguard contracts let by the provinces or municipalities in respect of works to be undertaken on the strength of contributions by the Dominion, and I think it is a legitimate request that the fair wage regulation be applied. It is an order of the House of Commons passed in 1900, and I do not think anyone should try now to override decisions rendered thirty years ago.

Mr. BENNETT: While I have no right to speak again, perhaps I may be permitted to say this. If the hon. gentleman will look at the amendment he will see that it asks only that the fair wage act be made applicable where in existence, and that elsewhere a fair and reasonable wage shall obtain. So far as the first part of the amendment is concerned, it is already covered by existing legislation; and as regards the second part, implying a fair and reasonable wage on the part of the municipalities and the provinces, that, I take it, will obtain.

Mr. POULIOT: I suggest that the government should bargain with the provinces with a view to having them treat employees well, when they receive money from the federal government to assist them in the matter of unemployment. That is all that is asked.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The motion, as I understand it, simply asks the government to implement, in the legislation now being passed, a resolution which was unanimously adopted in this house thirty years ago, and which ever since has been binding on governments of the day with respect to public works. In order that that particular resolution might be given full force and effect with respect to public moneys spent on public works, there have been added to the Department of Labour from time to time special officers known as fair wage officers, whose business it is to visit localities where public work is to be carried on under moneys expended by the federal government, and to see that the rates of wages fixed are those current in the district and are fair and reasonable rates. The Minister of Labour is the minister who more than any other will have charge of the expenditure of this $20,000,000, and it seems to me wholly reasonable that when he has in his own department officers specially appointed and paid by this government for the purpose, they should see that in all public contracts involving the expenditure of moneys from the federal treasury there shall be inserted fair wage clauses and that the terms of those clauses shall be carried out. When we are voting a great sum such as $20,000,000, a large part of which will be spent on public works, it is only right that that provision should be made to apply. The resolution of this house, as I recall it, provides that its provisions shall apply not only to Dominion public works but to all works aided by moneys paid from the Dominion treasury. I am quite certain that the word "aid" occurs in the resolution and it has been so held ever since the resolution was passed. The fact that my hon. friend has again mentioned that provincial governments will have to do with the spending of the money only shows what has been emphasized many times this evening; namely, the importance of having bodies that are going to spend public moneys the same as those that raise the money. If we ourselves were spending the money, there would be, as the Prime Minister has just said, no need for this particular amendment, because it would be covered by a statute of parliament. But the fact that parliament has passed a statute with respect to the expenditure of its money on public works affords a double reason why if we transfer some of that public money to other public bodies, we should transfer with it, so to speak, legislative authority which will ensure that fair wages, working conditions and hours are required of those who are receiving contracts to be carried out with those public funds.

M. A. A. HEAPS (North Winnipeg): I think the Prime Minister was not fully aware of the terms of the legislation which was passed by the house at the last session of parliament. That legislation, which applied to contracts let by the government, was passed making it imperative for contractors or others who had work given to them by parliament to pay fair wages. In this case we have something more than contracts that are going to be let by the government. As I understand the matter, out of this $20,000,000 that is to be voted by parliament no contracts will be let by the federal government, but a number of private contractors will have the right to tender, will receive contracts, and may ultimately pay extremely low wages to the men who are working for them. In that case what will be the effect of the legislation? It will mean that there will be contractors who will be depressing still further an already depressed labour market, and we by voting this money

will be aiding and abetting that condition. I had hoped the Prime Minister would have accepted this motion without simply saying its terms would become operative with the passing of the legislation. I do not agree with him in that respect. In the preamble to this bill I find these words:

Whereas unemployment, which is primarily a provincial and municipal responsibility—

I do not agree with the government in that particular respect. When we are dealing as we have done to-day with a question of tariff, and when we are told by the government that by increasing the tariff and having more dumping laws we are going to reduce unemployment, we cannot call that a municipal responsibility. If unemployment is a result of our fiscal policy, then unemployment is due to the action of parliament and parliament has the responsibility in that regard.

During the past few years on different occasions I have from the very seat from which I am now speaking moved that a clause almost identical in its effect with the one now moved by my hon. friend from Winnipeg North Centre be inserted in various private bills which have come before the house, for instance for constructing bridges, and such clauses providing for fair wages being paid have been adopted unanimously by the house. If we have the right and the power to insert in a private bill a clause compelling contractors to pay fair wages to the men whom they have to employ in different parts of the dominion, surely we have an equal right to insert in a government bill a clause providing that people having contracts from municipalities or provincial governments which are receiving aid from the dominion shall pay fair wages to the men whom they happen to employ. Consequently I trust that the Prime Minister will see his way clear to accept this amendment. If he agrees with it in principle, there can be nothing wrong in accepting the amendment because it will not in any way detract from the principle of this bill. The principle of the amendment has been accepted by parliament year after year in many a bill, and I cannot for the life of me see now why anyone in the house should oppose a principle which has been adopted here during at least the last twenty years.

Mr. I. D. MACDOUGALL (Inverness): I think everyone in parliament irrespective of party affiliations will agree that men are entitled to a living wage whether they are employed on government work or not. The former Prime Minister of Canada referred to an act which was passed in this house in 1900.

Mr. MACKENZIE KING: Not an act, a resolution.

Mr. MACDOUGALL: A resolution, and he referred to certain things in that resolution which the Liberal party never enforced in any public work in Canada.

Some hon. MEMBERS: Oh, oh!

Mr. MACDOUGALL: In the discussion of a question of this kind we must get down to fundamentals. What is this money being voted for? It is being voted to relieve men who are out of work and women and children who are without bread as a result of the policies of the late government.

Some hon. MEMBERS: Oh, oh!

Mr. MACDOUGALL: Hon. members may laugh, but last session when I argued—

Mr. MERCIER (St. Henri): Is the hon. member aware that he is in contradiction with the Minister of Labour?

Mr. MACDOUGALL: If the hon. member is speaking of the previous Minister of Labour, I was in contradiction with him on many an occasion and expect to be again.

Mr. MERCIER (St. Henri): With the present Minister of Labour.

Mr. MACDOUGALL: As my hon. friend will remember, at the last session of parliament I asked the then Minister of Labour how many men were unemployed in Canada, and he stood up in his place as a responsible or supposed to be responsible minister and answered me by saying that no man in Canada could tell the number. The answer that he made is recorded in Hansard. To-day we find that as a direct result of the policies of the government, which then claimed there was no unemployment in Canada, 177,000 people are unemployed, and because the present government tries to assist them we are met with this obstruction by the leader of the opposition and those who support him.

Some hon. MEMBERS: Oh, oh!

Mr. MACDOUGALL: Hon. members may laugh, but that is a fact. It is no laughing matter to the men who are without work and the women and children who are without bread, that we have had in this house for eight or nine days obstruction to a measure calculated to afford relief to them. It is no credit to the right hon. gentleman who leads

the opposition and who wrote the book Industry and Humanity. I had the privilege this year of reading the correspondence that passed between John D. Rockefeller, Junior, and my right hon. friend in regard to a certain industrial strike in the United States. I can well understand the position taken by his party in trying to delay the granting of money by this parliament to assist men who are without work and women and children who are without bread. It is all right for the ex-Minister of Justice (Mr. Lapointe) —and he will be "ex" for the rest of his life—to laugh, but I had the privilege of reading the correspondence which passed between the hon. gentleman opposite and John D. Rockefeller, Junior.

Mr. MACKENZIE KING: Mr. Speaker, I would like to know what this has to do with the subject under discussion. If my hon. friend were in a condition to ask or to answer questions, I would be tempted to enter into a debate with him, but I submit that his remarks at the present time are wholly apart from anything before the house for consideration.

Mr. MACDOUGALL: You must always judge the attitude taken by a man by his background and environment. My hon. friend and his party take the position to-night that this vote should be delayed, knowing that in so far as minimum wages are concerned it must of necessity be some time before they can be enacted in the different provinces. If we have to wait for a conference between the provinces where living wages are not in operation, the vote to assist men who are without work and women and children who are starving will be delayed for many months. I happen to know of the correspondence which passed—my hon. friends can laugh, but I do not see the leader of the opposition laughing.

Mr. MACKENZIE KING: I would ask my hon. friend to produce that correspondence and not to talk about something concerning which he knows nothing. Unfortunately he is not in a position to speak intelligently.

Mr. MACDOUGALL: My hon. friend has asked me to produce the correspondence. I can do that and I will produce the letters which passed between my hon. friend and John D. Rockefeller, Junior, in connection with the Colorado Fuel & Iron Company strike. Knowing the sentiment expressed in those letters I know why the party led by my hon. friend would endeavour to defer the granting of money to the men in this country who are without work and to women and children who need bread. When this fact is supplemented by the five-cent speech made last year we have conclusive evidence of why an attempt is being made to defer the passing of this relief of unemployment.

Mr. POULIOT: My hon. friend knows that I respect him very much, but I would like to know if he is in favour of or against minimum wages to labouring men.

Mr. MACDOUGALL: I am not only in favour of a minimum wage but I consider it the very minimum of justice in so far as labouring men are concerned.

Mr. ANGUS MacINNIS: (Vancouver South): Mr. Speaker, I would like to add a few words to what has been said by my hon. friend from Winnipeg. As has been said, the primary and only purpose of this appropriation is to relieve unemployment. The extent to which it will meet that purpose will depend upon the amount of this appropriation which goes directly into the pockets of the unemployed in the form of wages rather than into the pockets of contractors by way of profits. That is the purpose of the amendment suggested, and it cannot be said that those of us who sit in this corner of the house have in any way obstructed this bill. As a matter of fact, we have given due credit to the Prime Minister (Mr. Bennett) for what he has done and we wish to facilitate in every way the passing of the bill. However, we desire to protect the workers who will receive the benefits. There is one phase of this unemployed question with which I have had considerable experience. In many instances unemployed men are compelled to work at very low wages. I know that on relief work the city of Vancouver pays single men one dollar per day and married men two dollars per day, and I submit that the provisions of this bill should be such that work of that kind could not be carried on by any money granted by the federal government under this bill.

Mr. RHODES: Mr. Speaker, I rise to a point of order; I submit that you have not given a ruling upon the point of order raised by the Prime Minister.

Mr. SPEAKER: I did not understand that the point of order was pressed by the Prime Minister.

Mr. RHODES: The Prime Minister raised a point of order which I take it calls for a ruling; and I submit that I have a right to make an observation on that point. The first part of the amendment asks that there shall be incorporated in this bill a provision

which is already a part of the statutory law. If that is the case it is unnecessary, and, I submit, out of order, because it is already covered.

Mr. MACKENZIE KING: In part.

Mr. RHODES: That being so, I submit that the amendment cannot be partly in order and partly out of order; if it is partly out of order it is all out of order.

Mr. LAPOINTE: It may not be necessary, but it certainly is not out of order.

Mr. HEENAN: There is a law upon the statute books of Canada with regard to the payment of fair wages in connection with public works undertaken by the Dominion government. The hon. member for Winnipeg North Centre asks that this bill be referred back to the committee so that the provisions of that law respecting fair wages can be applied to any work undertaken by provinces or other bodies to which a contribution is made out of this $20,000,000. I do not see how that can be out of order.

Mr. WOODSWORTH: Mr. Speaker, I submit that this point of order is not well taken. I cannot see that the provisions of this resolution are incorporated in any statutory law. We are making a definite grant of money and it is quite possible that there may be fair wage legislation existing in the various provinces that receive assistance. If such be the case, the first part of my amendment provides that this fair wage legislation be operative in regard to any moneys granted under this legislation. Even though such legislation is in existence it is not bad law for us to refer to it and insist that it be recognized. As we have tried to point out, there are certain cases which at the present time are not covered. For example, there may be grants made to railroads to help maintain their works during the winter months, or to help in the extension of certain branch lines. At the present time the railroads are not compelled to pay fair wages and many of us know that construction work is carried on with wages much below those recognized by the government as being fair. Take my own province, for instance; should the Canadian National Railways decide to build the Mafeking cut-off, there is nothing that I know of to prevent low wages being paid on work of that kind. I introduced this amendment to meet a need of this kind. The contention that because a certain part of this amendment may already be provided for by legislation the whole amendment is out of order will hardly stand careful scrutiny.

Mr. ILSLEY: The contention of the minister is that under this bill part of the money is to be spent on public works constructed by the Dominion of Canada and part on public works to be constructed by the provinces and municipalities. And it is suggested that inasmuch as the fair wage law passed last year applies to works constructed by the Dominion of Canada it should not be inserted in this bill, that it is out of order to insert it in this bill, and that therefore the whole amendment is out of order. May I point out however that there is nothing in the bill indicating that any part of the money must be spent by the Dominion of Canada; it may all be spent by the provinces or the municipalities. The whole $20,000,000 may be distributed to the provinces and municipalities for expenditure. If that is the case there is no statute controlling wages paid in connection with the expenditures made by the provinces or municipalities, and therefore the insertion of the fair wage clause in this bill cannot be out of order.

Mr. MERCIER (St. Henri): I followed the argument of the Minister of Fisheries. He must be aware however that when it is passed the bill now before the house will constitute a complete statute, and if the fair wage clause is not in the bill before the house nobody will be forced to have the fair wage clause applied. Therefore this point of order is not well taken.

Mr. SPEAKER: The objection to the amendment seems to be that it is unnecessary, that is, that it is not necessary to add the amendment proposed to the bill because of the fact that what is proposed is already the law. It is not out of order for this house to pass laws which will be a repetition of laws already on the statute books. As I regard the objection it is to the effect that the amendment is bad law. Unfortunately it is not out of order for this house to pass laws which ultimately may be found to be bad law. I am unable to sustain the point of order.

Mr. ELLIOTT: If the point of order is not upheld and this amendment be not passed the house will find itself in a peculiar position. It will be voting $20,000,000 for unemployment. In connection with part of that $20,000,000 the fair wage act will apply, but as my hon. friend has already suggested it will not apply to the greater part of it. The effect would then be that we are passing legislation under which a portion of the money will be expended in a certain way,

with the payment of a certain scale of wages, while the balance will be expended under an entirely different scale of wages. I submit when the bill is intended to aid unemployment and is brought forward as an aid to workingmen parliament should not spend part of the funds in one way and another part in an entirely different way.

The house divided on the amendment (Mr. Woodsworth) which was negatived on the following division:

YEAS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Bettez,
Blair,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bradette,
Brown,
Buckley,
Butcher,
Cardin,
Carmichael,
Casgrain,
Cayley,
Coote,
Deslauriers,
Dubois,
Duff,
Dumaine,
Dupuis,
Elliott,
Euler,
Factor,
Fontaine,
Fournier,
Gardiner,
Garland (Bow River),
Girouard,
Goulet,
Hall.
Hanbury,
Heaps,
Heenan,
Hepburn,
Howden,
Hurtubise,
Irvine,
Kennedy (Peace River),
King, Mackenzie,
Lapointe,
Lucas,
Luchkovich,
MacInnis,
Mackenzie (Vancouver Centre),
Macphail (Miss),
McIntosh,
McKenzie (Assiniboia),
McPhee,
Moore (Ontario),
Motherwell,
Neill,
Parent,
Reid,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
St-Père,
Sanderson,
Seguin,
Speakman,
Spencer,
Stewart (Edmonton West),
Totzke,
Vallance,
Veniot.
Weir (Macdonald),
Woodsworth.—71.

NAYS

Messrs:

Anderson (Halton),
Arsenault,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bell (St. John-Albert),
Bennett,
Beynon,
Black (Halifax),
Bowen,
Boyes,
Burns,
Cahan,
Cantley,
Charters,
Cormier,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Dupré,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Gagnon,
Ganong,
Garland (Carleton),
Gobeil,
Gordon,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Harris,
Hay,
Jones,
Kennedy (Winnipeg South Centre),
Laflèche,
Larue,
Laurin,
LaVergne,
Lawson,
Loucks,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNicol,
McDade,
McGillis,
McLure,
McMillan (Huron South),
Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Robinson,
Rogers,
Ryckman,
Ryerson,
Sauvé,
Senn,
Shaver,
Short,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark).
Tummon,
Turnbull,
Weese,
Weir (Melfort),
White (Mount Royal),
Willis,
Wilson,
Wright.—109.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Anderson (High Park),
Arthurs,
Bell (Hamilton West),
Bell (St. Antoine),
Bowman,
Bury,
Casselman,
Chaplin,
Fortin,
Fraser (Cariboo),
Geary,
Gott.
McGibbon,
Lennox,
MacDonald (Cape Breton South),
McGregor,
Maloney.
Perley (Sir George),
Porteous,
Rennie,
Rhodes,
Rowe,
Ross,
Stevens,
White (London),
MacMillan (Saskatoon),
Verville,
Denis,
Mercier (St. Henri).
Raymond,
Hanson (Skeena),
Perras,
Howard,
Young,
Fafard,
Desrochers,
Mercier (Laurier-Outremont),
Rutherford,
Ilsley,
Pouliot,
MacLean,
Donnelly,
Dubuc,
Marcil,
Gray,
Power,
Ralston,
Ferland,
Taylor,
Malcolm,
Gershaw,
Brassett.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted for the amendment.

Mr. ILSLEY: I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted, I would have voted for the amendment.

Mr. McLEAN (Melfort): I was paired with the hon. member for South Cape Breton (Mr. MacDonald). Had I voted, I would have voted for the amendment.

Mr. GERSHAW: I was paired with the hon. member for London (Mr. White). Had I voted, I would have voted for the amendment.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted for the amendment.

Sir GEORGE PERLEY: I was paired with the hon. member for Bonaventure (Mr. Marcil). Had I voted, I would have voted against the amendment.

Mr. RHODES: I was paired with the hon. member for Shelburne-Yarmouth (Mr. Ralston). Had I voted, I would have voted against the amendment.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted, I would have voted against the amendment.

Mr. DENIS (Translation): I was paired with the hon. member for Parry Sound (Mr. Arthurs). Had I voted, I would have voted for the amendment.

Mr. RAYMOND (Translation): I was paired with the hon. member for St. Antoine (Mr. Bell). Had I voted, I would have voted for the amendment.

Mr. SPEAKER: The question is on the main motion.

Mr. VENIOT: May I ask the Prime Minister what returns will be required from the provinces for the money which they will expend under this legislation?

Mr. BENNETT: I doubt whether it is in order now, after the question has been put. I am not in a position to indicate that.

Main motion (Mr. Bennett) agreed to, and bill read the third time and passed.

On motion of Mr. Bennett the house adjourned at 10.35 p.m.

Tuesday, September 16, 1930

The house met at three o'clock.

SATURDAY SITTINGS

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

That on Saturday, the 20th instant, and every Saturday thereafter until the end of the session, the house shall meet at 11 o'clock, a.m., that in addition to the usual intermission at six o'clock, p.m., there shall also be an intermission from one to three o'clock, p.m.; and that the order of business and procedure shall be the same as on Fridays.

Motion agreed to.

QUEBEC HARBOUR WORKS

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): I would ask the Minister of Marine whether he has been informed that 450 men working on the harbour works at Quebec were removed from work yesterday. I should like to know the reason for their removal, and in view of the seriousness of the situation created in Quebec city by reason of this suspension of work, whether permanent or temporary, I would ask if these men will be taken back if the work is resumed.

Hon. ALFRED DURANLEAU (Minister of Marine): I am not aware, as Minister of Marine, of any dismissals made by the Quebec harbour commission, and unless the matter came under the Quebec harbour commission it would not concern my department. I shall make inquiries and give my hon. friend a reply later.

SOCKEYE SALMON FISHERY

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would ask the Minister of Fisheries if it is the intention to shut down on the sockeye salmon regulations regarding the Fraser river. I have received two telegrams regarding the seriousness of the situation, some 4,000 men being affected.

Mr. SPEAKER: Order.

Hon. EDGAR RHODES (Minister of Fisheries): This question is on the order paper, Mr. Speaker, and so in any event the hon. member would not be in order in raising it at this stage.

Mr. REID: As a new member I would crave the indulgence of the house. I would point out that the question on the order paper is different from the one I am now asking.

The question on the order paper relates to the regulations across the line in conjunction with the regulations here. The question I am now asking is whether the fishing regulations regarding the Fraser river are to be kept open.

Mr. RHODES: I still submit that my hon. friend's question is practically the same as the one on the order paper. In any event I would ask that notice be given.

SOREL WHARF

On the orders of the day:

Hon. P. J. A. CARDIN (Richelieu): A few weeks previous to the general election, tenders were called for the building of a wharf in the port of Sorel. The tenders came in a few days after the election, and in the ordinary course of business a contract was awarded by the late government to Cummings and Robinson, of Toronto, for the building of the wharf. I am informed that since that time the work which was started has been suspended. I would ask the Minister of Public Works if it is his intention to cancel that contract or to proceed with the work. I gathered from the remarks made by my hon. friend the Prime Minister the other day that contracts which had been awarded would be proceeded with. This particular work is of a very urgent and necessary nature, and I would ask if it is the intention of the minister to see that it is continued.

Hon. H. A. STEWART (Minister of Public Works): As the hon. gentleman knows, the balance of the appropriatiou last session for this proposed work was very small. Tenders were called for and a contract was let on the basis of this very small appropriation of $55,000. The contract involved the expenditure of approximately half a million dollars ultimately. The matter is under consideration.

Mr. CARDIN: If I am in order, what my hon. friend has just pointed out is the regular practice. The old Welland canal, for instance, has been built on very small appropriations voted yearly, although the total cost runs into a very large sum of money.

PORCUPINE RIVER IMPROVEMENTS

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): On the report of the engineer in the Porcupine district, the sum of $700 was appropriated last session to remove boulders in the Porcupine river. Has any cognizance been taken of that fact by the Department of Public Works?

[Mr. Reid.]

Mr. SPEAKER: Questions of this nature are more properly a matter for the order paper. If we are to open the door to questions of this nature we shall never get on with the business of parliament.

Mr. BRADETTE: Speaking on a question of privilege, I would point out, Mr. Speaker, that this session has been called especially for the purpose of dealing with unemployment, and I would therefore submit that it is in order for me to ask whether this sum of $700 which was appropriated for work in the Porcupine district will be expended in order to relieve unemployment.

Mr. SPEAKER: The hon. gentleman is no more in order now than before.

QUEBEC SUPERIOR COURT VACANCY

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): May I ask the Minister of Justice if the vacancy on the superior court bench of the province of Quebec has been filled, as is reported in the press?

Hon. HUGH GUTHRIE (Minister of Justice): The vacancy has not yet been filled but I trust that it will be in a day or two.

PROPOSED TARIFF CHANGES

STATEMENT BY PRIME MINISTER ON MOTION FOR COMMITTEE OF WAYS AND MEANS

Hon. R. B. BENNETT (Prime Minister and Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, in moving that you do now leave the chair, I do so because of the disturbed conditions that exist in this country and because of the circumstances that this parliament has been called to consider the problem of unemployment. I indicated a few days ago that the measures proposed were three in number, of which a tariff measure was one. Our tariff measure is not a general revision of the tariff, but deals only with such items in the tariff as it is believed will ensure additional employment to a large number of men and women in Canada.

I need not to-day traverse the old, old ground of the controversy between those who support free trade doctrines and those who believe in protection. It sufficiently serves my purpose to indicate that for many years protection has been practised by all parties in this country. The extent to which free trade doctrines have prevailed in this country may be found upon the statute books of the last

fifteen or twenty years. The extent to which protection has been practised will be found in the statute books of this country from 1878 onwards.

It is not for the purposes of protection that the tariff is being revised to-day. The resolutions that are being submitted to this house are not for the purpose of affording protection in the sense in which that term is usually used; but if that term is used to designate just what we, during the election, indicated that it did mean, namely, the giving to Canadians an equality of opportunity with others who are building up their country to enable us to build up our Dominion, and to give fair competition to the worker in Canada, be it man or woman, then it is protection that we propose. There can be no doubt, Mr. Speaker, in the mind of any hon. gentleman within sound of my voice that this government at least has a mandate to give effect to that policy. In every part of this Dominion I was at great care to make it known to the audiences who listened to what I had to say, so that there could be no mistake as to what I meant, that in the event of their supporting candidates of our party they thereby supported a policy that would ensure fair competition to Canadian workmen and work women and equality of opportunity to Canadians to build up their country.

For that purpose there will be, if we are then living—a general revision of the tariff at the next session. Whether I undertake it or some other hon. gentleman occupying the office of Minister of Finance is not at all at issue; it will be undertaken by this government. I take it that there are few members of this house that do not realize the anachronisms in that tariff, who do not realize that it is an unsound tariff in many particulars, and that by the admissions of those who are charged with the responsibility for its administration it is impossible in some particulars to administer it at all without doing violence to language. For the purpose of enabling the language to meet the conditions that have arisen, changes have been made in the Customs Act and will also now be made in the Customs Tariff itself.

A number of items only will be dealt with. They will be dealt with on the basis of the employment that will be given to those who are not now unemployed. And we have very definite assurances from the producers in this country that as a result of the action we are taking they will increase the number of men and women in their mills and factories. I said the other day, Mr. Speaker, that the number might be estimated at 25,000 within a reasonable time. I think that is too low an estimate, but I desired that the estimate should be at least conservative—as in keeping with the party for which I speak at this moment. When I say 25,000, I think I am understating the number of men and women who will find employment by reason of the action that we are taking.

Now, let me shortly as a business proposition put before the house the principles on which we proceed. First, we in Canada have developed facilities for industry; over a long period of years we have carried forward our operations, and to-day in men and machines and material we are the equal of any people in the world. Having these facilities, it will be observed, secondly, that they are capable not only of supplying our own requirements, but in many instances of supplying the requirements of others; in other words, production for an export business. But, thirdly, owing to the unfair competition to which Canadian industry has been subject, owing to the inequality of opportunity afforded to Canadians as compared with others, those facilities are now employed for only part time and in some instances they are idle altogether. That means, as was said by the hon. Minister of National Revenue (Mr. Ryckman) yesterday, that inasmuch as the last ten per cent which is often the productive effort of industry finds no scope for its activity or employment, there is, instead of profit, loss; and instead of facilities being employed to their capacity, they are employed for only part time. We propose therefore to provide that so far as may be reasonably possible the requirements of the 10,000,000 people living on the northern half of this continent shall be provided by Canadian producers.

Those who are familiar with the trade returns of this country will observe that the importations of the goods that could be, and in fact are, produced in the Dominion are very, very great, and that by reason of those importations in many instances dumped into this country, in some instances produced under very abnormal conditions, in other cases produced where there are different standards of living, different ideas with respect to life and its problems and responsibilities, you have competition, which as I have said, is both unfair to the individual and certainly affords no equal opportunity to Canadians for the development of their country with those with whom they thus compete.

We propose therefore to deal with a limited number of items for the purpose of effectuating just what I have stated. We propose to deal

with countervailing duties. Those who in this house listened in May last to the budget of that day will recall that countervailing duties were suggested as a means of meeting competition from the United States of America. But in fact the countervailing duties applied to France, or Germany, or to Italy or to the United States of America. Having regard, however, to the observations that were made in this house last session and out of it during the election campaign, it is proposed, with two exceptions, to place in the tariff act against the items that were mentioned for countervailing treatment duties now prevailing against similar products imported from Canada into the United States of America. That is a definite and fixed determination of what my hon. friends opposite played with in May. In other words, Mr. Speaker, we have adopted the suggestion of the hon. gentlemen opposite, but instead of leaving it in the cloudland of conjecture and doubt, we have definitely stated the rates that will apply in respect to all those items mentioned in the countervailing schedule.

Then we will deal with agricultural products, with iron and steel in part, with textiles in part, with silk, with boots and shoes, with advertising matter, with paper, with metals and minerals, including brass and copper bars, with agricultural implements, and with certain forms of kitchenware, heating apparatus and electrical appliances. We will deal with these for the purpose of giving effect to the principles upon which we stand, and the duties that will be imposed will be duties that we believe will ensure the success of that policy. They will be sufficient for that purpose, and for them we offer no apologies.

Now, let us proceed a step further. With respect to one of these items, namely, the textile item, there has been a conflict carried on in this country for some time in connection with cotton goods imported from Great Britain that received a preference. The contention has been made that under the regulations only those goods that came into this country into which 50 per cent of empire product, or empire cotton, has been worked should receive the benefit of that preference. In my judgment and in the opinion of this government it has been amply demonstrated that the cotton spinners of Lancashire cannot manufacture their products without using less than 50 per cent of empire cotton, and the regulations will therefore provide that in the importations of cotton goods from Great Britain the quantity of empire cotton required to be used in their production to secure the benefit of the preference will be that ratio which it is possible to use having regard to the productivity of the empire of the kind of cotton required. It will probably be in the vicinity of 33⅓ per cent.

Mr. YOUNG: That is, material alone, not labour?

Mr. BENNETT: Yes. I see from his question that my friend from Weyburn is familiar with the long discussion that has taken place. With respect to the textiles themselves, the schedules will provide, as will be observed, definite duties to be charged.

There then remains to be considered the consumer. I was much taken with the observations made yesterday as to the desirability of caring for the consumer; it was a part of every address I made during the last election to the electors of the country. I believed it was the duty of this parliament to protect alike agriculture and labour, industry and the consumer. And I say to you, sir, and to this house, that with respect to the items that are dealt with in these schedules we have definite and positive assurances from the manufacturers that their enactment will result in no increase in prices. In the resolution which will presently be submitted in a moment and which I shall read provision is made for that purpose, so that in the event of there being any addition in price imposed by reason of these duties the governor in council shall have the right to reduce or remove those duties. That is the answer I give as to steps that are taken to safeguard the rights of the consumer. Moreover, in some instances, the producers are prepared, and have given assurances as to the capacity of their plants, to utilize their facilities to the maximum, and there will be reduction in prices by reason of that very fact. As we proceed with the schedules one by one I shall mention the undertaking that has been given and the parties who gave them. I believe when these are read to the house, and when the country reads them, it will be seen for the first time that at least industry walks hand in hand with agriculture and labour for the purpose of securing a minimum cost to the consumer of our products by reason of the utilization of the facilities which have been built up in these years by Canadian industry in our plants and mills throughout the country. What is more, Mr. Speaker, we are prepared to stake our existence as a party and a government upon that issue.

I do not think that any good purpose would be served by longer delaying the house with any general observations. I will therefore read the resolutions, apart from the tariff

rates and duties, having already supplied the leader of the opposition (Mr. Mackenzie King) and my hon. friend (Mr. Gardiner) with copies. I will not read the tariff schedules because, as I understand, that is not usual.

Resolved, that it is expedient to amend the customs tariff, being chapter forty-four of the Revised Statutes of Canada, as amended by chapter thirteen of the acts of 1930, by repealing section six thereof and by substituting the following therefor:

I may say that this section becomes necessary in the light of the act which was passed yesterday.

1. Resolved, that it is expedient to amend the customs tariff, being chapter forty-four of the Revised Statutes of Canada, as amended by chapter thirteen of the acts of 1930, by repealing section six thereof and by substituting the following therefor:

6. In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or is less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act, or is less than the fair market value thereof as fixed by the governor in council under the provisions of section thirty-seven of the Customs Act, or is less than the value for duty therof as determined by the minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act, or is less than the fair market value thereof as fixed by the minister under the provisions of section forty-three of the Customs Act, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifty per cent ad valorem in any case; and the following goods shall be exempt from such special duty, viz:

Goods of a class subject to duty under the Excise Act

Provided, notwithstanding, that on importations from Australia under The Australian Trade Agreement Act, 1925, the said special duty shall not exceed fifteen per cent ad valorem in any case.

Notwithstanding anything in this act contained the levying and collection heretofore of special or dumping duty in cases where the fair market value of goods was determined by the minister, acting or purporting to act under the provisions of section forty-seven A of the Customs Act, as enacted by section three of chapter eighteen of the statutes of 1922 (section forty-three of the Customs Act, R.S., 1927), is hereby ratified and confirmed.

With respect to that paragraph I may observe that the limit of the dumping duty is fixed at 50 per cent rather than 15, although many countries fix the maximum at 75 per cent. That has been found necessary because of conditions that prevail in the world of commerce to-day. With respect to the last paragraph I may point out that the order in council which was passed by the previous administration was carried into effect by my right hon. friend and his government, and a departmental ruling was given that doubt existed as to the right to collect that dumping duty with respect to certain items mentioned in the tariff that carried a specific duty. It has therefore been thought desirable, in order that no question may arise, to ratify and confirm the action which was taken alike by a former Conservative government and by the succeeding administration.

2. Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods entitled to entry under the British preferential tariff, intermediate tariff, or any tariff more favourable than the general tariff.

That is the same as it is now.

3. Customs duties of the United Kingdom shall be disregarded in estimating the market value of wines for the purposes of special duty when the same are entitled to entry under the intermediate tariff or any tariff more favourable than the general tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

That was dealt with in another way last session; it refers to Portuguese wine bottled in bond in the United Kingdom.

Mr. RALSTON: Is there any change with regard to the dumping duty on articles in the free list?

Mr. BENNETT: The provisions of the dumping act are tightened up slightly in that regard. My hon. friend will observe this from the legislation submitted to the house yesterday.

4. "Export price" or "selling price" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada.

5. If at any time it appears to the satisfaction of the minister that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the minister may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada.

That is as it was.

6. If at any time it appears to the satisfaction of the minister that any person owning or controlling or interested in a business in Canada and also in any other country, or any

person carrying on a business in any other country and owning or controlling or interested in a business operating in Canada, and by reason thereof is enabled to import goods for further manufacture or assembling or for resale, and while complying with the legal requirements on importation disposes of such imported goods, whether in the form as further processed, assembled or manufactured, at prices below the duty paid value thereof as entered at customs plus, if any, the cost of processing, assembling or further manufacturing in Canada, the minister may declare that goods of such class or kind were and are on importation subject to an additional special or dumping duty not exceeding fifty per cent and authorize such action as is deemed necessary for the collection thereof.

That explains itself. There have been cases in which branch factories have received goods from a parent factory and when such goods have been processed or worked into manufactured articles they have been sold under cost of production in Canada, thereby creating unfair competition. It is to meet that situation that this section has been inserted.

7. If the full amount of any special duty of customs is not paid on goods imported, the customs entry thereof shall be amended and the deficiency paid upon the demand of the collector.

That is the law as it is.

8. The minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

That is the law as it is. Now follows two sections which are new:

2. Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirteen of the acts of 1930, be further amended by adding thereto the following sections:

17. The governor in council may, from time to time, prohibit the importation into Canada of any goods exported directly or indirectly from any country not a contracting party to the treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919.

It will be recalled that the treaty contains provisions with respect to the covenant of the League of Nations in the first instance and with respect to labour in another instance, and that those countries which were contracting parties to that treaty entered into a solemn obligation with respect to the various matters mentioned in the treaty, to which I have alluded. This section provides that where goods are imported into this country from a country which was not a contracting party to the treaty of Versailles, such importation may be prohibited by order in council. The second section is as follows:

18. In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

That is the embodiment in statutory form of what I said in the opening of my observations; it confers upon the governor in council power to reduce or remove duties where there has been any effort on the part of the producer to exploit the consumer. Shortly put, that is what the provision is.

The next resolution is as follows:

Resolved, that schedule A to the customs tariff, being chapter 44 of the Revised Statutes of Canada, 1927, as amended by chapter 17 of the acts of 1928; chapter 39 of the acts of 1929 and chapter 13 of the acts of 1930, be further amended by striking thereout tariff items . . . .

Then follows the list of items to be struck out, which is followed by the new items to be substituted therefor. I will not read these items at the moment, but it will be observed that at the end of the tariff schedules there are three other resolutions, one providing that certain drawbacks be eliminated. The resolution reads:

4. Resolved, that schedule B to the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929 and chapter thirteen of the acts of 1930, be further amended by striking thereout tariff items 1040, 1041, 1056, 1060 and 1065.

These deal with rebates on coal used in the manufacture of salt in one instance and in another with paper used in agricultural and other magazines, and when the items are reached very full explanations will be given. However, I may anticipate that explanation by saying that there are two or three companies producing in Canada the kind of paper to which this drawback refers, and there is one large Sunday paper whose Saturday issue is published upon Canadian made paper, to my knowledge. I cannot speak with respect to other newspapers, La Presse of Montreal being the paper in question, though possibly there may be others. The price at which American paper is sold in this country will be met by the Canadian producer, and while any persons who desire to buy American made, British made, Finnish made, Norwegian or Scandinavian made paper may do so, they will have to pay a higher price than they can secure it for in Canada.

Mr. STEWART (Edmonton): May I ask my hon. friend if he is abolishing all drawbacks?

Mr. BENNETT: No, only with respect to items 1040, 1041, 1056, 1060 and 1065. Then the resolution proceeds:

5. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the seventeenth day of September, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the foregoing resolutions taken out of warehouse for consumption on and after that date.

Provided, that any such enactment shall not apply to goods imported but not entered or to goods bona fide purchased and actually in transit to Canada on or before the sixteenth day of September, one thousand nine hundred and thirty, in respect of which goods the minister may demand proof satisfactory to himself that the same were purchased and shipped on or before that date.

I have not read the schedules, Mr. Speaker, nor do I think it has been customary to do so, but we have had the existing duties printed on separate sheets, which hon. members will receive from the distribution office through the post office. Hon. members will thus be aware of the items which are to be affected by these changes, and these resolutions will be printed in Hansard, which will enable hon. members to compare the two rates. I should have liked them printed together, but with the pressure under which members of the cabinet have been working at this time, having regard to the amount of work which must be done and also to the fact that the by-elections were only concluded in the closing days of August, I think the house will perhaps regard the furnishing of the information in the form I have indicated as being a reasonable discharge of our duty in that regard.

I am not unmindful, sir, of the fact that there is another great branch of the national life of this country which is not dealt with, except in part, by these resolutions. Dairy and other agricultural products have been dealt with by these proposals. Yesterday reference was made for some time, during the course of a debate which is not yet concluded, to the action which has been taken by the administration in connection with fruit. Dairy products, fruit and agricultural products of various kinds are dealt with by these measures, but it is within the mind of every hon. member of this house that the greatest industry in this country is the farming industry and that the greatest part of that industry is the growing and marketing of grain which has to do with the annual production of a vast amount of our national wealth. The reason we are so dependent upon the grain industry for our purchasing power is largely because it is the quickest way by which new wealth can be created year after year, and because of that this country in days gone by—as I trust will be the case for many years in the future—has looked to that as the great basis of our purchasing power. The difficulties which have been experienced during the past year or two by the producers of grain are known to every member of this house. Last year I did think, and I have not changed my opinion since, that some action might have been taken at the critical moment last fall by the national government to have been of some assistance to the grain trade and the grain producers of this country. Those who had to administer the grain act and who were charged with the responsibility for promoting the trade and commerce of the country thought otherwise and so no action was taken, with what I believe to be more or less unfortunate consequences.

This government believes—and as we proceed with the schedules I think perhaps the most doubting Thomas opposite will be satisfied that we have reason for our belief—that the amendments to the tariff will result in benefit to all sections and classes of the country. But, I may add, that the particular and urgent problem of the marketing of Canadian wheat is receiving the further attention of the ministry, which is giving consideration to the most effective means of meeting the difficulties which now confront the basic wheat industry. At this moment I will not detail the steps that have been taken, but I am hopeful that at least they will be of some benefit to our grain producers. A review of the causes underlying the present unsatisfactory situation is being carried out, and it will be the purpose of the government to take whatever action it properly may take to ensure the prosperity of that industry upon which the welfare of the country is dependent to such a large extent. I know that in this work we will have the sympathetic assistance and support of every member of this house, for there is no member, whether he lives in the east or in the west, whether he represents a rural or a city riding, who does not realize the extent to which the prosperity of this country is dependent upon the success of the great grain industry of Canada. We believe the investigations that are now being carried on will have a beneficial result and so far as lies within our power we will endeavour to secure the ends that we all aim at in that regard.

May I say further in conclusion, in commending these resolutions to the house, that we believe, and have believed since we assumed office, that the time is ripe in which to carry forward a great campaign on behalf of Canadian-made goods. And in moving that we go

into committee of ways and means, as a complement to the resolutions which are now submitted to the house for its consideration, as supplementing them, may I say that it is part of the declared policy of the administration to carry out on a large scale what may be described as propaganda for the use of Canadian-made goods by the Canadian people. The Department of Trade and Commerce will direct its activities along that line to the very best of the ability of the minister in charge and the officials who will assist in that work.

I have concluded my observations. I can only say that we realize there are large numbers of items the amendment of which would as we are advised secure increased employment to ten, twenty, thirty, forty or fifty people, but we appreciate how difficult it is to undertake in the time at our disposal to deal with all of them. What we have done is to take those industries that we believe are in a sense the key industries of this country where activity may be stimulated and employment ensured to the greatest possible extent, and we are confident that the measures we have taken to secure the consumer against exploitation, coupled with increased production in Canadian factories by the work of Canadian men and women to supply the requirements of Canadians, will result in conjunction with the legislation that has been submitted to the house, in meeting the exceptional conditions which necessitated the calling together of parliament at this time.

The Minister of Finance in Committee of Ways and Means:—

1. Resolved, that it is expedient to amend the customs tariff, being chapter forty-four of the Revised Statutes of Canada, as amended by chapter thirteen of the acts of 1930, by repealing section six thereof and by substituting the following therefor:

"6. In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or is less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act, or is less than the fair market value thereof as fixed by the governor in council under the provisions of section thirty-seven of the Customs Act, or is less than the value for duty thereof as determined by the minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act, or is less than the fair market value thereof as fixed by the minister under the provisions of section forty-three of the Customs Act, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifty per cent ad valorem in any case; and the following goods shall be exempt from such special duty, viz:

Goods of a class subject to duty under the Excise Act

Provided, notwithstanding, that on importations from Australia under The Australian Trade Agreement Act, 1925, the said special duty shall not exceed fifteen per cent ad valorem in any case.

Notwithstanding anything in this act contained the levying and collection heretofore of special or dumping duty in cases where the fair market value of goods was determined by the minister, acting or purporting to act under the provisions of section forty-seven A of the Customs Act, as enacted by section three of chapter eighteen of the statutes of 1922 (section forty-three of the Customs Act, R.S., 1927), is hereby ratified and confirmed."

"2. Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the goods are entitled to entry under the British preferential tariff, intermediate tariff, or any tariff more favourable than the general tariff."

"3. Customs duties of the United Kingdom shall be disregarded in estimating the market value of wines for the purposes of special duty when the same are entitled to entry under the intermediate tariff or any tariff more favourable than the general tariff and are bottled in bond in the United Kingdom and imported direct therefrom."

"4. 'Export price' or 'selling price' in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada."

"5. If at any time it appears to the satisfaction of the minister that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the minister may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada."

"6. If at any time it appears to the satisfaction of the minister that any person owning or controlling or interested in a business in Canada and also in any other country, or any person carrying on a business in any other country and owning or controlling or interested in a business operating in Canada, and by reason thereof is enabled to import goods for further manufacture or assembling or for resale, and while complying with the legal requirements on importation disposes of such imported goods, whether in the form as imported or as further processed, assembled or manufactured, at prices below the duty paid value thereof as entered at customs plus, if any, the cost of processing, assembling or further manufacturing in Canada, the minister may declare that goods of such

class or kind were and are on importation subject to an additional special or dumping duty not exceeding fifty per cent and authorize such action as is deemed necessary for the collection thereof."

"7. If the full amount of any special duty of customs is not paid on goods imported, the customs entry thereof shall be amended and the deficiency paid upon the demand of the collector."

"8. The minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement."

2. Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirteen of the acts of 1930, be further amended by adding thereto the following sections:

17. The governor in council may, from time to time, prohibit the importation into Canada of any goods exported directly or indirectly from any country not a contracting party to the treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919.

18. In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

3. Resolved, that Schedule A to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929 and chapter thirteen of the acts of 1930, be further amended by striking thereout tariff items, 4, 5, 6, 7, 10, 16, 16a, 18, 35, 56, 57, 58, 60, 61, 79b, 83, 91, 99a, 112, 113, 120, 178, 178a, 192, 193, 210, 232, 271, 272, 272a, 286, 288, 296b, 296c, 318, 357, 362, 367, 377, 377a, 378a, 379d, 380a, 388a, 388b, 388d, 396, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, 409j, 409k, 409m, 409n, 415a, 415b, 415c, 424, 425, 427, 428, 428b, 432, 432a, 432b, 432c, 432d, 439c, 439f, 442a, 443, 443a, 443b, 443c, 433d, 445, 445a, 445b, 445f, 445g, 445j, 446, 457, 457a, 476b, 522, 522a, 522b, 522c, 522e, 522f, 523, 523a, 523b, 523c, 523d, 523e, 525, 526, 526a, 527, 529, 530, 532, 532a, 533, 540b, 541, 542, 542a, 544, 544a, 544b, 547, 548, 548a, 548b, 551, 551a, 551b, 551c, 552, 553, 554, 554b, 554c, 554e, 555, 556, 556a, 556b, 558b, 558d, 560, 560a, 560c, 561, 561a, 565, 566, 566a, 567, 567a, 568, 568a, 572, 573, 576, 611, 611a, 618a, 619, 627, 627a, 630, 647, 663, 779, 779a, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said Schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
4	Horses, over one year old, valued at $100 or less per head ..... each	$10·00	$12.50	$25.00
5	Animals, living, n.o.p.:			
	(a) Cattle ..... per pound	Free	2 cts.	3 cts.
	(b) Sheep, lambs and goats ..... per head	Free	$2.00	$3.00
	(c) n.o.p.	Free	20 p.c.	25 p.c.
6	Live hogs ..... per pound	Free	1¼ cts.	2 cts.
7	Meats, fresh, n.o.p.:			
	(a) Beef and veal ..... per pound	2 cts.	2½ cts.	6 cts.
	(b) Lamb and mutton ..... per pound	2 cts.	2½ cts.	6 cts.
	(c) Pork ..... per pound	2 cts.	2½ cts.	3 cts.
	(d) n.o.p. ..... per pound	2 cts.	2½ cts.	6 cts.
10	Meats, prepared or preserved, other than canned:—			
	(a) Bacon, hams, shoulders and other pork ..... per pound	Free	1¾ cts.	3¼ cts.
16	*(b)* n.o.p. ..... per pound	Free	3 cts.	6 cts.
16a	Eggs in the shell ..... per dozen	2 cts.	2½ cts.	10 cts.
18	Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added ..... per pound	5 cts.	10 cts.	11 cts.
18a	Butter ..... per pound	8 cts.	12 cts.	14 cts.
35	Peanut Butter ..... per pound	4 cts.	6 cts.	7 cts.
56	Hops ..... per pound	12 cts.	20 cts.	24 cts.
57	Oats ..... per bushel	Free	9 cts.	16 cts.
58	Oatmeal and rolled oats ..... per one hundred pounds	Free	50 cts.	80 cts.
60	Rye ..... per bushel	Free	9 cts.	15 cts.
61	Wheat ..... per bushel	Free	12 cts.	30 cts
79b	Wheat flour and semolina ..... per barrel	Free	50 cts.	$1.35
83	Flowers and foliage, natural, cut, whether in designs or boquets, or not	Free	Free	40 p.c.
91	Potatoes, including sweet potatoes:—			
	(a) In their natural state . . per one hundred pounds	Free	Free	75 cts.
	(b) Dried, desiccated, or dehydrated . . per pound	Free	Free	2¾ cts.
99a	Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.	15 p.c.	25 p.c.	35 p.c.
99d	Figs, dried; plums, prunes and dates, dried, unpitted ..... per pound	Free	¾ ct.	¾ ct.
113	Dates, n.o.p. ..... per pound	1 ct.	1¾ cts.	2½ cts.
	Cocoanut, desiccated, sweetened or not ..... per pound	5 cts.	6 cts.	6 cts.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
120	Anchovies, sardines, sprats, pilchard and herring, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:			
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	5 cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	4 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	3 cts.	3½ cts.
	(d) When weighing eight ounces each or less.per box	1¼ cts.	2 cts.	2½ cts.
178	Advertising and printed matter, viz:— Advertising pamphlets, advertising show cards, illustrated advertising periodicals· price books, catalogues and price lists; advertising almanacs and calendars: patent medicine or other advertising circulars, fly sheets or pamphlets; advertising chromos, chromo-types, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p.....per pound	10 cts.	12½ cts.	15 cts.
	Provided, that when imported under the General Tariff rate, the duty shall be not less than.....	.....	.....	35 p.c.
178a	Provided, that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by customs revenue stamps, under regulations by the Minister, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be each.....	1 cent	1 cent	1 cent
	Provided, further, that on and after first day of October, 1930, the duty under this item shall be.....each	2 cts.	2 cts.	2 cts.
192	Strawboard, millboard, cardboard and boards manufactured from other vegetable fibre, not pasted nor coated; tarred paper, felt board, sand paper, glass or flintpaper and emery paper, or emery cloth.....	15 p.c.	22½ p.c.	25 p.c.
193	Paper sacks or bags of all kinds, printed or not.....	20 p.c.	30 p.c.	35 p.c.
197b	Wrapping paper of all kinds, not pasted, coated or embossed.....	20 p.c.	30 p.c.	35 p.c.
199b	Paper containers of all kinds, fibre or corrugated per pound	1 cent	1¼ cts.	1½ cts.
210	Peroxide of soda; silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre; sal soda; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda.....	Free	Free	Free
210d	Sodium, sulphate of, crude, or salt cake....per pound	½ cent	½ cent	⅜ cent
232	Glue, liquid, powdered or sheet, and mucilage, gelatine, casein, adhesive paste and isinglass..... and.....per pound	17½ p.c. 2 cts.	25 p.c. 2½ cts.	27½ p.c. 3 cts.
271	Distilled, refined and purified petroleum oils, coal and kerosene, gasoline, engine distillate, naphtha and products of petroleum, n.o.p., lighter than ·8235 specific gravity at 60 degrees temperature.....per gallon	2 cts.	2¼ cts.	2½ cts.
272	Natural casinghead, compression or absorption gasoline, lighter than ·6690 specific gravity at 60 degrees temperature, when imported by distillers of petroleum for blending with other gasolines distilled in Canada.....	Free	Free	Free
286	Earthenware and stoneware, viz.: Demi-johns, churns or crocks.....	25 p.c.	30 p.c.	35 p.c.
288	Earthenware and stoneware, brown or coloured and Rockingham ware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware, n.o.p.....	25 p.c.	30 p.c.	35 p.c.
296b	Magnesite, caustic, calcined, or plastic magnesia.....	20 p.c.	25 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
296c	Magnesite, dead burned or sintered	20 p.c.	25 p.c.	25 p.c.
318	Common and colourless window glass:			
	(a) in sheets not exceeding 80 square inches in area, per pound	1¼ cts.	1¾ cts.	1¾ cts.
	(b) in sheets exceeding 80 square inches but not exceeding 120 square inches in area, per pound	2¼ cts.	3 cts.	3 cts.
	(c) in sheets exceeding 120 square inches in area, per pound	3¼ cts.	4½ cts.	4½ cts.
357	Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p.	25 p.c.	35 p.c.	40 p.c.
362	Articles consisting wholly or in part of sterling or other silverware, nickel-plated ware, gilt or electro-plated ware, n.o.p.; manufactures of gold and silver, n.o.p.	30 p.c.	37½ p.c.	45 p.c.
367	Watch cases, and parts thereof, finished or unfinished	20 p.c.	45 p.c.	45 p.c.
377	Ingots of iron or steel, n.o.p. per ton	$1.50	$3.00	$3.00
377a	Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p. per ton	$2.50	$4.50	$4.50
378	Bars and rods, of iron or steel: billets, of iron or steel, weighing less than 60 pounds per lineal yard:—			
	(a) Not further processed than hot rolled, n.o.p., per ton	$4.25	$7.00	$7.00
379	Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined under regulations prescribed by the Minister:—			
	(d) Rods, in the coil, not over ·375 inch in diameter when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories, per ton	$2.25	$5.00	$5.00
380	Plates, of iron or steel, hot or cold rolled:—			
	(a) Not more than 40 inches in width, n.o.p., per ton	$4.25	$6.00	$7.00
388a	Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, viz.: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, per ton	$4.00	$6.00	$6.00
388b	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p. per ton	$4.25	$7.00	$7.00
388d	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.	25 p.c.	35 p.c.	40 p.c.
396	Pipe, cast, of iron or steel, valued at not more than five cents per pound per ton	$7.00	$12.00	$14 00
409a	Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; complete parts of all the foregoing	Free	10 p.c.	10 p.c.
409b	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409c	Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409d	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators, including the motive power incorporated therein, and complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409e	Spraying and dusting machines and attachments therefor, including hand sprayers; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing	Free	15 p.c.	25 p.c.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
409f	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409g	Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing.	Free	15 p.c.	25 p.c.
409h	Hay presses and complete parts thereof	Free	15 p.c.	25 p.c.
409i	Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.	Free	15 p.c.	25 p.c.
409j	Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409k	Windmills and complete parts thereof, not including shafting	Free	15 p.c.	25 p.c.
409m	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	Free	Free	Free
	The Governor in Council may by Order-in-Council direct that there be substituted for tariff item 409m in Schedule A of the Customs Tariff, 1907, and the several rates of duties of Customs set opposite said item in Schedule A, the following:			
	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	10 p.c.	15 p.c.	25 p.c.
	From and after the publication of such Order-in-Council in the Canada Gazette, tariff item 409m as it appears in said Schedule at the time of the passing of this Act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.			
	The Governor in Council shall not direct that such provisions be substituted as aforesaid unless and until the Governor in Council is satisfied that internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each and traction attachments such as are described in the aforesaid tariff item 409m are being manufactured in substantial quantities in Canada.			
409n	Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409p	Pasteurizers for dairying purposes and complete parts thereof	Free	15 p.c.	25 p.c.
415a	Refrigerators, domestic or store, of all kinds, completely equipped or not	20 p.c.	27½ p.c.	30 p.c.
415b	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines	15 p.c.	25 p.c.	35 p.c.
415c	Clothes wringers, domestic, and complete parts of metal thereof	20 p.c.	30 p.c.	35 p.c.
424	Fire engines and other fire extinguishing machines; hand fire extinguishers; sprinkler heads for automatic sprinkler systems for fire protection	22½ p.c.	30 p.c.	35 p.c.
425	Lawn mowers	20 p.c.	30 p.c.	32½ p.c.
428	Traction engines and complete parts thereof, n.o.p.	Free	15 p.c.	25 p.c.
432	Hollow-ware, of iron or steel, coated or not, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
432a	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated	20 p.c.	27½ p.c.	30 p.c.

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Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
432b	Hollow-ware, of iron or steel, coated with vitreous enamel	22½ p.c.	32½ p.c.	35 p.c.
432d	Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
439c	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	Free	15 p.c.	25 p.c.
439f	Children's carriages, sleds and other vehicles; complete parts of all the foregoing	22½ p.c.	30 p.c.	35 p.c.
442a	Notwithstanding the provisions of tariff item 442, materials or commodities as hereunder defined or described, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, 409p and 439c, under regulations prescribed by the Minister:—			
	(1) Pig Iron ..... per ton	75 cts.	$1.25	$1.25
	(2) Bars or rods, of iron or steel, hot rolled ..... per ton	$2.12½	$3.50	$3.50
443	Apparatus designed for cooking or for heating buildings:—			
	(1) For coal or wood	15 p.c.	25 p.c.	30 p.c.
	(2) For gas	15 p.c.	25 p.c.	30 p.c.
	(3) For electricity	15 p.c.	25 p.c.	30 p.c.
	(4) For oil	15 p.c.	25 p.c.	30 p.c.
	(5) n.o.p.	15 p.c.	25 p.c.	30 p.c.
445	Electric light fixtures and appliances, n.o.p., and complete parts thereof	20 p.c.	30 p.c.	30 p.c.
445a	Electric head, side and tail lights; electric torches or flashlights	20 p.c.	30 p.c.	30 p.c.
445b	Electric arc lamps and incandescent electric light lamps, n.o.p.	20 p.c.	30 p.c.	30 p.c.
445f	Electric dynamos or generators and transformers, n.o.p., and complete parts thereof	25 p.c.	33⅓ p.c.	37½ p.c.
445g	Electric motors, n.o.p., and complete parts thereof	25 p.c.	33⅓ p.c.	37½ p.c.
464a	Steel dies, of a class or kind not made in Canada, for use exclusively in the manufacture of radiators for motor cars and motor trucks, until 31st March, 1932	5 p.c.	10 p.c.	10 p.c.
	Provided that such dies shall be exported from Canada under Customs supervision within three months from the date of import entry.			
476b	Surgical suction apparatus including motive power; prepared surgical catgut; ethyl chloride; canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the Minister	Free	Free	Free
476c	Chloroform for anaesthetic purposes	Free	Free	Free
522	Rovings, yarns and warps wholly of cotton, not more advanced than singles, n.o.p.,	12½ p.c.	15 p.c.	22½ p.c.
	and ..... per pound	3 cts.	3½ cents.	4 cts.
522a	Rovings, yarns and warps wholly of cotton, not more advanced than singles, when imported by manufacturers of knitted goods, to be used in their own factories in the manufacture of knitted goods	12½ p.c.	15 p.c.	22½ p.c.
522c	Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns, wholly or partially covered with metallic strip, generally known as tinsel thread	15 p.c.	22½ p.c.	25 p.c.
	and ..... per pound	3 cts.	3½ cts.	4 cts.
522e	Cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons	7½ p.c.	15 p.c.	20 p.c.
523	Woven fabrics wholly of cotton, not bleached, mercerized, nor coloured, n.o.p., and cotton seamless bags	17½ p.c.	20 p.c.	25 p.c.
	and ..... per pound	3 cts.	3½ cts.	4 cts.
523a	Woven fabrics wholly of cotton, bleached or mercerized, not coloured, n.o.p.	20 p.c.	22½ p.c.	27½ p.c.
	and ..... per pound	3 cts.	3½ cts.	4 cts.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
523b	Woven fabrics wholly of cotton, printed, dyed or coloured, n.o.p.	22½ p.c.	27½ p.c.	32½ p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
523e	Woven fabrics wholly of cotton with cut pile, n.o.p.	22½ p.c.	27½ p.c.	32½ p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
529	Embroideries, lace, nets, nettings, bobinet, n.o.p., fringes and tassels, wholly of cotton	20 p.c.	27½ p.c.	30 p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
532	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.	25 p.c.	30 p.c.	35 p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
533	Sails for boats and ships	15 p.c.	22½ p.c.	25 p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
541	Woven fabrics, wholly of jute, not bleached nor coloured, n.o.p.	Free	5 p.c.	15 p.c.
542	Woven fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, artificial silk, nor wool	20 p.c.	27½ p.c.	30 p.c.
542a	Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool	25 p.c.	27½ p.c.	35 p.c.
542b	Linen fire-hose, lined or unlined	30 p.c.	32½ p.c.	35 p.c.
547	Bags or sacks of hemp, linen or jute; bags in which cement or lime mentioned in Tariff item 290 is imported	15 p.c.	17½ p.c.	20 p.c.
548	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.; fabrics coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.	25 p.c.	30 p.c.	35 p.c.
	and...per pound	3 cts.	3½ cts.	4 cts.
551	Yarns, composed wholly or in part of wool or hair, but not containing silk nor artificial silk, n.o.p.	15 p.c.	20 p.c.	22½ p.c.
	and...per pound	15 cts.	20 cts.	22½ cts.
551a	Yarns and warps composed wholly or in part of wool or hair, imported by manufacturers for use exclusively in their own factories	10 p.c.	17½ p.c.	20 p.c.
	and...per pound	10 cts.	15 cts.	17½ cts.
552	Felt, pressed, of all kinds in the web, not consisting of or in combination with any woven, knitted or other fabric or material	15 p.c.	22½ p.c.	25 p.c.
	and...per pound	10 cts.	17½ cts.	20 cts.
553	Blankets of any material, not to include automobile rugs, steamer rugs nor similar articles	22½ p.c.	30 p.c.	35 p.c.
	and...per pound	20 cts.	25 cts.	30 cts.
554	Woven fabrics, composed wholly or in chief part by weight, of yarns of wool or hair, not exceeding in weight six ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada	20 p.c.	25 p.c.	30 p.c.
	and...per pound.	12½ cts.	17½ cts.	20 cts.
554b	Woven fabrics, composed wholly or in part of yarns of wool or hair, n.o.p.	27½ p.c.	35 p.c.	40 p.c.
	and...per pound.	25 cts.	30 cts.	35 cts.
555	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of yarns of wool or hair, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.	30 p.c.	40 p.c.	40 p.c.
	and...per pound.	25 cts.	32½ cts.	35 cts.
558b	Rovings, yarns and warps wholly of artificial silk, or similar synthetic fibres, produced by chemical processes, not more advanced than singles, not coloured	25 p.c.	30 p.c.	35 p.c.
	provided that, in no case, shall the duty, under any tariff, be less than...per pound.	28 cts.	28 cts.	28 cts.

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Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
558d	Rovings, yarns and warps wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk	25 p.c.	30 p.c.	35 p.c.
	provided that, in no case, shall the duty, under any tariff, be less than ..... per pound.	28 cts.	28 cts.	28 cts.
560	Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than twenty inches in width, weighing not more than seven pounds for each hundred yards thereof, imported for the purpose of being degummed, dyed and finished in Canada	17½ p.c.	30 p.c.	45 p.c.
560a	Woven fabrics wholly or in part of silk, not to contain wool, not including fabrics in chief part by weight of artificial silk, n.o.p.	27½ p.c.	40 p.c.	45 p.c.
561	Woven fabrics wholly or in part of artificial silk or similar synthethic fibres produced by chemical processes, not to contain wool, not including fabrics in chief part by weight of silk, n.o.p.	27½ p.c.	40 p.c.	45 p.c.
	and ..... per pound	30 cts.	40 cts.	40 cts.
565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, nets, nettings and bobinet, n.o.p.	25 p.c.	32½ p.c.	35 p.c.
567	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value; fabrics, coated or impregnated, n.o.p., composed wholly or in part of silk	27½ p.c.	30 p.c.	45 p.c.
567a	Clothing, wearing apparel and articles made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes; fabrics, coated or impregnated, n.o.p., composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	30 p.c.	40 p.c.	50 p.c.
568	Knitted garments, knitted underwear and knitted goods, n.o.p.	25 p.c.	25 p.c.	45 p.c.
568a	Socks and stockings of all kinds	30 p.c.	32½ p.c.	35 p.c.
	and ..... per each one dozen pairs	$1.00	$1.35	$1.50
568b	Gloves and mitts of all kinds	25 p.c.	25 p.c.	45 p.c.
572	Turkish or imitation Turkish or other floor rugs or carpets, and carpets, n.o.p.	30 p.c.	35 p.c.	40 p.c.
	and ..... per square foot	10 cts.	15 cts.	20 cts.
573	Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets	25 p.c.	32½ p.c.	35 p.c.
	and ..... per pound	.....	.....	4 cts.
576	Window shades, mounted on rollers	20 p.c.	30 p.c.	40 p.c.
611	Boots and shoes, pegged or wire fastened, with unstitched soles close edged	15 p.c.	25 p.c.	35 p.c.
611a	Boots, shoes, slippers and insoles of any material, n.o.p.	25 p.c.	35 p.c.	40 p.c.
619	Rubber or gutta percha hose, and cotton hose lined with rubber; rubber mats or matting and rubber packing	20 p.c.	30 p.c.	35 p.c.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff
619a	India-rubber clothing and clothing made from waterproofed cotton fabrics	25 p.c.	30 p.c.	35 p.c.
	and.....on each article of clothing	50 cts.	50 cts.	50 cts.
647	Jewellery of any material, for the adornment of the person, n.o.p.	30 p.c.	37½ p.c.	45 p.c.
663	Fertilizers, compounded or manufactured, n.o.p.	5 p.c.	7½ p.c.	10 p.c.
779	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor	Free	Free	Free
	The Governor in Council may, from time to time, when he is satisfied that copper bars are not available, in the country of export, to Canadian purchasers on conditions of sale and delivery identical with those obtaining in respect of sales and deliveries for home consumption, by Order in Council direct that there be substituted for tariff item 779 in Schedule A to the Customs Tariff, the several enumerations and rates of duty set opposite thereto in said Schedule, the following:—			
779a	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor, per pound	Free	¼ cent	½ cent
	From and after the date of the publication in the Canada Gazette of any such order in council, said tariff item 779 shall cease to be of force or effect and the provisions of said tariff item 779a shall become operative and have the force of law.			
	The Governor in Council may also, from time to time, rescind any such order in council, and from and after the date of the publication in the manner aforesaid of any such rescinding order in council, item 779a shall cease to have force or effect and item 779 shall become operative and have the force of law.			

4. Resolved, that Schedule B to the Customs Tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929 and chapter thirteen of the acts of 1930, be further amended by striking thereout tariff items 1040, 1041, 1056, 1060 and 1065.

5. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the seventeenth day of September, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the foregoing resolutions taken out of warehouse for consumption on and after that date.

Provided, that any such enactment shall not apply to goods imported but not entered or to goods bona fide purchased and actually in transit to Canada on or before the sixteenth day of September, one thousand nine hundred and thirty, in respect of which goods the minister may demand proof satisfactory to himself that the same were purchased and shipped on or before that date.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the Prime Minister acting in his capacity as Minister of Finance has just brought down to the house what to all intents and purposes is a budget similar to that which is brought down by the Minister of Finance at a regular session of parliament. My hon. friend has referred to what is customary at the time a budget is introduced by the Minister of Finance, and I would like to ask him at this moment whether he is not prepared to accord to the opposition the same courtesy as is common at regular sessions of parliament, of permitting an adjournment of the debate until there has been an opportunity for hon. members to consider his remarks and also the resolutions which he has placed before the house. In the course of his remarks my hon. friend said that he had furnished the leader of the opposition and the hon. member for Acadia (Mr. Gardiner) with a copy of the resolution. May I say to him that what he has said is quite true, but the copy was not furnished to me until after he began his speech and as a matter of courtesy

in order to listen to my hon. friend while he was speaking I did not think I should attempt to peruse the resolutions. What I have since seen of the resolutions at a glance, would indicate that there are amendments covering some 200 items more or less of the tariff, all of them in an upward direction and that the revision of the tariff which is set forth in the resolutions is more far-reaching than any revision that has taken place in parliament at any time.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Hon. gentlemen opposite agree in that. Let me remind them that while there might be no reason to take exception to a course of the kind on their part were parliament in regular session, when parliament is called into special session for the purpose of dealing with a special problem, namely, that of the relief of unemployment, it is entirely contrary not only to the expectation of the public but to what is reasonable and right in the circumstances that advantage should be taken of a special session called to deal with unemployment to bring in an upward revision of the tariff extending practically to all industries in the country. I do not wish at the moment to go into a critical examination of something I have not had a chance to look at, and I would therefore, before I proceed further, ask my hon. friend whether or not he objects to my moving the adjournment of the debate as is customary in circumstances such as this, and proceeding to-morrow. There is still on the order paper the bill to amend the Customs Act, and I assume it will take some little time to conclude the discussion on that subject. I should think it would be wholly reasonable for my hon. friend to agree to permit me to adjourn the debate and then proceed with the other bill that is on the order paper.

Mr. BENNETT: The request of the right hon. gentleman is wholly reasonable and one to which I have great pleasure in acceding. But may I say, what as an old parliamentarian he realizes, I could not give either to him or to my hon. friend to the right a copy of the resolutions until I had begun to speak. I acted in accordance with parliamentary usage that compels me not to divulge tariff changes to anyone except the council until I begin to speak. Perhaps I handed them to my hon. friend sooner than is customary, but what is usually done is to provide the leader of the opposition with a copy of the speech without the resolutions; but as the speech was very brief and the resolutions very long I submitted the latter to my hon. friend immediately upon beginning my address. I quite agree with the right hon. gentleman we can proceed with the customs measure and let this matter stand until to-morrow.

Mr. MACKENZIE KING: I thank my hon. friend for acceding to my request. As an old parliamentary hand he might have omitted mentioning in his remarks that he had sent the copy to me when he knew from the time at which it was sent that I would not have an opportunity to look at the resolutions. I move the adjournment of the debate.

Motion agreed to and debate adjourned.

CUSTOMS ACT AMENDMENT

VALUATION FOR DUTY OF GOODS IMPORTED INTO CANADA

Hon. E. B. RYCKMAN (Minister of National Revenue) moved the second reading of Bill No. 3, to amend the Customs Act.

Some hon. MEMBERS: Explain.

Mr. RYCKMAN: It is hardly necessary for me to explain the purport of this legislation, because as every hon. member knows it was pretty fully dealt with yesterday. If any hon. member is in doubt about matters arising in connection with this legislation I shall be very glad to give any information required. Shortly stated—and I hope not to repeat—it is this: that in this bill we deal with the fair market value. The rates for duty are fixed by the customs tariff. As I have previously stated, we, in this legislation, are seeking to do away with unfair trade in the form of dumping.

Mr. W. H. MOORE (Ontario): I have attempted as closely as possible to follow the debate on this bill but I have either been confused or have felt that there was confusion on the part of some other hon. members in this house. I believe that the confusion has arisen through the misuse of the word dumping. The hon. Minister of Finance (Mr. Bennett) in the resolutions which he has just read has proposed an amendment to the dumping law. The hon. Minister of National Revenue (Mr. Ryckman) will correct me if I am wrong in the statement that the dumping law is contained in the customs tariff, whereas Bill No. 3 is designed to amend the Customs Act. The Customs Act does not deal with dumping, if we adhere to the technical use of the term. As the Minister of National Revenue has said clause 1 refers to market value. That is simply a further interpretation of the use of the words contained in section 35. I have no quarrel to find with section 1 of

this bill; as a matter of fact I think it is a good suggestion, and I believe in the amendment.

Section 2 deals with a peculiar class of importation, the importation of goods which may not be sold in the ordinary way, which may never be sold to wholesalers and may never pass out of the hands of the manufacturers until they reach the hands of the customers. As stated in the memorandum, it is an amendment of an old section, No. 37, concerning which there was some difficulty of interpretation. Again I agree with the change, and for the reason that certain goods are imported into this country with an extremely large discount to agents. I am told that discount may run as high as 30 per cent. Usually these goods are not sold in a free market; they are passed to agents, or may be passed from the exporter to an importing house owned or controlled by the exporter. Therefore it seems reasonable to me that there should be provision made for a reasonable discount if in the judgment of the minister the discount is unreasonable. Again I wish to express my approval of the amendment proposed.

We reach the third section of the bill, and again I have no quarrel with the suggestion contained in the bill before me. It is simply a matter of discount.

In connection with section 4 however I would like to ask the Minister of National Revenue if he has not gone a great deal farther than he intended to go. In reading Hansard I find him stating that section 4 deals only with a stark case of prejudice or injury. The hon. minister refers to stark injury to the producers of this country. I may say however that these are injuries to the producers of this country which do not fall within the purview of a dumping clause. It may be that the Minister of Finance has in mind the same sort of injuries that I am going to suggest. Living beside the United States, a country with climatic conditions somewhat different from our own, and where the seasons are earlier, we know that their products and ours are largely seasonal and largely similar. Nearly all textiles are seasonal. As a consequence there are left-overs and those left-overs are sold at a reduced price. When they are sent to this country they are not technically dumped, because they are sold in the United States or the country of origin as well as in this country at the reduced price. Then there is another class of goods the value of which may be determined by what is called the style factor. A certain style may originate in the city of Boston; it may sweep to Philadelphia from Philadelphia to Minneapolis and from there to Winnipeg. When it is offered on the Winnipeg market it comes into competition with another class of goods possibly originating in Montreal or Toronto. The result of the competition is a depression in the price of the Canadian goods. I have given those two illustrations to indicate that the process cannot be called dumping, in the technical sense of the word. I believe that legislation should be enacted to deal with such a situation. The need for such legislation is more urgent because as has been pointed out to-day we are a country of 10,000,000 people with the consumptive requirements of only that number of people and constantly we are submerged, if I may use the term, by the left over products of the great industrial and manufacturing country of the United States. In this connection I was tempted to use the word swamped, but I have a recollection of representations which were made to congress by the National Horse Radish Producers Association during the last revision of the tariff in which it is stated that the people of the United States were going to be swamped with horse radish from Germany. I do not wish to exaggerate but I realize the difficulty is real and in my opinion it may be met with advantage to the producer and without injury to the consumer. As I read section 4 it does not limit the effect of the legislation to cases of necessity; it does not limit the effect of the section to cases where there may be stark injury to producers. If I read the English language correctly—and if I am wrong I would like to be corrected—it appears to give to the minister or to the council the right to change the value of all goods which come into this country. My point is that if you allow me to fix the assessment of my property you may make the tax rate as high as you like. It seems to me the parallel is exact. I would like to repeat that the effect of this clause is to leave with parliament the empty power of making rates but to give to council the effective right to say what the taxes shall be.

It is drastic legislation. I do not know that I am particularly cowardly, but I do fear the effect upon our export trade. I do fear that the shoe will be placed on the other foot. All trade depends upon stability. You must have stability or you injure and weaken and finally destroy your trade. My hon. friend the Minister of National Revenue is not only an able lawyer, but a successful manufacturer and exporter. If the countries to which he sends his goods, and sometimes he sends them to countries both by rail and by water, have

the right to fix arbitrarily an appraisal of his goods when they arrive of which he knows nothing when he makes his shipment, it seems to me that there would always be uncertainty as to whether he should or should not have made the shipment.

I want to support this measure. I believe that it has merit, but I also believe that the country is not finally informed as to its nature. As I take it from the press, the country believes this to be a bill to prevent dumping, and so it has been represented in this house; but, of course, it is nothing of the sort. It deals with another situation. One of the most unfortunate features of this session is that we who are in the house are compelled to act upon our judgment without being able to sense or feel what the country is thinking about the legislation that has been introduced. We have no opportunity to know. It might be that I would change my mind if I knew what the practical men who are carrying on business thought about this measure, but I have no opportunity of knowing. I do realize that there is an emergent situation. I realize—I have never disguised it—that there is grave unemployment in this country, and that there is need to put the men and women of this country to work. But I also believe this, that we should have speed, but not haste. We are bringing down measures which we hope will cure a situation, and they may cure some of the ills; but I am seriously afraid, Mr. Chairman, that they will create other ills that are greater. I am indeed apprehensive that we will bring about a situation which, at a regular session of parliament we may find it very, very difficult to correct.

Hon. CHARLES STEWART (Edmonton): I had hoped that as a result of the discussion yesterday upon the resolution, the minister might have changed his mind in some respects with regard to this bill. However, the bill as introduced is in complete accord with the resolution itself.

Speaking for myself, I cannot complain very seriously about the amendments with respect to section 36 and following section. There the provision that I am fighting for has been observed, namely, that parliament is delegating in a definite way to the government the right to change the tariff. We know exactly what we are doing, and one cannot complain if the government in its wisdom, and with the power to enact the necessary legislation, increases the tariff. That is its business, and it must take the responsibility. We on our part can protest as vigorously as possible, but for the time being this government with a substantial majority is managing the affairs of this country, and it is well within its rights in bringing down to parliament amendments to the tariff or legislation of any other sort upon which parliament is asked to express its opinion. But the government must take responsibility for its enactments.

In the case of this particular bill we have a complete departure, more complete than has ever been attempted in the past, in dealing with the situation which section 43 of the Customs Act was designed to cover. It was said yesterday, and I wish to repeat it to-day, that section 43 was only intended to cover a class of goods as to which there was great difficulty in ascertaining the value. It was not intended to be made general in its application. But here we are being asked to give the minister power to fix the values, not of any particular class of goods, but of all classes of goods imported into this country for consumption. The tariff changes that have been brought down to-day parliament will have an opportunity of discussing, but not so with respect to the changes made by the minister under this legislation. As was pointed out by the leader of the opposition yesterday, not only is the government taking authority of this character, but in turn it delegates to the minister and his officials the right to fix these values. The government gives the minister full authority to investigate and subsequently to fix any values that he may deem necessary upon all classes of goods imported into this country. That is an example of complete autocracy. It is taking away from parliament the right to have some say in the fixing of taxation, and then the government having secured that, in turn delegates that authority to the minister of the department concerned.

Mr. GEARY: Is that new?

Mr. STEWART (Edmonton): Yes, so far as the previous government is concerned.

Mr. GEARY: It is not new so far as existing legislation is concerned. It is the very same thing.

Mr. STEWART (Edmonton): I would point out to my hon. friend that if, as we had hoped, the legislation had provided that the government itself would have some say in the fixing of values, it would not be so serious; but that is not provided for in the act. In examining the order in council passed by this government with respect to fruits and vegetables, I observe that that authority is delegated to the minister in the order in council.

Mr. GEARY: Does not that order in council follow exactly the words of the statute introduced during the Laurier administration?

Mr. STEWART (Edmonton): Exactly. But it is desired for a very special character of imports—natural products—and does not go beyond that. Now my hon. friends opposite are applying section 43 to cover every class of imports.

Mr. GEARY: That is your real objection?

Mr. STEWART (Edmonton): That is my first objection. My second objection can easily be remedied by the government. I suggest that before the minister is delegated with authority to put into effect the findings of his officials as to values, those findings should be submitted to council for consideration.

Sir GEORGE PERLEY: Is not the wording of this section exactly the same as that of the old one? In other words, exactly the same procedure is provided for: the minister must come to council for authority to fix the rates.

Mr. STEWART (Edmonton): On very few occasions were the provisions of section 43 invoked by the government, but on every occasion we knew what were the rates.

Sir GEORGE PERLEY: But is not the procedure exactly the same?

Mr. STEWART (Edmonton): I am not denying that, not for a moment. But I do say the amendment is twofold in its effect and autocratic in its administration. Speaking personally, I think it would be well for the government, and would provide a safeguard, that parliament should be consulted with respect to the fixation of values and the rates of duty, and that those rates should be outlined in the schedule. I think perhaps my hon. friends opposite will not need to use this weapon—if it may be so described—when the tariff schedules brought down to-day are enacted, although I have not yet had an opportunity of studying them. I think we can safely predict that if this government remain in office the schedules will be raised plenty high enough without their having to resort to the provisions of this bill. But to-day I am obecting to the taking of the authority contained in the amendment to section 43. In order, Mr. Speaker, that the Prime Minister may not be delayed in going to the imperial conference—because we are just as anxious, perhaps a little more so than he is, that he should attend that conference—

Sir GEORGE PERLEY: You could not be more so.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): Well, I scarcely understand the editorials appearing in the press supporting hon. gentlemen opposite, when they intimate that the conference is not now so important as it was in former days. But so far as we are concerned we are willing to allow this monstrous piece of iniquity, as it appears to us, to be perpetrated on the country.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): We are willing to give you a try at it. Then if you demonstrate that the medicine is good, why, we will be only too happy to hear it, but we have very grave doubts as to this. However, there is one thing I do want to congratulate my hon. friends upon—that for once they seem to be about to give to the country a full dose of the medicine they have been advocating.

In order, Mr. Speaker, that our position may be understood and that there may be no mistake with regard to it, I move, seconded by Mr. Mackenzie (Vancouver) the following amendment:

That all the words after the word "that" be struck out and the following substituted therefor:

—the character of this bill is such as to transfer to the government the authority of parliament over taxation, which is contrary to the principles of responsible government.

Mr. RYCKMAN: To me, Mr. Speaker, this is a very interesting occasion, and the amendment has made it so. What have we found? During the short time that we have been dealing with this bill the member for Ontario (Mr. Moore) has commended every clause of it with the exception of one.

Some hon. MEMBERS : No.

Mr. RYCKMAN: I repeat, he has commended every clause of this bill with the exception of one.

Some hon. MEMBERS: No.

Mr. RYCKMAN: Another member has told us that legislation of this kind is necessary, always excepting, I grant, section 4. Now, Mr. Speaker, how ridiculous is this amendment. According to its language, it is contrary to all the rights of parliament that section 43 of the Customs Act should be amended as proposed by section 4 of this bill. Hon. gentlemen opposite voted for all natural products to be placed under the control of section 43; all of them. It was not then contrary to the rights of parliament to do so. The hon. member who has moved the amendment was one of those who sup-

ported the very bill which made the dumping clause applicable to all natural products. Was it contrary to the rights of parliament in that case to ask for such power? If it was not contrary then, when did it become so?

As has been stated, it is not expected that clause 4 will be invoked any oftener than it has been in the past; but we have declared that we are going to take care of this situation of unfair trade, we are not going to permit the continuance of unfair competition, and we deem that this section is necessary to effect that purpose. We hope that it will never have to be acted upon, simply because it is there. If it becomes law, and there is occasion for action upon it, we shall certainly invoke it. The hon. member for Edmonton (Mr. Stewart) has said that this is a monstrous piece of iniquity. That is strong language. I should like to know how the iniquity and the monstrosity of it are divided up between its application to natural products and its application to the additional goods to which we have extended it. As, I think, hon. members will appreciate, the situation is this. When on my feet yesterday I cited what I termed a stark case of prejudice or injury. I meant by that injury or prejudice staring the manufacturers and producers of this country in the face. In other words, a plain case of injury or prejudice. Now, I believe that hon. gentlemen opposite would desire to act in a case of that kind for the protection of our manufacturers and producers. I am sure we could desire to act in such a case. But when the necessity arose for action parliament might not be in session; the chances are it would not be. But instant action is necessary, therefore this power is sought, and I hope, as hon. gentlemen opposite hope, that it will never be invoked because there will be no occasion for it. So long as it is there I believe we shall find it unnecessary to bring it into anything like frequent action. But I resume my seat with this observation: It surprises me how all parliamentary procedure is shattered and how the rights of members and of the people are injured by this resolution, when we are adopting exactly the language of the right hon. gentleman's government.

Hon. IAN MACKENZIE (Vancouver Centre): As seconder of the amendment before the house, I would offer a few observations regarding the general principle of this bill. The other day it was my duty in this house to make certain remarks with reference to the voting of $20,000,000—not to the actual voting of the money but to the fact that parliament was forfeiting complete control over the manner of expenditure of that money. Certain elementary principles of parliamentary financial control were pointed out to this house by those of us who sit to your left, Mr. Speaker. Whereas the control over expenditures is deeply embedded in the principles of our constitution, the control of parliament over taxation preceded, by centuries, parliamentary control over expenditures in our British countries.

This legislation definitely deprives parliament of all control over our system of taxation in Canada. The fabric of our taxation system in this Dominion, as in other countries, is concerned with our revenues and expenditures. What is the situation? By section 4 we are delegating to the cabinet council of Canada the complete right and authority to fix valuation, without limitation, on any article whatsoever imported into the Dominion. I agree to the very utmost with the hon. member for Ontario (Mr. Moore) when he says that this legislation, if fully exercised by the Minister of National Revenue, renders absolutely unnecessary the two hundred odd changes in the Canadian tariff system introduced by the Prime Minister (Mr. Bennett) to the house this afternoon. The only argument adduced by the minister in defence of this legislation is the tu quoque argument; he says, "You hon. gentlemen when you sat to the right of the Speaker introduced a special section 43, or section 37a, whatever it may have been, and you gave the same authority with regard to natural products." Now, although I do believe that the fruit industry of British Columbia is in need of protection, I believe at the same time, with the hon. member for Assiniboia (Mr. McKenzie), that there may be far better remedies to meet the difficulties of the fruit growers of British Columbia than giving them the protection which is given by this government. I suggest that a reduction in freight rates and express rates would do far more good to the fruit growers of British Columbia than the spurious protection afforded by the peculiar orders in council of this government.

I am opposed to the principle of the old section 43, or 47a. I do not believe that parliament should give up its supreme authority and delegate it to any cabinet council, be it Liberal or Conservative, Farmer or Labour. What is the effect of this legislation carried to its conclusion? There may be—I do not say there will be but there may be—made to this council secret representations from special interests in the Dominion.

An hon. MEMBER: There will be.

Mr. MACKENZIE (Vancouver): Undoubtedly.

Mr. BELL (Hamilton): How do you know?

Mr. MACKENZIE (Vancouver): Because they have already been made; the hotels of Ottawa are to-day crowded to the roof with those who are making representations, and I say further that as a result of these representations there may be—I do not say there will be—drawn up some orders in council which, so soon as they are properly signed and approved by His Excellency, will become of force and effect and be the law of the land—orders in council giving protection or assistance to a few wealthy producers and manufacturers and adversely affecting one thousand, two thousand or ten thousand consumers throughout Canada who have not had a single opportunity of saying a word to the government.

My plea to the house is this: Leave the authority to parliament. Having been sent here by the Canadian people, we have obligations and responsibilities to them. It does not matter much which party claims our allegiance; the people who sent us here have placed certain obligations upon our shoulders. So far as I am concerned, therefore, not even to protect any industry in the country, not even the fruit industry of British Columbia, shall I stand for the infringement of the rights of parliament and for delegating to any cabinet, even the almighty, all-powerful Conservative government, the power which belongs to parliament.

An hon. MEMBER: Well, well.

Mr. MACKENZIE (Vancouver): It will not be well for the Canadian people after this legislation goes through. To me this is not so much Tory legislation as it is Soviet control in the Dominion of Canada.

Some hon. MEMBERS: Louder.

Mr. MACKENZIE (Vancouver): I hope hon. gentlemen opposite will not add to the poverty of their argument the intolerance of interruption. Let me assure them that I stand for the fundamental rights of parliament as established through centuries of struggle in the old land, and I suggest to the Minister of National Revenue that if he will consult the debates engaged in by the fathers of confederation when they were building up the fabric of our Canadian constitution he will not find any delegation by them to the executive council of parliament's right to supreme control over the system of taxation in this country. For these reasons, I agree with the hon. member for West Edmonton (Mr. Stewart) that section 4 is absolutely vicious and iniquitous in principle, and I object, therefore, to the legislation before the house inasmuch as it deprives parliament of its fundamental rights.

Hon. R. J. MANION (Minister of Railways): I wish to say a few words regarding the amendment which has been proposed by the ex-Minister of the Interior (Mr. Stewart, Edmonton). As I listened to the hon. member describing this as such an iniquitous measure, and pointing out that we were at least honest enough to give the people of Canada a dose of our own medicine, I could not help reflecting that he was satisfied, all the years he was over on this side of the house, to believe in one medicine and watch his own government giving the people a dose of another kind. He it was who, sitting about where I am sitting now, propounded some years ago the famous doctrine of the death knell of protection; yet while propounding that doctrine he sat here and supported year in and year out the government to which he belonged in bringing in protection to almost as great a degree as we have proposed it at any time.

The economic conditions of the world have been such in recent years that even such a free trade country as England has found it necessary since the war to bring in duties, and heavy duties, on very many different lines of goods. It is true that in England they do not call these duties protective duties but safeguarding duties. But the fact is that they have brought them in to the extent of 33⅓ per cent on many different lines of goods—I have forgotten the number—such as motor cars, cinema films and other lines. The number, says an hon. member, is 1,200; I do not remember what it is. At any rate they brought them in upon very many different lines, because even believing in free trade and practising free trade as the only country in the world to practise, they found it necessary to protect their producers to a certain extent, at least, from the dumping of other countries.

Mr. YOUNG (Weyburn): But did it do any good?

Mr. MANION: Yes, it did some good.

Mr. MACKENZIE (Vancouver): Is the hon. gentleman now referring to the McKenna duties or to the safeguarding of industries in the old country?

Mr. MANION: I am referring to the safeguarding duties, and my hon. friend from Weyburn asks whether they did any good. According to my reading of English periodicals —and I do read them every now and again at least—the only industries which have been prosperous in England since the war have been those industries—such as the motor car industry—upon which these duties were placed. I should like to point out now—

Mr. YOUNG (Weyburn): They impoverished England.

Mr. MANION: No; that came about because these duties were not extended far enough and because for over eighty years England has been permitting her industries to be ruined by the dumping of the surplus products of other countries. Her people have been thrown out of work and she has been put in the position where, as a free trade country, she has two million unemployed depending upon the dole. England has the greatest amount of unemployment existing in any country in the world, bar none.

Then, Mr. Speaker, the ex-Minister of the Interior (Mr. Stewart) who moved this amendment a few moments ago is the same hon. gentleman—and I say it in no unkind spirit at all, because I have a very friendly feeling towards him—who last year on this side of the house, apparently seeing that the duty upon furniture, for instance, which was 30 per cent, was not sufficiently high, allowed a regulation to be framed by one of the officers of his own government—not by a minister, not even by the government by order in council, but by a regulation of one of the officers of the department—which over night raised the valuation of furniture coming into this country by 40 per cent, and so far as I know that duty is still in effect. I am not criticizing the protective aspect of that action, but I am criticizing the inconsistency of the minister himself, who sounded the death knell of protection in words and who lived up the highest kind of protection in action. Now, because we are living up to the attitude we have taken throughout this country, the attitude which has been taken by my hon. leader and by his lieutenants from one end of the country to the other; because we are consistent in living up to that, the ex-Minister of the Interior says it is iniquitous and harmful and several other things which he told the house a few moments ago. Since we came into this house during this session, we have shown in a very short time that at least we intend to be consistent in the attitude which we have taken, and that we believe in living up to the policies we preached from the public platform rather than to preach low tariff or free trade on the public platform and then practise protection in the house. We intend to preach protection on the platform and to practise protection in the house, and at the same time we intend to see, as my leader indicated in a magnificent short speech this afternoon, that while we protect the manufacturer and other producers in this country they do not exploit the people behind that tariff wall.

That is the consistent attitude we take, and in conclusion may I point out that for the last ten days now in this House of Commons we have been bringing in measures which were proposed by the leader of the Conservative party on the hustings throughout this country. We have brought in the measures in connection with which the people of this country have given us a mandate, and we have brought in only those measures which were proposed by my leader and his lieutenants throughout this country. From every platform upon which my leader stood he propounded the doctrine that we must come to the relief of the unemployed. A special session has been called partly for that purpose, but in addition he took the attitude that we must so arrange the tariff of this country as to give an opportunity to the producers of Canada to give work to their people and at the same time protect the consumer from exploitation. That is what is being done, not only by the dumping clause in connection with which my hon. friend the ex-Minister of the Interior has moved this amendment but also by the budget, as the leader of the opposition termed it, which was brought in to-day by my leader. I believe this party has a mandate from the people of Canada; in fact I know we have an emphatic mandate to carry out these policies. I submit that hon. gentlemen opposite should take the attitude of differing from us, if they wish, but at least of giving the party on this side of the house an early opportunity of putting into effect the changes which they believe to be necessary and which they have been told by the people of this country to bring about. If these changes which we intend to put into effect do not bring about the result we say they will bring about, then we are open to criticism from the other side of the house.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I hesitate to repeat what I said yesterday in connection with the resolution upon which this bill is based. I think I stated then—or if not, I will state it now—that with the object and purposes of the bill I am in

hearty accord, and at the outset I have no hesitation in saying that with sections 1, 2 and 3 I am generally agreed.

The purpose of the measure, as was stated by the Minister of National Revenue (Mr. Ryckman), is to abolish the dumping of goods into this country. With that I am in accord. I also realize, from my experience as head of the Department of National Revenue for the last four years, that the dumping law as it now is on the statute books is not perfect and can very well be improved. The difficulty arises very largely, I think, from the interpretation of the word "dumping." Dumping, under the law as it stands now, technically means that goods are sold in this country at a price lower than that for which they are sold in the country of origin. To the average man on the street, to perhaps ninety-nine per cent of the people of this country and perhaps to a large percentage of the members of this house who have not made a close study of the meaning of the word, I think dumping means the importation of goods into this country which interferes seriously with the prosperity of our own producers. I imagine that is the meaning attached to the term by most of the people in this country but technically, under the act, it means the importation of goods into this country at a price less than they are sold for in the country of origin. There, to my mind, lies the weakness of the act, because as I said yesterday, goods may be sold in the country of origin at a price less than that for which they can be produced, and if so sold there is no dumping under the law.

I also enunciated this principle, for which I stand and for which I have always stood, that it ought to be possible for the manufacturer or producer of farm products, if you like, to be put in a position, through tariff adjustment we will say, which will permit him to sell his goods for at least cost plus a reasonable profit. I believe many hon. members on this side of the house are not in accord with that sentiment, but I have no hesitation in expressing my belief that it is in the interests of the Canadian producer and the Canadian people generally that where a manufacturer or producer of any kind is conducting a legitimate business efficiently and without waste, and without trying to take refuge behind tariff provisions, generally speaking he is entitled to be placed in a position where he can sell that product at cost plus a reasonable profit.

For that reason I am in favour of such legislation as may be brought in embodying that principle. Sections 1, 2 and 3 carry out that idea, to my mind, but as I said yesterday, in my opinion, section 4 goes further than it is necessary to go in order to abolish the practice of dumping. It was that section to which I objected. I urged the government yesterday not to go the length to which this section does go, because I am not sure whether the people of this country and the manufacturers themselves, or as a matter of fact whether all the members of the house are seized of this fact, that under clause 4 it will be possible for the cabinet or perhaps even the Minister of National Revenue alone, if he is given authority by the governor in council, the cabinet itself, to collect, to exact any duty whatever upon any commodity that enters this country.

Some hon. MEMBERS: Hear, hear.

Mr. EULER: Hon. gentlemen say "hear, hear." I do not object to the cabinet fixing the import price at a fair figure upon which the duty is assessed; but as the leader of the opposition said yesterday, tariff is a method of taxation as well as of protection, if you like, and taxation power should surely always remain in parliament. It is possible under this clause for the Minister of National Revenue, if he is given power by the cabinet, to take a commodity which, let us say, is billed into Canada at $1,000 at a rate of duty of 30 per cent, and to say that the value of that shipment is $4,000, so that in effect the rate of duty on the actual value becomes 120 per cent. I am not contending that the government would exercise such a power, but I will leave it to those who are listening to me whether the possession of power is not always a great incentive to use it to its limit, whether it be in the case of a commander of an army or a navy or in politics.

The point I desire to make is this: We should not go further than is necessary, especially since we know many people are entirely opposed to the principle. I would urge upon the government again to consider whether it is necessary to take such an extreme power, in fact to take away from parliament itself, because that is what we are doing, the tariff making power and the tax fixing power to the degree to which tariff is taxation. I contended yesterday that it would be quite sufficient if the government took power to fix prices at cost plus a reasonable profit. That would satisfy any reasonable man. It would satisfy even the manufacturers of this country if they could be assured that goods could not be imported at

a price less than the cost of production in Canada, if you like, plus a reasonable profit of 10 or 15 per cent if you choose. There is not a single manufacturer who would object to that and he would say: I am well protected against the importation of goods from countries which are operating under conditions much more favourable than those in my own if the goods can only come in at a valuation not less than the cost of production in Canada.

Mr. RYCKMAN: Did my hon. friend not support section 47a, that is this legislation, in relation to natural products?

Mr. EULER: That is the only argument my hon. friend has, and it has a certain force. I was going to come to that. He states in effect that a Liberal government in 1922 enacted what was then known as section 47a which gave to the government precisely this power to place a fixed value upon natural products. I tried to make it clear yesterday—and I think I was correct in what I said then—that that power was given in the case of natural products only, and the reason why it was not made an unlimited power, as this is, is that the cost of production of natural products cannot be readily ascertained; the prices fluctuate from day to day and it would therefore be impossible, when a shipment of vegetables or peaches or other fruit came in, for the customs officials to ascertain what the cost of that commodity was. That was the reason why the law was made absolute and without any restrictions whatever. I had not intended to say this but I may as well do so: Although that statute was placed upon the law books of the country in 1922 by a Liberal adminstration, it was never used by a Liberal government and the first use of it was made by my hon. friend who is now Minister of Trade and Commerce (Mr. Stevens). I might add further that the recent minister of National Revenue continued it for a short time.

Mr. BENNETT: And would have longer.

Mr. EULER: My argument, in brief, is this: I have no desire to vote against legislation that is intended to do the thing I want done, namely, to prevent dumping; but it is quite unnecessary to go to the length that this legislation goes. You will serve the same purpose; you will absolutely prevent dumping if you place a little restriction upon yourselves—I am speaking now to the members of the government—and instead of giving power to the cabinet or the Minister of National Revenue to place any valuation whatever, make the duty whatever you like, and perhaps alarm unnecessarily the consumers of the country without doing any good to the manufacturers, my proposal is to give the governor in council power to place a valuation no higher than the cost of production in Canada, plus, if you will, a small profit.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, as this is practically the first party vote to be taken this session I would like to say a few words in regard to the vote I propose to give. As I was elected as an independent, one would suppose that the first reaction or suggestion would be that I should support the government of the day on the theory that they should be given a chance to demonstrate or develop their policy. I give due weight to that consideration. There is also a consideration that I cannot ignore and that is the fact that there has been an election very recently, and some of the conditions that attached to that election stick somewhat in my mind. It might be said to have left a dark brown taste in my mouth. I say this with all due deference to the gentlemen composing the party who opposed me. Every known method, every possible method and some methods that were impossible were used to encompass my defeat. We found ourselves anticipating the prophecy made, I think, by Saint John in the Book of Revelations in that the sea apparently gave up its dead. Even the tomb contributed its quota, so much so that I found myself paraphrasing, I think it was the psalmist, and saying:

> Oh death, where is thy ballot?
> Oh grave, where is thy polling station?

Under those circumstances it would be perhaps only human if I showed my lack of appreciation of those methods by taking what is practically the first opportunity of voting against the government.

But there is a third consideration to which I have also to give some weight, and that is the pledge I gave to the electors who voted for me. The first plank in my platform was to the effect that in the event of the return to power of either a Liberal or Conservative administration I would pledge myself to support any constructive legislation they would bring down, provided it was in the interest of the district I sought to represent, and, generally speaking, of the province of British Columbia from which I come. It may be questioned to some extent whether the measure before the house is good constructive legislation. On the other hand it is certainly carrying out the policy on which my hon. friends opposite received a very large majority. Therefore in order to demonstrate to my elec-

tors that I am endeavouring to carry out the first pledge of the platform I feel justified in supporting the government on this occasion. I am quite aware that with the majority gained last night by the government, as an illustration of what they are likely to get in the future, they are entirely indifferent to the manner in which any member who is not a member of the government party may cast his vote. It would probably be better for the party if it had to pay a little more attention to the sentiments and wishes of the people represented by the groups in this corner of the house. It is a question, not of my relations to the government but of my responsibility to my electors and therefore I purpose on this occasion to support the bill before the house.

Mr. E. J. YOUNG (Weyburn): A number of speakers on this side of the house during the present debate have expressed their sympathy with the proposed legislation. They have been careful to state that they spoke for themselves alone; I wish to emphasize that point. They did not represent all the members on this side of the house; because there are members on this side who are not in sympathy with this legislation or any part of it. It may be true that many years ago the Liberal party introduced legislation somewhat similar to that now before us, but if they did they made a bad mistake. Some of us were never in sympathy with it.

Mr. CHAPLIN: The hon. member is wrong when he states it was many years ago; as a matter of fact it was not many years ago.

Mr. YOUNG: Some of us realize that we were called to this parliament to exercise certain powers, not to surrender them. However the very first act of the present government in calling a special session of parliament is to ask us to surrender practically all the control over taxation we have. That is not the function of parliament. All through the ages the very existence of parliament has been preserved by leaving in its hands the full control of taxation. This is Magna Charta year; in England this year they are celebrating the seven hundred and fifteenth anniversary of the signing of the great charter. Seven hundred and fifteen years ago the people of England met the king at Runnymede and compelled him to sign the charter.

Mr. BENNETT: Excuse me, it was the barons who brought him there.

Mr. YOUNG: The barons at the time fought the battles of the people. They laid down to the king certain rules and in effect they said to him, "This far you may go and no farther." This charter is still preserved in the tower, and in it is contained a statement to this effect: "Foreign merchants shall have safe conduct to enter England and to leave it, to buy and to sell, without the obstruction of evil tolls." There is no man in Canada who would be more ready to defend the rights of the people secured under the charter than the Prime Minister himself.

Mr. BENNETT: Hear hear.

Mr. YOUNG: Yet the very first act he proposes as a minister would give him the power to do the very thing which the terms of the charter stated the king should not do. He, the representative of the king, asks to do that very thing. Last night I took this bill home—

Some hon. MEMBERS: Oh, oh.

Mr. GEARY: Where is it now?

Mr. YOUNG: I wanted to find out whether in this bill the clauses were intended to make it possible to collect dumping duties as they have been illegally collected under the former section 47a. Studying the different clauses I was not sure as to the exact meaning, and in order to clear my mind I prepared a number of questions which I had intended to ask the minister. However the speech of the Prime Minister has dispelled all doubts in the matter. If I heard him rightly he intends to amend the dumping clause in such a way that the values provided for in this bill shall always be adequate reason for imposing the dumping duty in addition to the excessive duties which the government purposes to collect under this bill. Under the proposed bill the Prime Minister intends to raise values as high as he likes and thereby he may increase the duties in a similar way. In addition to that, because the values which he puts on are higher than the actual values of the goods, he proposes to add another 50 per cent of the value as dumping duty. He stipulates a minimum limit to the valuation which can be put on, but there is no maximum. It may be as high as the moon, but it cannot be lower than the fence. This is the legislation which the hon. gentleman asks us to support. I favour the amendment of the hon. the ex-Minister of the Interior (Mr. Stewart, Edmonton), that as this legislation proposes to deprive parliament of its rightful power we should not vote for it. May I close my remarks by saying that we will not vote for it.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker I wish to add a few

words to emphasize what already has been said by the member for Ontario (Mr. Moore) in regard to the use of the term anti-dumping by the hon. the minister in introducing this bill. This bill is in no sense an anti-dumping bill. The dumping provisions are contained in the Customs Tariff Act, and they are intended to provide for the payment of duties on valuations at least as high as the prices at which goods are sold in the country of origin. The provisions in this bill are such that the governor in council may require that the duty be paid on a price which is higher than the price at which the goods are sold in the country of origin. The former dumping provision is to see to it that Canadians pay as high a price as the citizens of another country wherein the goods are produced. The bill before us might have the effect that Canadians would have to pay a higher price than the citizens who live in the country of origin of the goods. I do not think it serves any good purpose for my hon. friend to introduce the term dumping or to give the country the idea that this is a bill against dumping. It is no such thing. It is simply an enactment for the purpose of providing that the government without any check or control by parliament may make tariffs to suit the situation or to suit their own particular tariff ideas. I think my hon. friend would be well advised to call a spade a spade and not try to justify this bill as an anti-dumping measure. It goes further than even the dumping clauses of the Customs Tariff Act. In that act there is at least some limitation on the amount of duty which can be imposed. The amount of duty which can be imposed shall not exceed 15 per cent, even when the importer has to pay as part of the duty the difference between the price in the country of origin and the price in this country. Under the proposed legislation, however, the sky is the limit. My hon. friend would be in a position to put on any valuation he thought fit. There are no limitations on their arbitrary power such as we find in other countries where there must be a recommendation from a tariff board before the executive can act. Neither is there any requirement such as other countries have that the duty imposed is to be not more than a certain percentage; in fact there is no limit whatever. I submit that the effect of this bill is to controvert just exactly what my hon. friend the Prime Minister stated during the recent election campaign to be the pledge of his party. In the Winnipeg speech he stated that when his party came into power they would effect the "stabilization of economic conditions."

Mr. BENNETT: Hear, hear.

Mr. RALSTON: And that they would prevent the "manipulation of home and foreign tariffs". These resounding phrases I now repeat to him. How can you have stabilization of economic conditions if it is within the power of the government to receive and act on applications from any importer or producer who may approach the government in secret and make representations to the effect that his particular industry is being injuriously or prejudiciously affected. Under such circumstances the governor in council without the intervention of parliament would arbitrarily fix valuations, which would have the effect of a sudden and unforeseen increase in the tariff and consequent increases in the price to the consumer. You cannot have economic conditions stabilized in that way. It may be that the tariff will be 10 per cent one day, 50 per cent another day, and 100 per cent another day, and in one industry the tariff may be 25 per cent, and in another, using the same commodity for another purpose it may be 75 per cent. There isn't much stabilization about that. Economic conditions cannot be stabilized in that way. That possibility, having in mind the phrase my hon. friend used, namely, the undesirability of the manipulation of home and foreign tariffs, should indicate to him how far he has gone from the mark of the pledges that he made in his Winnipeg speech. There could be no more glaring instance of the manipulation of Canadian tariffs than that which the government is now taking the power to make by obtaining the right to impose a special tariff on any article through an increase in the valuation.

My hon. friend the Minister of National Revenue has made the argument that the section so far as it applied to natural products had been enacted by those who are now on this side of the house. That is so. It has been explained a good many times in the debate that the natural products there referred to were difficult of appraisal. It was dealing with a special situation with regard to a very limited class of commodities. That is very different from putting the whole customs tariff into the hands of the minister and governor in council. I want to put on record what the right hon. Arthur Meighen said in the house when the section was being enacted although it only referred to natural products—I quote from Hansard June 22, 1922, page 3413:

> Mr. Meighen: I do not know whether this is fully understood or not by the hon. gentlemen to my left; but I admit it is fully understood by me. This provision is protection personified. This is the last emanation from the government that denounced protection two or three days

ago. For purposes of valuation the minister can fix the value where he likes, and any basis he likes, on any principle he likes, to suit any interest he likes, as low as he likes, as high as he likes, and when he likes. In a word, this simply puts into the power of the minister the whole elevation of the tariff of this country.

He was wrong in stating that it put into the power of the minister the whole elevation of the tariff, because that section applied only to natural products, but if the right hon. Arthur Meighen were here to-day I wonder what language he would apply to the enactment which is now the subject of this debate. This legislation provides for secret and arbitrary revision of the tariff, and for fluctuations in the customs duties which never can be regulated by the ordinary avenues and agencies of control that are a part of responsible government. I submit to my hon. friends that they are going a long distance, under the guise of unemployment relief, to submit a measure of this kind in a session which, as has been frequently intimated, must be short, with discussion at least to some extent limited. That haste and the excuse of unemployment relief are what makes it possible for the government to put through this unheard of tariff provision which if there were opportunity for full consideration and discussion would I believe meet with a very adverse reception from the country at large.

Hon. J. C. ELLIOTT (West Middlesex): I want to point out to my hon. friend the Minister of National Revenue (Mr. Ryckman) something which perhaps has been apparent to him, that he is now applying to manufactured goods, in fact to all classes of goods, what originally was intended to apply only to a class of goods which were subject to great fluctuations in prices; that is, to use the words of the section, to natural products of a class or kind produced in Canada. I ask the minister if there is any doubt about his right to say that for duty purposes any goods in any category may be valued at ten times their ordinary price. Is that correct?

Mr. RYCKMAN: It is, and it is not. It is if there is a case of injury or prejudice demanding instant action, and I can well conceive of such a case when parliament is not in session.

Mr. ELLIOTT: I think the discussion has made it absolutely clear that when this measure is passed the minister will have in his hands the power to make an entirely new tariff throughout all the schedules. He is not limited in any way. He is not limited as to the goods to which he may apply his excessive increases in the tariff. He is not limited even to ten times the present tariff rate. That, I submit, does away with all necessity for a budget or for increases in the tariff brought down to parliament as my hon. friend the Prime Minister has brought down his measures to-day. If the minister's interpretation a moment ago is correct, this gives him full power to make a budget and put it through, without any consultation of this house whatsoever.

Mr. RYCKMAN: Under certain conditions.

Mr. ELLIOTT: Under certain conditions as to which the minister is the judge, without the advice and assistance of parliament or any evidence that he might obtain through investigation by a tariff board.

Mr. RYCKMAN: The minister is not the judge; it is the governor in council.

Mr. ELLIOTT: May I direct my hon. friend's attention to this clause:

> If at any time it appears to the satisfaction of the governor in council on a report from the minister—

The governor in council acts upon the minister's report, and the minister is the judge, subject, of course, to being able to satisfy council.

Mr. RYCKMAN: If my hon. friend will permit me, if he will read a little further in that same clause he will find that it says:

> —the governor in council may authorize the minister—

The governor in council must be satisfied of the emergent and necessitous case requiring prompt action.

Mr. ELLIOTT: My hon. friend is correct as to that, but the point I am endeavouring to make is that the governor in council in this case acts not as the governor in council has acted in the past after an inquiry and finding by an expert board. Under this section the governor in council acts on report of the minister, and that is all that council have before them. Then they may multiply tariffs five or ten or twenty times, just as much as they like. They authorize the minister to fix it.

I am not going to labour the matter further. It has already been drawn to the attention of the minister and of the government what a very, very extensive power they are taking into their own hands when they take out of parliament the right to say what

the various duties on goods coming into this country shall be. I say that it is a wrong principle of legislation. It is much more far-reaching than any other legislation that has ever been introduced into this house. In view of the criticisms by the Right Hon. Arthur Meighen of the present section, limited in scope, relating only to natural products, which criticism has just been mentioned by my colleague, the former Minister of National Defence (Mr. Ralston), I can hardly imagine what Mr. Meighen would have said in regard to this section, which is absolutely unlimited in its scope. I want to express as briefly as I can, but at the same time in the strongest terms possible, my wholesouled opposition to this form of legislation.

Mr. C. G. POWER (Quebec South): Mr. Speaker, I do not wish in any way to intimate that I intend to support the bill, but I should like to make some criticism which I think may be constructive. I note that in the bill the minister does not show the same concern for the consumer that the Prime Minister purported to show in the remarks which he made a few moments ago. May I say in passing that I agree with some of those on this side of the house who have spoken and that I consider it absolutely iniquitous that such powers should be given to any minister. If I had the time and I thought it would interest my hon. friend the Prime Minister, I would read to him at great length from a book by one, Lord Hewart, on The New Despotism.

This section gives to the minister the right, on representations being made to him that the interests of a producer or manufacturer are injuriously affected, to fix the value; that is to say, to raise the valuation. Now, suppose it is discovered that the manufacturer or producer is taking advantage of the consumer and is exploiting him under cover of this act; I should like to ask the minister whether or not he has power to reduce that valuation. I fear that under this section he has not. I submit that he should not have this onesided power. I agree entirely with the hon. member for Ontario (Mr. Moore) that he who fixes the valuation on the goods coming in, or who has the valuation fixed to suit him, need not fear or consider what the rate of duty may be. Suppose some manufacturer in making representations to the minister and to council succeeds in having the valuation of some imported article raised, say, ten or twelve times above its real value, and it is found to the satisfaction of the minister and council that this manufacturer is taking advantage, exploiting the consumer; I submit that under this bill it would be impossible for the minister to remedy that situation for the benefit of the consumer. Therefore I would suggest that an amendment be introduced to make this bill at least a little less iniquitous than it is in its present form.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I had not intended to intervene in this debate, but I desire to point out to hon. gentlemen opposite that the conferring of a power does not necessarily imply its exercise. If my friends will keep that principle in mind and realize how it runs all through our system of legislation from the criminal codes downwards, they will understand why this section is inserted in the bill. Without mentioning any countries, it must have been apparent to hon. gentlemen this afternoon that one section of the new tariff act provides for possible prohibition of imports from certain countries. Between prohibition and appraisal of value there is a very wide gulf. The appraisal of all goods that enter this country is a complicated task, and successive adminstrations have found it difficult to deal with. Only this year it became necessary by an order of the commissioner of customs to appraise certain types of furniture at 40 per cent above the invoice price. That was done arbitrarily by an officer of the government acting under a section of the Customs Act. There was no other way by which he could meet that unusual situation, and so far as I know that regulation is still in force.

Now, without mentioning names, there has been great agitation in this country respecting imports from certain countries where the whole population is engaged in production—shall I say—under direction of the government and under circumstances that have brought about much discussion throughout the world. Prohibition is possible. Between prohibition and regulation there is, as I said a moment ago, a great gulf fixed. Appraisal may be absolutely essential in respect to some commodities, but none of the rules laid down in the statute as it stands is adequate to meet that abnormal situation, and the amendment of this section is just what would suggest itself to any reasonable person who had to deal with the problem in view of the fact that parliament had accepted the principle in dealing with natural products.

As I know too well, despotism and autocracy are words that are certainly very easy to use, but they describe conditions that

sometimes are very difficult to ascertain. The longer one has experience the more one realizes that in dealing with individual business matters there comes a time when you have to meet a situation beyond any known tabulation of conditions, and you find, because of circumstances over which you have no control, circumstances to which I alluded a moment ago, that it becomes necessary to confer a general power. Now, the conferring of that general power does not of necessity involve its exercise. And the abuse of that power will never be tolerated in a free democracy. That is reasonably clear. There are powers in our statutes conferring larger powers than these, powers that have been exercised since the very organization of our Dominion; but the fact that they have been exercised only once or twice in ten or twenty years demonstrates the necessity of having such powers when the necessity arises for their exercise.

I am the last person in the world to suggest that governments, other than parliament, should dominate in fiscal matters, either by despotism or by autocracy, but I do know as a plain man of affairs that in business unless some such provision is enacted there is no halfway house between freedom of imports at a relatively low rate of duty and prohibition. This is intended to meet that situation, that is all.

May I say further, Mr. Speaker, that our judges are given the widest possible power and discretion, they are given the power over life and death with respect to one of three offences under the criminal code. That discretionary power has been exercised but twice I think in relation to that offence over a period of sixty years or more. The conferring of the power involves its exercise in a reasonable way by the man entrusted therewith, and I do not think in looking over the history of this parliament that the exercise of the power conferred by the dumping clause has been abused. Does the hon. gentleman suggest that it was an abuse of that power when the regulating instructions were issued by the commissioner of customs raising the invoices on certain types of furniture by 40 per cent because a certain type of labour under certain well-known conditions was able to produce at what in this country would be regarded —shall we say—as pay for an hour instead of a day? How are you going to deal with those extraordinary cases except in this way? You have exhausted all the tabulation of conditions which it is possible to think of; and yet, reading the newspapers, everyone of us knows that there exists a condition which makes it essential that we should have power if we are to control the situation. Is there any other way to do it? I have followed with some degree of care what has been said. Last year I supported as strongly as I could—and the minister of the day rather adopted my view—the principle that it is desirable where orders in council are passed by the executive, pursuant to power conferred by parliament, that such orders in council should be published forthwith in the Canada Gazette, notice being thereby given to the public. The idea of secrecy in connection with this matter is, of course, entirely absurd. It is not so long since I was in opposition that I do not know what the duty of an opposition is; and I am bound to say it is being well discharged. But knowing as I do also that as plain practical business Canadians we must deal with the situation as it is, I believe that hon. gentlemen, looking back and then forward, will conclude, when they consider the amendment and their rather hysterical utterances, that they are conjuring up conditions which will never exist, and criticising adversely the exercise of an authority which I trust will seldom be exercised, but which is essential—I know of no other word—if as a matter of business we are to deal with a situation about which we read but which in this parliament we little discuss.

That is the situation as I see it. Certainly, at any rate, these are the motives behind the introduction of the legislation; and I may say, speaking for the government, that any suggestions that may be made to ensure publicity—because no one ever thinks of it in terms of secrecy—in the exercise of this power will be welcome. The same circumstances that compelled the Minister of Customs to act in regard to the furniture, that compelled the government of the day, as we may see from the speeches of the late Mr. Fielding and of the Hon. Mr. Bureau, to add section 47a to the Customs Act, are intensified by the conditions that exist in this country to-day in connection with trade and commerce, about which every member of this house knows, but which as a matter of international comity we do not discuss as it touches communities.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The assurances which the Prime Minister (Mr. Bennett) has given to the house that it is not intended to abuse the power which is being asked for are indeed welcome. But may I point out to my hon. friend that he himself personally will be in large measure, as, I assume, he feels, the security as to that promise being carried out.

Mr. BENNETT: No; I think the government of the day is the security, and the desire not to run counter to public opinion.

Mr. MACKENZIE KING: I do not doubt my hon. friend's desire not to abuse this particular power. But he may not always be in a position where he can exercise the restraint which he hopes to be able to exercise upon the ministry of which he is the head. Moreover, the legislation which is being introduced, if it is put into practice in accordance with the terms of the order in council already before the country and under which action has been taken, will leave in the hands, not of the Prime Minister but of the Minister of National Revenue, without any knowledge on the part of his colleagues, the power to alter the tariff in the way that may suit him best.

May I say the assurances that this power will not be abused would come with a good deal better grace from hon. gentlemen opposite if those assurances did not happen to come just at the moment when we have what is perhaps the most gigantic example of the abuse of power this country has known. Hon. gentlemen came into office on the assurance that they were going to call a special session of parliament for the purpose of relieving unemployment. They have already had passed, without anything more than reasonable criticism, an act with respect to the relief of unemployment—a measure of the kind, although different in extent from that which I imagine the public expected would be introduced. I do submit, however, that the public of this country had no idea, when my hon. friend said that he would call a special session of parliament to relieve unemployment, that he intended to make that special session one for revising the tariff upwards with respect to nearly all the classes of commodities that are named in the tariff. If he is prepared to take that course with respect to the verdict which the public gave upon his promise in regard to unemployment, I am afraid we can attach very little value to his words touching any assurance he may give us in minor matters.

The amendment which is before the house directs attention to the fact that the provisions of this bill take completely out of the control of parliament the making of the tariff with respect to all articles, provided that the ministry of the day wish to take advantage of their opportunities under the statute so to do. That any legislation of that character could be presented to parliament does seem extraordinary in itself. I said yesterday that there were two methods of making a tariff: one, by allowing parliament to make it in the regular way; the other, to have the governor in council given powers enabling council by means of determining valuations for duty, to make the tariff. We have both classes of procedure before us at the present time. It so happens that to-day the Prime Minister in his capacity as Minister of Finance has introduced amendments to the tariff in what, at a regular session of parliament, I should have said was a perfectly regular method of procedure and the one that should be adopted with respect to the tariff. We, on this side, however much we may disagree as to the results, cannot take exception to hon. gentlemen opposite bringing in legislation to raise the tariff. Those of us who were opposing hon. gentlemen opposite told the electors that while those gentlemen were promising to end unemployment and making innumerable promises on that score, no sooner would the election be over than the public, and particularly the farming community, would find, if hon. gentlemen opposite were returned, that they had returned to power a body of gentlemen whose immediate object and main purpose would be that of increasing the tariff. That prediction has been fulfilled, and as I say we cannot take exception to that fact inasmuch as hon. gentlemen opposite stated in the course of the campaign that they intended to revise the tariff. I think it was understood that the revision would be at a general session, though in fairness to my hon. friend I must say that when he was interrupted at one or two meetings he did say, "We will make changes in the tariff at the special session."

But while amendments to the tariff bill is the regular method, the other method, which is the one now being proposed and the one to which effect is being given under this legislation, is to take away from parliament the effect of any control which parliament may exercise by amendments made to the tariff. If these amendments suit the manufacturers of the country then matters will remain as they are. If they do not suit the manufacturers, if they do not suit the friends of hon. gentlemen opposite, then these same manufacturers and friends can come before the government, or rather the minister, and say: Notwithstanding the increases which you have given us in the tariff we are still being prejudicially affected by competition from abroad and we ask you now, under the powers of the governor in council granted by the amendment to the Customs Act, to increase the valuation and thereby increase the amount of tariff protection which we have. I say, Mr. Speaker, that having the two methods side by side we are enabled to see clearly

how far the one measure goes beyond the other and how, while following a regular procedure on the one hand, we are, on the other hand, giving to the governor in council powers which should be retained at all times in this House of Commons.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, since it happens that probably I shall have to cast a vote on this motion I should like to say something about it, and I should like to ask you, sir, to be kind enough to inform me what the amendment actually is. I am unlike some other hon. members of this house; I cannot really speak unless I know what I am going to talk about, and I have not heard the amendment. Would you be kind enough to let me know what it is?

Mr. SPEAKER: The main motion was for the second reading of the bill. The amendment is:

That all the words after the word "that" be struck out and the following substituted therefor:

—the character of this bill is such as to transfer to the government the authority of parliament over taxation, which is contrary to the principles of responsible government.

Mr. IRVINE: The whole point of the amendment, then, appears to centre on the pride of parliament in certain powers of taxation. I wonder if those who moved the amendment and those who have defended it are aware that if parliament is to be deprived of any power—then it is parliament which is depriving itself of that power if it should pass the bill now before parliament. When you get inside that circle you realize that parliament is going to be deprived of a power which it never possessed, either in the history of Great Britain or of Canada. Parliament never had any power; only the party in parliament which is in power has any power. If the hon. gentlemen who are supporting the amendment would say that under party government what the party in power wants becomes the law, I would not take any objection, but they seem to think that the power to make laws resides in parliament. What then is parliament? The word is used in a sort of abstract way to mean something wonderful, something sacred and marvellous. What is parliament? Parliament for practical purposes is composed of those who sit to right of the Speaker. In other words, what the party in power says parliament says; what it does parliament does, and that is the fact of the matter.

Now what is the difference between the passing of this bill which gives a minister the power to act in a given situation and the other course which I presume hon. gentlemen to my right are advocating? Let me put it this way: Supposing the bill passes, as of course it will pass, and that under the powers given the minister by that bill he finds occasion to take action in connection with say ten items that have been dumped into Canada.

Mr. CHAPLIN: Furniture, for instance.

Mr. IRVINE: Yes, furniture if you like. He takes action under this act. The other course would be to have him bring these ten matters to parliament and have them voted on ten times instead of voting on them once now. That is the only difference, because the same power which is passing this bill would pass the ten bills giving the minister authority ten times to act in connection with ten items instead of giving that power, all at once, to act on ten different occasions. That is parliament; that is the boasted power of parliament to look after expenditure. Who ever saw this parliament looking after expenditure? I have sat here for seven or eight years, and I never saw parliament have anything to do with expenditure. Everyone knows perfectly well that under our party system of government the party is dominated by the cabinet, and the cabinet, I hope, is dominated by the Prime Minister. Who dominates the Prime Minister? I am not clear about that. That is the system we are protesting we are about to lose.

I have one thing to say in favour of this bill. That is, so far as it applies to certain items which may be dealt with under the authority of the cabinet, it strips off that absurdity of parliament ever having power to deal with a certain situation, that is, considering parliament as consisting of all the members of the house being free to act as the measure before parliament should warrant, after intelligent consideration. We never had such a parliament as that, so I think this legislation will be good in that it will be very frank and will just say to the people of Canada, "We are doing what always has been done."

An hon. MEMBER: What we want.

Mr. IRVINE: Yes, doing as we want to do, just as the previous government did what it wanted to do, only perhaps with greater ability in window dressing and camouflage. That may be cynical, Mr. Speaker; I do not want to be a cynic, but unfortunately that is true.

I will not say more about that point, but will come now to the bill itself and to the amendment. I have heard hon. gentlemen to

my right, to-day and I think yesterday, state that we needed to stop dumping; I think I heard the ex-Minister of National Revenue (Mr. Euler) just say he thought it was necessary to stop this practice. So far as I am concerned I wish we had some of this dumping about which we have been hearing. I think it was the Minister of National Revenue himself who gave us an instance of hats which sold in some other country at $15 selling in Canada for 70 cents. I should like to get some of those hats, and I can assure you that neither I nor the people in my riding can be insulted by being inundated with $60 suits of clothes selling for $3.50 or boots in proportion. If there is any dumping of that kind I want it to go on, but I have never heard of such dumping; I never bought any of those hats; I never saw any of those cheap boots or suits of clothes.

If dumping takes place the consumer does not know anything about it; he pays exactly the same price for the dumped goods as he pays for the goods which are not dumped, and so all this talk about protecting the consumer in a matter of this kind does not apply at all. He never has been protected in that way. If dumping does take place—I do not know that it does, but I take the word of the ministers who have been administering the national affairs of this country—then somebody buys the dumped goods at the cheap price and sells them at the Canadian price, so the consumer knows no protection. He is not going to be jeopardized by the prevention of dumping any more than was the case before, because it will not make any difference in the price of the goods which he buys.

The next thing is that the bill before parliament is the only way to deal with the matter. Both sides of the house say it ought to be dealt with, but the opposition have not given us any other way of dealing with it. Frankly I do not see any other way of dealing with the matter; we cannot call a special session of parliament every time somebody dumps something into Canada. We must confer power of action upon somebody, and since it is agreed by parliament—I mean parliament in the true sense, because both sides of the house are of the opinion that something should be done—that some action should be taken, and since there is no other way to stop it, I do not really see what else we can do but vote for the bill.

However, just let us look at it for a moment. The Prime Minister has stated that the conferring of a power does not necessarily mean its exercise. I think we all saw the force of that argument. I am not sure whether it is good democracy, but it is good common sense in this parliament. This parliament, however, is not democratic. As a matter of fact, the power that is going to be conferred—and this is another angle of the subject—will be exercised only when very particular circumstances obtain. Since we know of no other way of dealing with those circumstances than by conferring power upon somebody to act, I do not think there is much to be gained by considering the amendment. This is the practical problem: according to the spirit and outlook of the amendment we want the government to tell us now what they are going to do in particular cases of dumping; but the trouble is nobody in parliament to-day knows who is going to do the dumping, where the dumping is going to be done or when. How then can we deal with it here? We have to confer power upon somebody to act when the dumping takes place. Then when he comes to parliament at the next session we can do all the criticizing we would do to-day were he now presenting his policy in particular cases. At that time of course his big strong party will vote him an O.K. and that will be all there is to that, just as it will be all there is to it now. So that while I should like to see parliament possess the power that the hon. gentleman who moved the amendment says it is going to lose, since it never did possess it and therefore cannot lose it by this legislation, and since it is agreed that dumping should be stopped and this is the only way anybody knows of stopping it, I do not see how I can do anything but vote for the bill.

Amendment (Mr. Stewart, Edmonton) negatived.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. LaVergne in the chair.

On section 1—Fair market value.

Mr. YOUNG: In regard to clause 1, I notice from the italics on the opposite page that certain words have been left out:

Provided that a discount for cash for duty purposes, shall not exceed two and one-half per cent and shall not be allowed unless it has been actually allowed and deducted by the exporter on the invoice to the importer.

Why have those words been left out?

Mr. RYCKMAN: The inquiry is a natural one. I made the same inquiry myself and I was told that the administration of that clause caused more trouble and difficulty of interpretation and also of execution than anything gained by it.

Mr. YOUNG: Because it was a little trouble for the officials of the department to administer that clause they propose to raise the valuation another two and one-half per cent and in the same way raise the duty to that extent. Is that correct? Further on in the same clause it reads:

> Such value in no case to be lower than the selling price thereof to jobbers or wholesalers generally at the time and place of shipment direct to Canada.

In other words, I understand this clause to mean that the minister can fix a value as high as he likes, but in no case shall he fix it below a certain figure. Is that correct?

Mr. RYCKMAN: I do not so understand it. The clause means just what it says.

Mr. YOUNG: It says that in no case shall the value be lower than the selling price to jobbers or wholesalers generally.

Mr. RYCKMAN: As I told my hon. friend yesterday, the term "fair market value" is defined in section 35. If my hon. friend will read section 35 and the amending sections, I think it will be quite clear to him that what he said is not possible.

Mr. GARDINER: Would the minister explain how one would determine the fair market value?

Mr. RYCKMAN: I would determine the fair market value by referring to section 35 of the Customs Act.

Mr. GARDINER: What part of that section does the minister refer to? The first portion?

Mr. RYCKMAN: I will read it to my hon. friend:

> 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.

Mr. YOUNG: The proviso that attaches to that reads:

> Provided that the value for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable advance for selling cost and profit, and the minister shall be the sole judge of what shall constitute a reasonable advance in the circumstances and his decision thereon shall be final.

I take that to mean this; that the minister shall find out what it costs to produce the goods in the country of origin; he shall add to that what he considers a reasonable cost for selling and profit and then he shall determine on that basis what will be the value of those goods for duty. In other words, this is a provision which gives the Minister of National Revenue of Canada power to use our Customs Act to guarantee the profits of foreign manufacturers.

Some hon. MEMBERS: No, no.

An hon. MEMBER: That is your conclusion.

Mr. YOUNG: And a sound conclusion from the wording of the bill. I want to repeat that point: the minister is going to go to the foreign manufacturer and say to him: It costs you so much to produce that article; to that cost price you must add selling cost and a reasonable profit and you will not be allowed to sell that article to a Canadian consumer for less than that price. In other words, by this legislation the minister takes power to guarantee the profits of foreign manufacturers at the expense of the Canadian consumer.

Mr. GARDINER: Might I ask the minister what his interpretation is of the expression "reasonable advance for selling cost and profit"?

Mr. RYCKMAN: I am sorry I cannot give my hon. friend a more definite answer. The action of the department would depend upon the circumstances of the instance before it for decision.

Mr. GARDINER: Would the hon. minister first of all ascertain the production cost of imported goods in the country of origin and, having those figures before him, determine what would be the reasonable selling cost in order to make a profit? Will the minister give the committee any intimation as to what that reasonable profit and selling cost would be?

Mr. RYCKMAN: It would differ in different circumstances. One or two per cent might be a proper percentage to add for selling cost; on the other hand an addition of 10 per cent might be necessary. As my hon. friend knows it depends upon the specific case, and it must be apparent to him that that information is not collected directly by the minister. The department now has machinery for investigating the cost in foreign countries, and that machinery is in operation. I hope it will not be necessary, but as I said yesterday if it is required more machinery will be put into operation, the work will be undertaken and the statute administered.

Mr. GARDINER: Would the minister give examples of what he would consider to be

the different circumstances upon which he would base a reasonable profit, plus the cost of selling? If he would give that explanation we might understand a little better.

Mr. RYCKMAN: I want to point out that in answering such a question I am merely taking one case out of very many; each case is different. The one I have in mind refers to new or unused goods. Supposing those goods as I mentioned yesterday were placed in a storehouse to anticipate a market and that the transaction was of such a character that it would amount to unfair trade; depending upon the nature of the goods an investigation would be made as to their probable cost. Such investigation, no matter what article might be in question, would not be accurate within a few cents, but it would be the best information of the department as to the cost of those particular goods. In some cases 5 per cent would be a proper profit and in some cases 20 per cent would be proper.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. RYCKMAN: I understand that the hon. member for Acadia desires me to answer a question that he put to me with regard to how, under this section, the cost of production, plus a reasonable allowance for selling costs and profit, would be determined. I would say to my hon. friend that there is no manufacturing business I know of whose units of manufacture are not valued in costs. To be specific, take a rubber tire, for instance. There are men in every rubber tire industry who can tell you how much rubber there is in a tire, how much cotton, how much should be allowed for labour upon that tire, and what would be a fair allowance for overhead. They can tell you what that tire should cost when made. My hon. friend could take any new tire off the street and hand it to one of these men, and he could tell him within a very narrow margin what was the actual cost. So far as the selling cost is concerned, my hon. friend will realize that if goods have been put into Canada in store and are then sold to one party, the selling cost is naturally much less than it would be if those goods had to be taken over the length and breadth of Canada and sold. So it is impossible to say what the selling cost would be without some idea of the necessary effort that is required to make sales; but if that were known, it could be taken into account. There are cost accountants in connection with every manufacturing business who will give you the facts in relation to all the costs that govern business in its conduct of manufacturing.

Mr. GARDINER: There is only one point which the minister has missed, and that is what is a reasonable profit?

Mr. RYCKMAN: It is not difficult to answer that question if one knows the circumstances surrounding the manufacturing. For instance, a manufacturer using hydro-electric power can produce more cheaply than a manufacturer who uses steam power, and what would be a fair profit in some cases would not be a profit at all in others. To get back to the specific instance which my hon. friend wants, if this tire of which I have spoken totalled for rubber, cotton, cost of labour and overhead, the sum of $8.90, I think a fair allowance would be 10 per cent. I mention 10 per cent because I had in mind when I addressed the house yesterday and said that a manufacturer is very glad to have a chance to get his profit out of the last 10 per cent of his sales.

Mr. GARDINER: Of course, the difference in cost of production as between the man who uses steam power and the man who uses hydro-electric will be taken care of in the costs, and the minister's argument in that regard has no bearing on the question of profit. May I ask a further question? It is only natural that the manufacturers want a profit on their investment. Would the capital invested be taken into account in determining what was a reasonable profit, and if so, will watered stock be also considered?

Mr. RYCKMAN: I do not wish the hon. gentleman to make a case out of me on watered stock. I will tell him frankly that all the cash assets, the actual value in cash, inventory, bills receivable, everything that goes to make up the asset side of an annual statement, are taken into consideration. They are supposed to earn a fair interest upon their money, and the regret at the present time is that they are not doing it. But I fully agree with the hon. gentleman, if it is in his mind, and I think it is, that there should not be any large dividend paid on watered stock.

Mr. GARDINER: Will the minister permit any dividend at all to be paid on watered stock? He rather qualified his statement. Further, if the minister has reason to investigate these companies and finds in certain cases a great deal of watered stock, will he on some future occasion transmit that information to the house.

Mr. RYCKMAN: In common parlance, I think it may be said that my hon. friend is trying to take a rise out of me. I think I have indicated fairly well how this section will be administered. It will be administered absolutely fairly, with the plain idea of arriving at the true situation. I do not propose to make these valuations myself, but I shall pass upon them, and I would like to be shown how the figures are arrived at. I hope that my hon. friend will allow me to dismiss the subject by saying this: I could take him to gentlemen not far away from where he lives who will undertake to give a reasonable summary and conclusion with regard to the cost of any article that is manufactured in Canada and known as such.

Mr. YOUNG: Last night I asked the minister this question:

If the foreign manufacturer is selling goods to us at the same price that he is selling them to his own people, does the minister intend to shut his goods out?

The minister replied as follows:

I think that is fair trade. If he does in his own country what he does in our country, who is to object?

That is to say, the minister could find no fault with it.

Mr. RYCKMAN: If the hon. member will permit me? To clarify this matter, later on I said the two situations had to be balanced. For instance, selling at the same price, wholly disregarding freight and insurance, will not do.

Mr. YOUNG: I am quite willing to make allowance for that, but the point is this: the foreign manufacturer, finding himself in difficult times, cuts the price of his goods to the point where he is not making what this section would call a reasonable profit; he cuts the price of his goods in his own country and abroad. He ships his goods into this country, and under the provisions of this bill they would be subject to this arbitrary valuation. The minister said, in the answer he gave last night, that he saw no objection to a man doing that. Then if there is no harm in the foreign manufacturer selling goods in this country as cheaply as he is selling them at home, why the necessity for this clause?

Mr. RYCKMAN: I must give the same answer I gave last night. So long as it does not amount to unfair trade it is all right; but so soon as it amounts to unfair trade, that is, just so soon as it strikes at the honest trade of this country, I repeat what I said last night, it is all wrong and I am opposed to it.

[Mr. Gardiner.]

Mr. YOUNG: I understand then the minister definitely states that so long as the foreign manufacturer treats our people on exactly the same basis as he is treating his own, this arbitrary valuation will not apply?

Mr. RYCKMAN: I think, Mr. Chairman, that I have answered the hon. member's question.

Mr. YOUNG: I should like a definite statement on that because the point will come up many times after the bill goes into force.

Mr. RYCKMAN: I have already made a definite statement upon it.

Mr. YOUNG: I should be glad if the minister would make it a little more definite.

Mr. GEARY: If something is definite how can it be more definite?

The CHAIRMAN (Mr. Bell, Hamilton): Shall the section carry?

Mr. YOUNG: No, Mr. Chairman. Last night I asked the minister if he would produce full particulars of cases of actual dumping that had been practised in this country.

Mr. RYCKMAN: I inquired of the department and they told me there were thousands.

Mr. YOUNG: His name is legion. We want his name. I did not ask how many cases of dumping there had been, I asked for specific cases. Hundreds of cases of alleged dumping have come before the tariff board, but when they were investigated the accusers invariably backed up and said: "It is hard to prove it." They had no proof for their allegations. Only one genuine case of dumping was ever revealed before the board, and that was where a Canadian manufacturer had been dumping his goods into the United States. When people say "there are thousands of cases of dumping," we should know whether it is actually going on or not. We have a right to know whether goods are really being dumped into this country. Will the minister bring down a few of these thousands of cases? Surely if he has thousands of such cases he can bring down two or three of them for our consideration.

Mr. PICKEL: Mr. Chairman, I represent a farming constituency in the eastern townships and I can cite an instance of dumping. The Brome lake duck farm operating at Knowlton, Quebec, have experienced the evils of dumping. Their breeding period is about six months of the year; in the New Jersey, Long Island and other points south they have a ten or eleven month breeding period. Last

April, just when the price of ducks was 28 and 29 cents a pound, the American producers shipped four or five carloads into Montreal at 18 cents a pound, getting rid of their old products as their new came on the market. That is one case in point from my constituency.

Mr. YOUNG: Let us get down to particulars. Let the hon. member give the house the name of the shipper. He says the price of ducks was 28 and 29 cents a pound. Where, in Canada or the States?

Mr. PICKEL: It was 28 and 29 cents a pound in Canada and the States at the time. As I understood it, Mr. Chairman, they shipped one carload to Chicago at 18 cents a pound, and then, having established the fair market value, they commenced dumping their product into Canada.

Mr. YOUNG: They slashed the price in the States as well as in Canada. Here we have it again, the price was cut there as well as here. The goods were no more being dumped here than they were being dumped there. Let the hon. gentleman give us a genuine case now.

Mr. PICKEL: That is a genuine case, and that dumping was injuring our producers.

Mr. YOUNG: The definition of dumping, as given by the minister yesterday, said nothing about injuring our producers. As defined by him as set out in the customs tariff, dumping means selling goods in this country cheaper than they are being sold in the country of origin. Nothing is said about injury to producers. That constitutes actual dumping. We want genuine cases of such dumping. Will the minister furnish us with a few genuine cases with the particulars?

Mr. RYCKMAN: I suggest to my hon. friend that at some time when he feels the need for a little exercise he walk to the Connaught building and just say: On the floor of the House of Commons it was stated there were thousands of cases of dumping brought to the notice of your department; please give me a few specific cases. I have no doubt they will produce the necessary particulars.

Mr. YOUNG: That is not evidence.

Mr. RYCKMAN: I am the judge of that.

Mr. YOUNG: The minister is the judge of everything. I think the bill says he shall be the sole judge of the value of these goods. Although the minister yesterday stated that the valuations would be reviewed by council, this section says that the minister shall be the sole judge. However, he did give us the definition of dumping yesterday, which, as I said before, means the selling of goods at lower prices in this country than in the country of origin. If I understood him yesterday the government are going to amend the definition clause. Will he give the house the definition as it will be under the new legislation?

Mr. RYCKMAN: The legislation may not pass.

Mr. YOUNG: I hope it does not pass, but I think the chances are it will. He might give us the new definition of dumping.

Mr. RYCKMAN: I refer my hon. friend to the statute. Surely he is able to interpret it for himself.

Mr. YOUNG: I have not seen the amended statute yet, but it was read by the Prime Minister to-day. I would gather from what he said of the proposed amendment that in future dumping will consist of shipping goods into Canada at a lower price than the Canadian manufacturer is willing to accept for similar goods.

Sections 1 and 2 agreed to.

Section 3 agreed to.

On section 4—Valuation of imports prejudicially or injuriously affecting Canadian producers.

Mr. GARDINER: This, Mr. Chairman, is the most vicious section of the whole bill. It places in the hands of the minister a power which I think is far too great. There is not much possibility, of course, of securing any amendment of it, but in view of the statement the Prime Minister made this afternoon, that the consumers of Canada would be protected in the event of anyone taking advantage of the higher duties, I should like to have the minister's comment on a telegram which I am going to read. I desire to know whether he has taken any action towards protecting the people so far as fruit is concerned. The prairie provinces depend very largely upon British Columbia for their fruit; they cannot grow certain classes of fruit on the prairies and consequently must buy it from outside. Fruit is a very important part of the people's diet and therefore the cost is a matter of importance to them. When this government came into power they passed an order in council which permitted the distributors of fruit to raise the prices. Some cases have been cited on the floor of the house already, but I am going to read this telegram

and base a question upon it. It comes from Mr. N. D. Morrison, and is addressed to myself:

Chinook, Alta., September 10, 1930.

Collholme local unanimously protest against the wholesalers taking advantage of the tariff in raising the price of fruit. We pray you use your influence in interest of consumer so Mr. Bennett may be able to fulfil his promise and not perish in the attempt.

An hon. MEMBER: How many inhabitants are there in that place?

Mr. GARDINER: It would make no difference if there were only one person; so long as he is charged an extra price his complaint comes within the promise made by the Prime Minister. Now, has the minister made any investigation into this situation, more particularly as it affects the prairies? If so, what is the result? And if he has not made any investigation, what does he propose to do in view of the promise which the Prime Minister made to the house that prices would not be raised as a result of increased duties?

Mr. RYCKMAN: I have made no investigation. I repeat what I said yesterday: the paeans of praise are twenty to one. I am safe in saying that; I use the same expression I used yesterday. I have heard from the west, from British Columbia, and I have heard from the east, approval; and while I have not looked into the matter I can repeat what I said yesterday, that I have had only one complaint, which I did not understand to be from a consumer. I understood it was from one who was engaged in the fruit business, and naturally, upon legislation such as this coming into effect, and suddenly, there was bound to be some inconvenience and probably temporary loss. But the result in benefit would far outweigh any disadvantage. As a matter of fact, I told my colleagues—and I do not think they need to be told by me—that putting into force a regulation of this kind, an order in council stating prices, would naturally be followed at first by some inconvenience and some loss. But I can tell the house, as emphatically as anything can be stated, that the result of this action, so far as I have been able to learn, has been approval and praise. Coming now to the case which my hon. friend cites, let me state most emphatically that if it turns out that advantage is going to be taken of the situation it will very soon be remedied.

Mr. POWER: How will the minister remedy it?

Mr. RYCKMAN: What remedy would occur to my hon. friend? If it could be shown that the increase in duty was taken advantage of to raise prices, we could remove the duty.

Mr. POWER: And if it were a valuation?

Mr. YOUNG: Why don't you do it?

Mr. RYCKMAN: We have not done it because up to the present time the balance shows clearly not only a benefit but a great benefit.

Mr. VALLANCE: What would the minister regard as a protest from the consumers? Would he consider the telegram just read a protest?

Mr. RYCKMAN: I would understand that the hon. member for Acadia was producing a protest, but it has not been sent to me; I should like to see it.

Mr. VALLANCE: Now that it has come from the hon. member for Acadia, will the minister consider it a protest?

Mr. RYCKMAN: I will consider it.

Mr. VALLANCE: And have it investigated?

Mr. RYCKMAN: I will find out what it contains. And in that spirit we tried to find out what was in the protest of the hon. member for Provencher (Mr. Beaubien). With that in view a telegram was sent to Kelowna, British Columbia, making inquiry, and this is the answer received by the hon. member for Yale (Mr. Stirling):

Replying query Beaubien's statement respecting imported pears may have been correct but B.C. still has pears to sell at low prices which have not advanced since tariff became effective. Moreover opening prices MacIntosh apples set this year are lowest in history. In the last analysis it is consumer's ability to purchase contrasted with supply that must govern us.

Mr. MACKENZIE KING: In the explanatory notes it is stated that the words which are new are underlined. It is interesting to see the effect of the underlining in this section. If one confines oneself to reading the words which are underlined, and without changing the text save by adding the word "value," to make it intelligible, it reads: "goods of any kind—manufacturers—fix the value—of any class or kind of such goods." Does not that just about describe the whole purpose of the section? I said the other day that parliament was parting with its powers to the governor in council, and the governor in council was in turn parting with its power to the minister. But

it now appears that the minister is parting with his power to the manufacturers, and that what may take place under this section, with respect to goods of any kind, is this: The manufacturers may say they are injuriously or prejudicially affected; **as a result,** in regard to goods of any class or kind mentioned, the value will be fixed to all intents and purposes in accordance with their wishes. If that is not the effect of the section, I wish the minister would say what is. It seems to me that, in the form in which the bill is presented, the effect will be as I have suggested.

Mr. MANION: Was it the manufacturer who fixed the value of pears and apples?

Mr. MACKENZIE KING: No, up to the present time no manufacturer has had a right to interfere. But after this bill goes into force they will be the persons waiting on the minister.

Mr. MANION: Not for fruits and vegetables.

Mr. MACKENZIE KING: The minister says he has had telegrams of congratulation. I venture to say that every one of them has come from a manufacturer. So far as the consumers are concerned they will be experiencing more than ever the need of every cent they have in order to purchase commodities, and they will not wish to waste money on telegrams.

Mr. RYCKMAN: My right hon. friend is nearly as much astray in this regard as he was in the election. I have not had one line from the manufacturers, either by telegram or by letter; but since I have been on my feet, and only a moment ago, I have had put into my hand a letter addressed to the hon. member for Saskatoon (Mr. MacMillan), from the Western Grocers Limited, wholesale grocers of Saskatoon. Where is Saskatoon? The letter reads:

Dear Sir,

We have been going to write you and ask you to convey to your government at Ottawa our appreciation of the new customs regulation on fresh fruit imported to Canada.

We are solidly behind the marketing of Canadian fresh fruit from British Columbia and Ontario, and we have been boosting Canadian grown fruit during the present season.

Mr. BROWN: Are they consumers?

Mr. RYCKMAN: This is from Western Grocers, Limited; I do not know them at all. The letter continues:

The reason we did not write you a little earlier was to wait and see if the British Columbia or the Ontario Shippers intended to take any advantage of the protection which your government had given them in connection with the marketing of fresh fruits and vegetables in Canada.

We are in receipt of a letter from one of the principals of the largest shippers in British Columbia, stating that it is not their intention to advance prices on British Columbia grown fruits in view of the new customs regulations and tariff, and we thought, therefore, that the time was now opportune for us to write to you and tell you that we approve of the action you have taken in connection with these commodities.

Probably you are not aware of the fact, but we are rather extensive handlers of fresh fruits and will market in the Saskatoon district during the month of September between fifty and sixty carloads of fresh fruits and vegetables, and this will be an indication to you that we are probably enjoying a fair share of the distribution of these products in this market.

So far this year we have not imported any competitive lines of fresh fruits into Canada, but have continually bulletined our customers to await the arrival of the British Columbia and Ontario fruits and to keep their money at home and make Canada more prosperous by so doing.

Mr. VALLANCE: I should like to ask the minister a question, now that he has read a letter presented to him by the hon. member for Saskatoon; I wonder if the hon. member for Saskatoon has had any such letter from the rural portions of his constituency. I should like also to ask the minister a question in connection with that letter. When he was reading it I noticed that there were two pages to it; would the minister mind reading the other page of the letter?

Mr. RYCKMAN: Who said something about suspicion? The letter continues:

We appreciate that no doubt you and your government are having many arguments put up in connection with the new tariff arrangements, and no doubt you are being criticised severely for the action you have taken, and we thought it would not be out of place to write and tell you that we are behind you in your move.

Mr. VALLANCE: I think the minister will agree—

Mr. HANSON: That will do for you now

Mr. VALLANCE: No, it will not do for me. I think the minister agrees that the individual or group of individuals responsible for that letter expected that the other portion of the city of Saskatoon would raise some objection, and it was rather in a way just patting the minister on the back and saying, "Pay no attention to them." I should like to ask the hon. member for Saskatoon to say something with regard to the letter he has presented to the minister, as to whether the constituency of Saskatoon outside of the

city, which is the largest distributing centre in northern Saskatchewan, approves of the letter which has been just read.

Mr. MacMILLAN (Saskatoon): Mr. Chairman, I can answer my hon. friend's question. I have received no letter from anyone else in the city of Saskatoon or the constituency which I represent. I did not know this letter was coming; I did not ask for it, but I did tell the people throughout the whole election that I was behind our leader in his tariff proposals and more particularly as they applied to fruits and vegetables.

Mr. VALLANCE: Well, Mr. Chairman—

An hon. MEMBER: Sit down.

Mr. VALLANCE: I will sit down when the Chairman tells me to sit down. I should like to ask the member for Saskatoon, now that he has heard from the city of Saskatoon, whether he has had any intimation from the United Farmers of Canada, Saskatchewan branch, to the effect that they are in accord with what this government proposes to do. I will also ask the Minister of Agriculture if he has heard anything from the province of Saskatchewan, from the people whom he represents in this house, commending the action of this government.

Mr. HEENAN: Mr. Chairman, the Prime Minister stated to-day that he had a mandate from the people to put this legislation into effect. I agree that he has such a mandate, but when he was before the people he promised to protect not only industry but the consumers and the labouring men as well. This legislation is a protective measure, but I do not see any section in it which is designed to protect the labouring men of Canada. Up until last session I had thought that questions of hours and wages were matters coming under the jurisdiction of the provinces, but I must confess that my eyes were opened by the attitude of hon. members opposite, when they were in opposition last session, who showed me a way of getting around constitutional objections. The leader of the opposition himself, now Prime Minister, suggested an amendment while a tariff measure was going through the house, although for reasons known to every member of the house the amendment was not adopted. However, since the Prime Minister on that occasion offered an amendment having to do with hours of labour and fair wages, I wonder if it would be asking too much of the Minister of National Revenue to accept a suggestion at this time that he incorporate in this measure some sort of protection for the labouring men. I drew up such an amendment, not for the purpose of moving it but for the purpose of offering it as a suggestion, as my hon. friend the Prime Minister did when in opposition last session. It reads as follows:

> The governor general in council may direct from time to time any industry, the products of which receive protection under this act, to demonstrate to the satisfaction of the governor general in council that there is maintained in the operation of such industry freedom of association for all lawful purposes, hours of labour and rates of wages consistent with the provisions of the labour part of the treaty of Versailles executed in Paris, France, on June 28, 1919.

I want to send a copy of this to the Minister of National Revenue, and I would suggest to the Prime Minister that he take note of that suggested amendment and place it in his tariff measure, since the resolution which he presented this afternoon does not protect Canadian labour. It does say in effect that on some goods or commodities coming into this country, we shall be protected against cheap labour in some other country. But it in no manner protects Canadian labour with respect to freedom of association or the matter of wages and hours. My conception of what the Prime Minister promised the labouring men of Canada was that he would protect them in every way possible. The suggestion that I have made provides freedom of association because we have in this country many industries which we are about to protect by the passage of this measure but which refuse freedom of association to their employees. In fact they dismiss men for joining the unions and we have evidence on that score. This is one opportunity, if ever we had one, when we are protecting everybody, of seeing to it that the provision of the Versailles treaty in respect to the eight-hour day is carried out in its entirety throughout Canada. Consequently I offer that suggestion to the Minister of National Revenue.

Mr. VALLANCE: While the Prime Minister is conferring with some of his group regarding the suggestion of the ex-Minister of Labour, may I ask the Minister of National Revenue whether he would mind giving if possible the date of the Saskatoon letter presented to him by the hon. member for Saskatoon, and whether he would do me the courtesy of handing the letter to me, because I am of opinion that the letter was not all read.

Mr. ARTHURS: I am glad the ex-Minister of Labour, the hon. member for Kenora-Rainy River, has risen in connection with clause 4 of the bill. I have in my constituency an industry which might be benefited

by the passage of this clause. We have in Canada an industry known as the wood alcohol industry largely run by the Standard Chemical Company of Canada which produces certain chemicals and also charcoal. This is one industry which is perhaps not allied directly with labour in the sense that the ex-minister has spoken, but the product of which is composed of at least from 75 to 90 per cent of labour. In the first place there is the production of the wood from the forest, the drawing, the necessary rail haul to the plants and the production of the commodity which, as I said before, is largely charcoal. I have in my riding three or four of those plants and many other hon. members are also interested in this industry. These plants are practically closed down at the present time because a certain other country has placed what I might call an entirely prohibitive duty on one of the products of these plants, namely, calcium acetate. The duty placed on this product by a neighbouring country involved a reduction of $2 a cord in the price of the wood necessary for those plants. In addition to that we are at the present time importing from the republic to the south 40 per cent of our total consumption of charcoal. In view of the fact that the product of these mills is totally Canadian and that of the entire cost of production about 80 per cent or more is distributed in labour, I commend the action of the government in the passage of a measure which may in some degree help this industry in Canada.

Mr. ELLIOTT: Has the minister considered the method which will be adopted in fixing the value for duty of the class or kind of goods that were not formerly included in the section which has been repealed and for which this section has been substituted? In other words, it formerly referred to natural products of a class or kind produced in Canada, whereas it now refers to all kinds of goods. The main difference is manufactured goods. Will the minister be good enough to tell us whether he has considered the method which will be adopted for fixing the value for duty of manufactured goods?

Mr. RYCKMAN: As is elsewhere provided in the act from section 35 on.

Mr. ELLIOTT: Perhaps my hon. friend will tell me what the method is, if he has decided upon one, of fixing the value?

Mr. RYCKMAN: This measure, as I have so often said, deals with the fair market value, and that we shall be able to fix.

Mr. ELLIOTT: But I am asking my hon. friend how he will fix it. Has the method to be adopted been considered? Does my hon. friend know what method will be adopted? So far there has been no act with respect to fixing the market value of the goods that are now included in this section. If he has considered the method he is going to adopt, will he be good enough to tell us what it is?

Mr. RYCKMAN: The matter has not been considered, but the language of the section is that in the case of any goods authority shall be given by the governor in council to the minister to fix the value for duty on such goods, that notwithstanding any other provision of this act, the value so fixed shall be deemed to be the fair market value of such goods, and the duty shall be calculated thereon as provided for in the tariff act.

Mr. ELLIOTT: I have been able to read that in the bill, but what I would like to know and what I have not been able to learn from the bill is how the value will be fixed. I had hoped that the minister would be able to give me some information as to the method that will be adopted, and if he has such a method I would like him to tell me what it is.

Mr. RYCKMAN: The circumstances in the particular case will determine the matter.

Mr. ELLIOTT: Take any kind of manufactured goods; the minister can choose the kind himself. There is a complaint. He is authorized by the governor in council to fix the value for duty purposes of that particular article. How is he going to go about the matter?

Mr. RYCKMAN: That would depend upon the circumstances surrounding that particular case. I cannot answer on a suppositious case.

Mr. VALLANCE: The old dumping provision in regard to natural products stated definitely that the reason for it was the cost of production. I think what the ex-Minister of Public Works would like to know is: Can the minister not give the committee some principle which can be used as a basis in arriving at the value?

Mr. RYCKMAN: I think I have answered that question.

Mr. ELLIOTT: I am not asking this for the purpose of taking up the time of the committee. Perhaps we may save time if the minister will be good enough to state that he has no method in view. If so, that of course disposes of the matter. If he has a method in view he certainly has not disclosed it to the committee. If all he has indicated is all he has in mind, it is quite clear he has no method in view. Let us take the case of agricultural

implements. Supposing there is a complaint and he is authorized by the governor in council to fix the price, how does he go about doing so?

Mr. RYCKMAN: The matter will be proceeded with under authority. I gave a complete answer that in a particular case of injury such as this measure covers, the circumstances of the case would have to be known.

Mr. ELLIOTT: What circumstances?

Mr. RYCKMAN: I cannot specify what method would be taken in a case of injury when I do not know what the injury is.

Mr. ELLIOTT: I take the word of the hon. gentleman. He has indicated to the committee all that he has in mind as to the method to be adopted in considering the value which under this section he is authorized to fix. Is that correct?

Mr. VALLANCE: Might I suggest to the minister an answer to the question asked by the ex-Minister of Public Works? As was pointed out by the leader of the opposition, if hon. members will read the underlined words in section 4, "goods of any kind . . . . or manufactures" they will learn the particular people who will determine the value. The manufacturers will do that. Before I take my seat I would ask the minister if he is now in a position to give me the date of the letter, and ask him whether he read the whole of the letter, including the signature.

Mr. RYCKMAN: There is nothing in the section which even intimates that the manufacturers will fix the rate for duty or the value. I would ask any hon. member who would make such a statement to stand up in the house and say that is the interpretation which anybody who has passed the third book in public school would make of a section of this kind.

Mr. VALLANCE: I have no other interpretation, and after twenty-five years' experience as a grain grower in western Canada naturally I have arrived at that conclusion. If the minister can give us any other suggestion I will accept it.

The CHAIRMAN: I think the hon. gentleman has been fully answered.

Mr. VALLANCE: Mr. Chairman, I have merely answered a question asked by the minister. I am not waiting for an answer; on the other hand I am giving an answer to a question which was asked. I am now asking the minister to tell the house the date of the letter, and I think my request is reasonable.

[Mr. Elliott.]

The CHAIRMAN: I rule that the hon. member has fully answered the question.

Mr. VALLANCE: I have sat for many years on the government side and at no time in my recollection was a letter read from that side in connection with which the opposition did not demand the date and writer. I think my request is reasonable, and I want an answer.

Mr. DONNELLY: I would be surprised if the Western Grocers Limited had not written a letter of this kind, and I am very much surprised that other fruit dealers have not written similar letters. Hon. gentlemen must remember that the Western Grocers Limited are only middlemen; they merely handle the fruit. They go out into British Columbia and other fruit-growing districts; while there they buy forty, fifty or one hundred carloads of fruit. I dare say they have gone into British Columbia and bought up two hundred or three hundred carloads of fruit. After their purchase the Minister of National Revenue affixes a dumping clause. They see where they will receive bigger profits and accordingly they congratulate the Minister of National Revenue upon his good judgment.

Mr. YOUNG: I would like to point out to the minister an error into which I think he and previous governments have fallen and into which future governments are likely to fall when administering such acts as these.

An hon. MEMBER: Is the hon. gentleman going to set them all right?

Mr. YOUNG: I shall do the best I can. The letter the minister read is from an organization of dealers. The letters of commendation he has received are from organizations of producers and dealers who seek to benefit by this legislation. It is in response to agitations carried on by those particular organizations that this legislation has been enacted. The hon. minister has stated that no complaint has been received from the consumers. Why? Because the consumers are not organized; they speak as individuals.

An hon. MEMBER: What about the Consumers' League?

Mr. YOUNG: My friend asks about the Consumers' League; very well, I shall answer him. Unfortunately the Consumers' League is not wealthy enough to keep representatives in all parts of the country to investigate these things on behalf of the consumer. There is no organization in the country in a position to speak on behalf of consumers in

every corner of the country. That is indeed unfortunate. The consumer entering the market for a box of peaches, pears, plums or other fruit goes home without it because of the increased price. Yes, that is true. I myself investigated the price of fruits on the Regina market after this legislation came into effect, and I found the price of pears had advanced fifty cents a box, peaches had advanced thirty-five cents a box and plums thirty cents. I asked the dealers if this legislation had had any effect on their sales and they answered that it had. They said, "Housewives who come in here to buy pears go home without them because the price has advanced. Consumers have nobody to speak for them and they are suffering from this legislation. However in the long run they will be the final arbitrators in this matter because they will not be able to buy fruit. I used a quotation before in this house and I intend to use it again whenever possible: "That all economic questions should be studied from the standpoint of the consumer, for the interests of the consumer are the interests of the human race." I wish I could implant that idea in the minds of hon. gentlemen opposite.

Mr. MANION: The hon. member might try to implant it in the minds of the people of Canada.

Mr. YOUNG: It is sinking into their minds. Once we have that thought in mind we will hear less about protecting the producer at the expense of the consumer.

Coming back to this section we find that when goods are being imported at a price which will prejudicially or injuriously affect the interests of Canadian producers or manufacturers, the governor in council can put on these arbitrary valuations. Let us suppose that a certain article is manufactured in two different factories by two different organizations. One factory which is properly located and efficiently managed at the end of the year always shows a handsome profit on its operation. The other factory is improperly located, inefficiently managed and is finding it very difficult to keep its head above water. The manager of the inefficiently managed factory approaches the government and states "importations from the United States are injuring my business." When an investigation is made and it is learned that importations are coming in at a price which will injuriously affect the manufacturer whose business is not well managed will the minister put on those dumping duties or will he go to the factory which is well managed and decide according to the figures of that factory whether the dumping duties should be levied?

Mr. RYCKMAN: Would my hon. friend repeat the question?

Mr. YOUNG: I shall repeat it; it was rather complicated. A given article is produced in this country in two different factories. One of those factories is properly located, well managed and every year shows a profit on operations. The other one is located in a place where such a factory could not be expected to pay. It is not well managed and the company has difficulty to keep its head above water. Importations of a product similar to that manufactured by these factories come in from the United States. The well managed factory finds no difficulty meeting this competition; the poorly managed factory cannot compete. As a result they approach the government and say "These goods are coming in at prices which injuriously affect our business." I ask the minister if in a case of that nature he will raise the duty or will he say, "Go and observe the factory methods of your more efficient neighbour, and do as he does."

Mr. RYCKMAN: If the facts are no other than stated by my hon. friend I would say that the efficient factory was the case.

Mr. YOUNG: I take it when the minister investigates as to whether producers or manufacturers are being injuriously affected he will also investigate the efficiency of their plants. Is that correct?

Mr. RYCKMAN: I hope to be able to administer my duties in the interests of the country.

Mr. YOUNG: That does not answer the question. Will the hon. gentleman find out whether these factories are efficiently managed and entitled to protection? Before additional protection is given will the hon. gentleman learn whether the trouble lies in the tariff or in mismanagement?

Mr. WOODSWORTH: Though I did not speak this afternoon on the amendment, I should like to join with those who are protesting against the granting of such arbitrary power to the minister or to the governor in council in the matter of fixing values as that which we are proposing to give under this section. I do so not merely because it appears to be a usurpation of the rights of this parliament, but also because of the practical

difficulties which may ensue. It does seem to me that if prices in this country are to be dependent upon the arbitrary will of the minister, it may have a very disturbing effect upon business, and especially upon the business of importers in this country. They will not be able to tell very far in advance just what arrangements they should make. They will not be able to build up their business for fear that it may be utterly shaken by some decision of the minister or of the governor in council. I think that that will have a very serious effect on business generally.

I agree to a certain extent with what was said this afternoon by the hon. member for Wetaskiwin that undoubtedly, despite the forms of democracy, we have been very largely controlled in the past by the big financial interests. There is not the slightest doubt in my mind that that is true. Sometimes one group has been in the saddle, and sometimes another I think perhaps we may fairly recognize that at the present time the manufacturers are in the saddle.

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Some hon. members say no. I am expressing my opinion, and it would seem that it is fairly well based, and that from now on we shall have fiscal policies that are determined pretty definitely in the interests of the manufacturers. While we have heard references to the agricultural interests we have had nothing suggested that would show that the agricultural interests are to be helped or protected. Whilst we have been told that we would have to be very careful lest anything should interfere with the welfare of the producer, we have nothing in these measures that definitely protect the interests of the consumer.

I do not want to go into the wider economic effects of such a policy. Personally, I believe that these effects will be disastrous to the country. However, the Prime Minister has staked his political reputation and the future of his party on the experiment, and I suppose we shall have to await developments. I would like, however, to point out, in a concrete sort of way, what may be the results of the operation of this section. It gives great power to the minister. His recommendation will doubtless be taken by council. Who is the minister at the present time? I do not want to say one word in detraction of the minister, but I turn up the Parliamentary Guide for 1930 and I read:

A business lawyer. President, Dunlop Tire and Rubber Goods Company, Limited; Director, Gurney Foundry Company, Limited; Director, International Business Machines Company, Limited; Director, Russell Motor Car Company, Limited; Director, Addressograph Company, Limited.

He is associated with other gentlemen who are directors of a great number of similar companies. I do not for one moment suggest that if an application comes before the minister from an automobile concern or a rubber company he will consciously and deliberately think of his own interests before those of the public. Honestly, that is not my purpose in bringing this matter before the house, but I would say that the minister essentially has and has had the viewpoint for many long years of the manufacturers and of the directors of these various corporations with which he has been associated. Here we have a curious situation. Some concern comes forward with an application, and the arbiter is not one who has no personal interest in the decision; nor, on the other hand, is he a man who may be said to be disinterested in the matter. Whether he has a personal interest or not is a secondary matter. The fact is that he has certain very definite policies and ideals with regard to this whole situation, which I think will inevitably find expression in his decision or the reports that he makes to council. I heard a story not long ago of a prince who became a bishop. He had been given to using profane language, and in his new position he was sometimes guilty of continuing the practice. When expostulated with he replied that he was swearing not as a bishop, but as a prince. Sometimes I am afraid that when we attempt to occupy two roles, sometimes one and sometimes another, we do not always keep them separate. We do not live in watertight compartments. We cannot well function in two capacities at the same time. A divided allegiance lends to difficulties. I think there is a real danger in giving such great power to individuals who represent one section, and only one section, of the community.

Turning to the matter brought up a few moments ago by the hon. member for Kenora-Rainy River, I could not catch in full the suggestion he made, but I think it was that some provision should be made in this legislation guaranteeing the workers in this country the rights which were guaranteed to the workers of the world by the signatories of the peace treaty. With that point of view I am in hearty sympathy. It seems to me that when the producers are definitely protected in legislation of this kind, the men and women who work in those industries ought to be just as definitely protected. I cannot see why we should write it into our

laws in the one case without doing it in the other. I am rather encouraged to believe by what was said to-day by the Prime Minister that something along this line might be done. His position was that we might prohibit the importation of goods from countries which have not signed the Versailles treaty. I think the hon. member for Kenora-Rainy River went just a bit further and would prohibit importations from countries that had not implemented their signatures to the Versailles treaty by actually putting laws on the statute books. I am afraid that Canada comes out rather badly in a list of that character. However, leaving that aside, if the Prime Minister takes that viewpoint with regard to goods imported into this country, would it not be reasonable that he should insist that goods manufactured in this country should be manufactured under conditions which come up to the standards laid down by the peace treaty of Versailles? I think that is a reasonable position, and I respectfully commend it to the Prime Minister; and since he is taking power to prohibit goods coming in from other countries where the Versailles treaty is not being lived up to, I would ask that he safeguard the interests of the workers of Canada and see to it that goods are produced in this country only under the best of conditions.

Mr. GARDINER: A few moments ago I passed over to the minister a telegram and asked if he was in a position to state whether an investigation would be made into that complaint. In order to buttress my demand, if I might call it that, I should like to quote from the Chinook Advance, published in Chinook, Alberta, and dated September 4, 1930. This portion contains an advertisement, and I will read only that part of it which is pertinent to the question under discussion. It is as follows:

> Fruit will arrive Tuesday, September 9. Prices are slightly higher than advertised last week on account of new duty.

I am going to pass this over to the minister also to buttress the telegram I have already sent to him and ask that he make an investigation as soon as possible.

Mr. RYCKMAN: This apparently is an advertisement on the first page of the paper, and the seller says:

> Prices are slightly higher than advertised last week on account of new duty.

This is not the grower, this is the retailer, and our complaint is that in some cases the retailers on the institution of this plan have, naturally, sought to take some advantage of it. So far as the producers are concerned, we are determined, as has been so often stated, that they shall not take advantage. I may tell my hon. friend that I will make inquiries in regard to what is alleged in the telegram. The only matter that unsettles me at all is that this Mr. Morrison is probably interested a little in politics, for he concludes his telegram by saying that he hopes my hon. friend's leader will fulfil his promise and not perish in the attempt. But I can assure my hon. friend that inquiry will be made.

Mr. GARDINER: Mr. Chairman, in reply to the minister, I think it is rather an unfair criticism to make of Mr. Morrison to say that he is probably interested in politics. I think most Albertans are interested in the success of our present Prime Minister, they all wish him well; consequently when it is expressed in that way I would say that probably Mr. Morrison is more interested in the success of the Prime Minister than he is in politics. When the minister had read the advertisement which I passed over to him he said: This is evidently a case where the retailer is taking advantage of the legislation. That is the statement he has just made and I do not think he would care to contradict it. This afternoon the Prime Minister in introducing the various tariff schedules stated definitely: It is the purpose of the government to protect the consumer. Now, who is right; is the Prime Minister going to carry out his expressed intention, or is he going to be thwarted by one of his ministers?

Mr. POWER: Along the same lines, Mr. Chairman, may I again be permitted to draw the attention of the minister to the question which I put to him this afternoon? It is quite clear that under this legislation the minister may raise the valuation and fix it, but it is not clear that if there has been an abuse by the manufacturer or producer he may again lower the valuation. I submit that if he desires to introduce legislation which can be workable, he will see to it that this clause is so amended as to give him authority to lower the valuation in order to protect the consumer if he finds that advantage has been taken, either by false representations or by reason of a certain set of circumstances, to induce him and council to raise the valuation of any description or category of goods. If we understood the Prime Minister rightly to-day, that has been done with respect to the customs duties. The government may at any time, if it is found that the consumer is being unduly exploited, lower the customs duties; but it may not lower the valuation of the goods. It is distinctly stated that if it is found

upon a report from the minister that goods are being imported into Canada so as prejudicially or injuriously to affect producers or manufacturers—not a word as to the consumer—the minister may fix the value. So far as we know that value remains fixed; there is no provision for representations to be made by any other class of the community with a view to lowering that valuation. I submit that in all seriousness to the minister.

Another point. This afternoon the Prime Minister stated quite distinctly that he was not averse to any provision being inserted in this legislation which would ensure the utmost publicity of any decisions or any rulings arrived at by the department.

Mr. RYCKMAN: I was going to suggest an amendment.

Mr. POWER: An amendment, I suppose, along the lines of a notice in the official gazette permitting persons affected to make representations to the minister? Now—

Mr. RYCKMAN: If my hon. friend will allow me? I was impressed this afternoon by the statement of members on the opposite side of the house that cases would be dealt with in secrecy. There is no such intention. Certain special cases—which we hope may not arise—are proposed to be dealt with by this legislation, and I have drafted the following amendment which I shall be glad to have moved:

> Every such order in council shall be published in the Canada Gazette in the first issue thereof in which the same can be published after the passage of the said order in council.

Mr. POWER: So far, so good. But would it not be more in the interest of the people of this country if a notice were to be given to the public that representations had been made to the minister with a view to fixing the valuation, in order that all the interests concerned might also have the ear of the minister and whisper to him that perhaps the valuation of some friend of the minister might not be in the public interest, or perhaps not even in the interests of his party? I suggest that to him so that he may be able to administer the department to the satisfaction not only of the people but of the Conservative party. I am very much interested in the Conservative party remaining in power for a long time, because we are having too good a time on this side to wish otherwise.

Mr. RYCKMAN: We are both satisfied, then.

Mr. NEILL: I should like to endorse the remarks of the last speaker (Mr. Power). I can give an example of where it worked out exactly as he says, but before doing so I should like to refer for a moment to the remarks of my friend from Acadia (Mr. Gardiner). Instead of having to go so far away as Alberta for an illustration the minister need only go to Bank street, in Ottawa. He will see there a prominent store advertising its goods in the usual attractive manner with prices and so forth set out. The advertisement finishes up with a large notice printed in purple and white, if I remember rightly, warning buyers to take care—something to this effect, "the new administration will be raising the duty on woollens, etc." But to deal with the remarks of my hon. friend from Quebec, a good deal of the viciousness of this section would be removed if there were some publicity imparted to the method by which it will be ascertained whether the sale of goods was injurious. I am afraid the minister and the government will find in this connection the lack of the tariff advisory board, which I hope will be reinstated in some form or other. We are now going back to secret diplomacy, where the representatives of various interests can wait upon the minister in his private room. As one man said frankly to me, "When we were there we could tell him almost anything we liked". He was protesting against having to appear before the tariff board.

Publicity is a grand thing. You can administer a good many laws that appear to be harsh and drastic provided you do it in the full light of publicity; and the thing called public sentiment will operate to prevent its being abused to any great extent. The late Mr. Robb had a wonderful gift. When either a corporation or an individual approached him with a request for an increase in the duty of any article, he would say, "go to the tariff board." And when the industry appeared before the tariff board they were confronted with the necessity of stating their case under oath and in full light of publicity. I might in this connection say a word on behalf of that much abused body known as the Consumers' League. It is popular to laugh when the Consumers' League is mentioned, but in my opinion the men who financed the league deserved a great deal of credit. They made it possible for a very able man to be present before the board and to bring out the true facts. That was all he did, and if any better object could be desired than that in relation to tariff investigation I should like to know what it is.

I have had occasion myself to appear before the board. I was advised that there was an application coming before the board for a largely increased duty on greased papers. This article is used for wrapping butter and some

other products, possibly candies, but I was particularly interested in it from the dairy point of view. There was present the president of the company, with a couple of lawyers, no doubt very able men, for money can always buy brains. They made an able case and whenever they paused for further argument they always said, "This corporation is going to go out of business, it is going to be ruined if the increase is not granted." They pointed out how they had steadily lost money, though from the most patriotic motives they kept on in business. They lost money from year to year, as their balance sheet would show. Finally I became suspicious that the lady did protest too much, and I asked the company to produce the balance sheet for the last three years—the balance sheet of an incorporated company; not the private transactions of some private firm. The president was indignant. He had not come there to be cross-questioned by a hick from the sticks, or to reveal his private affairs to anyone in this manner. The chairman after some debate ruled that I was in order. In view of the president's statement that the company had been losing money heavily for five or six years, the chairman of the board felt that I was justified in asking for the balance sheets for the purpose of corroborating that statement. He therefore ruled that it was a fair request to make. The president was given until the next hearing of the board, some six weeks from that time, to produce the balance sheets and it was ordered that I should have access to them a few days before the meeting of the board on the following occasion, in order that I might be prepared to discuss it. At the appointed time I went to the board room and the clerk told me that unfortunately the president of the company had been inconvenienced; his little girl had been sick and he was unable to present the balance sheets. I said that was very sad indeed but I could not see why the balance sheets of a limited liability company could not be produced even supposing the president's daughter was sick. I thought the reason was rather a poor one. At any rate, the president on that plea was given another opportunity to appear before the board, some six or eight weeks alter, to produce the aforesaid balance sheets. Fortunately the house was still sitting at the end of that time and I went again before the board. And rather than face publicity with his balance sheets the president withdrew the whole application. That is a genuine illustration of what publicity does to protect the public, and if we had publicity in connection with this measure there would not be the same objection.

Mr. GERSHAW: It seems to me fairly clear that the prices of fruit have been advanced all over the prairies recently on account of the order in council. Before coming down I made some inquiries myself and was told that it was necessary to charge more for fruits. The ex-Minister of the Interior (Mr. Stewart, Edmonton) put on Hansard yesterday a list showing definitely what fruits had been advanced in price, and what the advance was in each case. At least half a dozen members from different parts of the country inform us that in their particular districts higher prices are being asked for these goods. The minister has told us that if we can put up with this increase for a while the ultimate result will be beneficial. May I ask him what benefit the average consumer, let us say the wheat farmer, can hope to derive from this legislation? Will it result in cheaper fruit later on? Just where does the benefit come in?

Mr. RYCKMAN: I cannot agree with my hon. friend (Mr. Gershaw), in view of information I have received, that the price of fruit has been put up, although in some instances the price has advanced. I believe, however, that very soon matters will settle down. The question is asked as to what advantage will be derived from the action that has been taken. The advantage is found in the answer to this question: Are we going to have a fruit industry in Canada? Are we going to have growers of peaches and pears and plums? I submit that the industry should be encouraged. I am sorry I have not them here with me, but I can state again that I have received so many satisfied comments on this legislation that what has been urged in this house contra is really not to be taken into the balance.

Mr. VALLANCE: With reference to section 4, the minister to-night read a letter addressed to the hon. member for Saskatoon (Mr. MacMillan). I asked him to give me the date of that letter. My reason for asking—

Mr. RYCKMAN: The date of the letter is September 6.

Mr. VALLANCE: Before the house met, commending the minister on his previous action.

Mr. MANION: In regard to the prices of fruit, there is an article which I looked up while the debate was going on, which shows that the opinion in the western country was not absolutely unanimous that the price of fruit had gone up after the dumping duty had been put on. The Winnipeg Evening

Tribune of August 30, five days after the order in council had been put into force, had the following statement:

It has already become evident that the Dominion government acted at the right moment in applying anti-dumping regulations to several kinds of fruit, all of which are plentifully produced in Canada. With an unusually good crop this year, it is evident that Canadian growers will be able to supply the entire Canadian market, and probably have a surplus besides. In the four days which have elapsed since the regulations were imposed, Ontario fruit prices have dropped sharply, to the confusion of shallow critics who assumed that the prevailing price would jump by the amount of duty.

The effect of the anti-dumping regulation has been to prevent demoralization of the Canadian market.

Mr. VALLANCE: On a point of order, Mr. Chairman, I noticed that the ex-Minister of Justice the other day was reading from a newspaper, and the chair ruled that he was out of order. Is the hon. gentleman in order?

Mr. MANION: I do not think the hon. gentleman is serious in his objection.

Mr. VALLANCE: I am serious in my objection, because at the time to which I refer, the ex-Minister of Justice was ruled out of order by the chairman.

Mr. MANION: It may have been because of what the ex-Minister of Justice was reading. The hon. gentleman has taken up at least twenty-five per cent of the time of the house—

Mr. VALLANCE: I propose to take up more time if this sort of thing goes on.

Mr. MANION: The hon. gentleman has taken up at least twenty-five per cent of the time of the house this afternoon and evening on the question of fruit prices, and surely I may be permitted to read the rest of this article.

Mr. LAPOINTE: On the point of order, I think my hon. friend is perfectly right in reading this newspaper; it was the ruling the other day that was absurd.

Mr. MANION: I think my hon. friend will accept the ruling of the ex-Minister of Justice.

Mr. VALLANCE: Yes, I will accept the ruling of the ex-Minister of Justice.

Mr. BROWN: Let us recognize that a precedent for this action has been established.

Mr. MANION: I was going to read the remainder of this article; it is not very lengthy and I think it is for the benefit of the house. I do not wish to get into any debate; I think the minister is handling his own case so well that he does not need much help from me.

Mr. VALLANCE: I want to assure my hon. friend that I know he would only read the article for the benefit of the house.

Mr. MANION: I told my hon. friend this evening that I was sure he was not so cross as he looks. The article continues:

Every year, just at the time when Canadian summer fruits are coming on the market, the surplus from the United States has poured in, leaving Canadian fruit to rot on the ground. This year, there is a chance for the Ontario surplus to be marketed in the west without penalizing the western consumer.

In the case of Washington peaches on the Winnipeg market, an attempt was made by local wholesalers to take advantage of the duty, but the same peaches are for sale all over the city at exactly the same retail prices which prevailed on August 25, the day before the regulation was imposed.

The reason for this is simple. A certain number of carloads of fruit can be sold in Winnipeg in a week at a certain price. If the price goes up and the fruit is on hand, a certain amount of it will remain unsold and will spoil in the dealers' hands.

The law of supply and demand works swiftly in the case of an article as perishable as fruit. If, as is predicted, the price of Washington peaches is bound to rise here, it remains to be seen whether the consumer will consider it an essential privation to find himself eating Ontario peaches instead of Washington peaches.

With practically unlimited supplies available in Ontario and British Columbia, the effect of the regulation has been to shift the flow from United States to Canadian sources. That is all. To say that, in a buyers' market, this piled the duty on top of the price, is ridiculous.

No change which can be traced to the customs regulations has occurred in the Winnipeg price of tomatoes and cucumbers. There is a plentiful local supply of these vegetables, and none have been shipped in for several weeks. The price is regulated by supply and demand.

The only reason I read the article was to show that at least five days after the order in council came into force, in Winnipeg at least the Tribune found on investigation it had not raised the prices of fruit. What has happened since I do not know, but at least this editorial does not agree with some of the statements made by hon. gentlemen opposite.

Mr. BEAUBIEN: Is that an editorial or is that a dispatch from Ottawa?

Mr. MANION: It is an editorial in the Tribune.

Mr. YOUNG: I want to direct attention to one statement made in that article which was just read. It speaks of practically unlimited quantities of peaches being available from Ontario and British Columbia. Ontario peaches

do not carry west of Winnipeg; in Saskatchewan we never see Ontario peaches. British Columbia does not and cannot grow enough peaches to supply the prairies. We have to get them from the United States, and these new regulations did raise the price of peaches; I know, for I paid the increased price.

Mr. BROWN: The Prime Minister this afternoon laid emphasis on the assertion that to confer a power did not necessarily imply that it would be exercised. That might be true under certain circumstances and with the power in the hands of certain people. It is true that similar power was not exercised by the late government; perhaps the hon. member for Weyburn was in some measure responsible for that, but in the hands of hon. gentlemen opposite I am not so sure it will not be exercised. With all the zeal of the old Roman who concluded every speech with the words "Carthage must be destroyed," they declared that dumping must be destroyed; and having regard to the well known views of hon. gentlemen opposite, which they have expressed on every occasion, we are not so sure that the particular powers they seek under this legislation will not be exercised. It is because of the most emphatic statements made by the Prime Minister and his lieutenants throughout the country that nothing shall be imported into Canada that can possibly be produced in Canada—

Some hon. MEMBERS: Hear, hear.

Mr. BROWN: That has just proved the point I make; that is the well known and often emphasized sentiment of hon. gentlemen opposite, and it is what makes us fear to entrust them with such powers.

Mr. ROWE: That is the reason we are here.

Mr. BROWN: And that is why we are here, to protest against granting these powers. I say again that we fear to take this action because hon. gentlemen opposite have such well known sentiments in the matter. We hesitate to grant these powers, fearing that they will be exercised to the limit at every possible opportunity. So far as protecting the consumer is concerned, it is pretty hard to see how they can ride two horses at once. If this proposed legislation has any purpose at all, it is to raise prices or to maintain prices.

Some hon. MEMBERS: No, no.

Mr. BROWN: It is either to raise or to maintain them, one or the other. Certainly it cannot be to lower prices. Will anyone contend that the interests of the consumer are served by the raising of prices? I know, of course, that the Minister of Railways and Canals in the last house frequently asserted that a country in which high prices prevailed was a prosperous country, and he referred to the United States as an example. Holding those views—

Mr. MANION: I do not hold those views; the hon. gentleman is expressing views of his own.

Mr. BROWN: I heard the hon. gentleman assert again and again that a country in which high prices prevail might be more prosperous than one in which low prices prevail.

Mr. MANION: "Might be" is very different from what my hon. friend said before.

Mr. BROWN: That is what I intended to say, and I believe it is what I did say, only in different words. Now, when the Minister of Railways and Canals holds to view that a country is more prosperous under high prices than under low prices, can we expect anything else?

Mr. MANION: The hon. gentleman has changed it again.

Mr. BROWN: No, I have not changed it; I simply stated perhaps more briefly what the minister himself has intimated. Holding these views, is it not to be expected that he and his associates will take every advantage of this legislation to raise prices? If that is true, how are they to protect the consumer?

Mr. MANION: The trouble is that the basis of my hon. friend's argument is not sound.

Mr. BROWN: Unfortunately, as has been pointed out already and as I indicated yesterday the Minister of National Revenue is quite incapable of looking at this question from any other point of view than that of the producer. Perhaps that is natural and only to be expected in view of the circumstances by which he has been surrounded during all these years; but that is just wherein the danger lies to the great mass of the common people of Canada. It is to be expected that the minister will look at these questions entirely from the standpoint of the producer, and so the interests of the consumer will be neglected. The Minister of National Revenue has referred time and again to the number of letters of praise which he has received, in contrast to the number of letters he has received condemning his action. That again indicates the difficulty of protecting the consumer, because unorganized as the consumers are they will not be in a position to present their protests.

Mr. GOTT: They have the Consumers' League, which is well organized.

Mr. BROWN: Perhaps that much abused Consumers' League is entitled to more credit than any organization that ever appeared before the tariff board, because the Consumers' League out of their own pockets, with no immediate personal interest to serve, kept men before the tariff board to present the views and protect the interests of the great consuming public of Canada. The very fact that the minister has not received protests in greater numbers from the consumers indicates simply that the consumers who have suffered from the order in council that was passed have not been in a position to present their views to the minister. But it must not be taken for granted that there has not been a great deal of resentment on account of the increased price of fruit. When the present government sets out to protect the interests of the consumer I am afraid it will find that it has made promises which it will not be able to fulfil.

Mr. PICKEL: Hon. gentlemen opposite seem to think they hold the only brief for the consumer. As far as fruit is concerned they seem to object to the fact that they will be unable to purchase fruit in the west on account of the high cost. I should like to inform them that we farmers of Quebec for the past two years have not been able to buy fruit. We turned our attention to eating turnips, and the farmers of Quebec are going to make good. If we are given a chance we can produce enough fruit in Quebec to supply nearly the whole Dominion of Canada. How in the world can we encourage the production of fruit in this country if we do not keep foreign fruit out? How can we encourage the production of any commodity in this country if we do not provide protection? This applies to fruit and farm produce of all kinds—butter, eggs, anything else that is produced by agriculture. The Prime Minister and the Conservative party are to be congratulated upon the tariff measure that has been brought down. I am sure it will redound to the best interests of Canada and we shall become the boom country of the world.

A few moments ago I mentioned that I had a brief from the Brome lake duck farm. They have been operating for several years; they have an investment of $75,000; they have paid no dividends for five years on the preferred stock and they have never paid any dividend on the common stock.

An hon. MEMBER: Why?

Mr. PICKEL: Simply because of the dumping of United States ducks out of season before we can produce them in this country. In the early spring they dump their old stock in order to keep the market price up in their own country, and we accordingly suffer.

Mr. HEENAN: The interest of the consumer has had quite a field day this afternoon. Has the minister had time to consider whether he can accept the suggested amendment I have passed over to him to provide some protection for the labouring man? Before he rises I may say that I dictated it in a hurry. It is my own phraseology; I am not a lawyer, and I am not particular whether the final amendment is in the same phraseology or not so long as it has the same effect.

Mr. RYCKMAN: The hon. gentleman passed over to me a suggested amendment which has much in it that may be commended, but as a consequence of what he has said I think the clause as worded or the idea embodied in the clause is not a proper amendment to the measure.

Mr. HEENAN: Why?

Mr. RYCKMAN: The suggested clause reads:

> The governor general in council may direct from time to time any industry, the products of which receive protection under this act, to demonstrate to the satisfaction of the governor general in council that there is maintained in the operation of such industry freedom of association for all lawful purposes, hours of labour and rates of wages consistent with the provisions of the labour part of the treaty of Versailles, executed in Paris, France, on June 28, 1919.

Some hon. members seem to fail to distinguish between the operation of this bill as an amendment to the Customs Act, and the customs tariff. When these sections are considered it will be obvious there is no protection, so-called, in this bill which deals with fixing the fair market value and with the principles upon which a valuation for duty may be made. If my hon. friend desires, as perhaps he does, to provide that any industry in Canada receiving protection under the tariff act shall be subject to the application of this clause, the proper time and place for him to take his position would be when that act is before the house. Further, it must not be forgotten that, as was stated last night, in the act that was passed last year there is protection for the working man in respect to wages and hours of work, and there is no use in saying this over and over again. The governor in council has the power that my hon. friend is asking for in this paragraph that he proposes as an amendment, and that being the case there is

no occasion for writing it down every time one thinks of it, as indeed the minister thinks of it very often.

Mr. HEENAN: I did not and do not understand yet that the governor in council has any power under the tariff legislation to regulate wages or hours. If so, this is news to me. I gather from the discussion on the floor of the house that the proposed legislation is even more drastic than the tariff law itself, inasmuch as once the tariff is set the Minister of National Revenue can decide that the valuation shall be such that the protection will be even higher than the tariff. The present Prime Minister last session suggested a resolution very similar to the one that I have just submitted. As reported on page 2374 of Hansard of last session, the present Prime Minister suggested this amendment:

Provided, however, that the rates of duty set out under items 377, 377a, 377b, 377c, shall apply only when the industry producing the articles enumerated therein have demonstrated to the satisfaction of the governor in council that there is maintained in the operation of such industry, hours of labour and rates of wages consistent with the provisions of the labour conference held under the treaty of Versailles.

After he moved that amendment he said:

That is an amendment that I commend now to the government and that I think at the proper time should be moved; because after all, Mr. Chairman, if we really represent Canadian democracy, if we are sincere in the expressions of our faith in our party conventions, if we really mean what we have declared unanimously in this house with respect to the provisions of the treaty of Versailles and at the League of Nations at Geneva regarding labour, there should not be a dissenting voice in this chamber. We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in compacts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbal.

Those were the words uttered last session by the leader of the opposition, who is now Prime Minister. I do not wish to make politics of my suggestion; I merely wish the government to adopt it, because after all it is results we want. I think the government ought to consider carefully and include a paragraph similar to that, even if the phraseology as I have submitted it is not accepted.

Mr. RYCKMAN: Mr. Chairman, I think the hon. member has proved the case as to why such a clause should not be included in this bill. If he wishes to make a similar motion in relation to the tariff act, all well and good. As I have said, however, the bill before us is to amend the Customs Act, not the Customs Tariff. It does not relate to what the hon. member has in mind. This is not the proper bill upon which to tack such a provision as my hon. friend has submitted.

Mr. HEENAN: Will the government be willing to accept my suggestion in connection with the tariff bill?

Mr. RYCKMAN: No, I am not making that statement, because in connection with that matter I cannot speak for the government. I have no doubt however that my hon. friend the leader of the government had a reason for taking the position he took at that time, which has been outlined by the hon. member, and I may say that the Prime Minister generally holds an opinion for at least a year. I would ask my hon. friend take up the matter with him.

Mr. RALSTON: I wish to understand clearly what the minister has said with regard to the difference between the effect of this bill and that of the tariff amendment which will be suggested at a later time. I wish to state a case which to my mind could very easily arise, and I wish the minister to explain how this act would operate under such circumstances. My question is intended to follow the question which was asked concerning the principle upon which my hon. friend would fix the value of an article, supposing he were called upon to exercise his power. Let us take for example a common household commodity manufactured in Canada the production cost of which is say $11. Let us assume that in the United States the production cost was $10.50 and that on it there was a 5 per cent duty, thus giving Canadian product a slight advantage. Does my hon. friend follow me?

Mr. RYCKMAN: Yes.

Mr. RALSTON: We will suppose that at a later time it so happened that the United States producer through mass production was able to produce the article for $10 flat. The 5 per cent duty would make the price of the article $10.50 in Canada as against the production cost of the Canadian article of $11. Would my hon. friend consider that was a case where the Canadian market was by this section being injuriously affected, and that therefore an arbitrary value should be fixed in order to keep out the American product?

Mr. RYCKMAN: I do not think the case outlined by my hon. friend would apply. In my opinion clause 4 is intended to deal with certain special cases. I would hope that it would never be used otherwise. I have emphasized the expression "prejudicially or injuriously to affect," and I do not think that

that expression relates to tariff items in respect to which there may be a 50 cent difference on an article valued at $10 or $11.

Mr. RALSTON: Would my hon. friend state an example of a situation where a Canadian product would be injuriously or prejudicially affected, and in which he could exercise his powers?

Mr. RYCKMAN: We will take the example of a number of American manufacturers in association who have been prosperous in business and are anxious to corral all the business. They learn that in Canada there are two or three factories which are in a position to supply the Canadian market, and they make up their minds that they will put those factories out of business. With that in view they sell goods in Canada at less than the cost of the manufacture of similar goods in Canada. The result is that the American manufacturers in the course of a couple of years so corner the market that it is impossible for the Canadian concerns to continue. I think that would be a case where the government should step in.

Mr. RALSTON: That would mean that under this clause my hon. friend would increase the price to the Canadian consumer.

Mr. RYCKMAN: It might so happen. There is no doubt that that could happen. On the other hand it will prevent slaughter goods, the subject of unfair trade, from coming into this country. I am free to state that such procedure might result in a lower price than had previously been paid by the consumer. I take the position in regard to consumers, farmers, labourers and manufacturers that there is no class in a community which has a right to prey upon any other class. If goods manufactured in another country were sold continually in Canada at a price lower than they can be produced here our manufacturers would be driven out of business.

Mr. RALSTON: Does my hon. friend mean a price lower than the cost of production in Canada or in the country of origin?

Mr. RYCKMAN: Lower than the cost of production in Canada, so that the manufacturer could not carry on business. Sooner or later such concerns would be bound to sink into bankruptcy.

Mr. RALSTON: Therefore my hon. friend says that he will use this act so as to force the Canadian consumer to pay a price for goods at least equal to the cost of production of the goods in Canada regardless of how much cheaper they may be produced elsewhere.

Mr. RYCKMAN: I did not say that, and it is unfair for my hon. friend to say that I would do thus and so.

Mr. RALSTON: I did not mean personally, of course, but acting under this legislation.

Mr. RYCKMAN: The minister must do as directed by the governor in council. That is plain from the legislation. I do not think any rightminded person in Canada, either in this house or out of it, would allow an industry that was properly established in this country with Canadian men at the head of it—the smaller the industry the more sympathy there would be for it—to be the object of an attack by an American association of manufacturers who were determined to get this market and to drive these Canadian men out of business. What would be the result should such a thing happen? The price that had been down so low would scale away up again, and in the end the consumer would pay more.

Mr. RALSTON: I am talking about the general statement which I understood my hon. friend to make. I do not want to be factious about it, and I do not want my hon. friend to misunderstand what I took to be the effect of his answer. I understood him to say that under the authority granted to him by the governor in council, he would feel that it was his duty to see that the price was so fixed—he shakes his head, but there is no doubt about that—that the American price plus the duty collected on the arbitrary price would at least equal the cost of production in Canada. Is that correct?

Mr. RYCKMAN: I do not follow my hon. friend through on that point. Probably I can answer his question in this way: I can quite conceive, as can everyone else, that goods might be sold in Canada below the cost of production in Canada, and that might be what I would call unfair or piratical trade. But while that piracy was going on the Canadian consuming public would get those goods upon which there was a drive at cheaper prices than they would pay if honest manufacturing was being carried on. The lowness of the price is due to the fact that outside interests are anxious to corral this market for themselves and drive the Canadian industry out of business.

Mr. RALSTON: Does my hon. friend think that there are not cases in which Canadian goods are sold in foreign countries at prices below the cost of production in those countries?

Mr. RYCKMAN: I do not know of cases of that kind.

Mr. RALSTON: How do we get rid of the products that we export if we do not sell them lower than the cost of production in other countries?

Mr. RYCKMAN: We enter into competition. Our goods are good goods. People want them and we sell them. I am not here defending anyone engaged in piratical trading against some other country.

Mr. RALSTON: I am simply pointing out that goods can be sold below the cost of production in another country and still not be the subject of piratical trading. Canadians are selling many of our exports at a price below the cost of production in the country where those goods are sold. That is the reason we are selling them there. We are not building a barbwired fence around Canada and swapping jack-knives with ourselves. We are selling all over the world.

Mr. BOURASSA: I must confess, probably as one absolutely ignorant in matters of trade and industry, that I do not quite grasp the object of this discussion. Reading the existing clause and the clause proposed, I understand that the only difference is that in the past power was granted to the governor in council to fix values applying only to such goods as were produced in Canada, and that under the proposed legislation the governor in council will have that power with respect to all goods.

Mr. RALSTON: The existing clause applies to natural products.

Mr. BOURASSA: Natural products of a kind produced in Canada, and it is those words which it is proposed to delete. It is proposed now to give to the governor in council the same power with regard to goods of any kind. Of course, that is quite a difference. Under this proposed legislation the minister would be empowered to fix an arbitrary value on goods that were not produced in Canada, and that would raise the price to the consumer. I think that that is a dangerous proposition.

Mr. EULER: It applies to goods produced in Canada.

Mr. BOURASSA: The new law applies also to goods not produced in Canada, and I think that that is a dangerous proposition. With the object of the bill, which is to give a chance to Canadians to produce either natural or manufactured products in competition as against foreigners who dump their surplus production into our market after they have received substantial profits from their own consuming public, I am quite in sympathy. If we accept the policy of protection, which has been followed by all governments in this country for the last fifty years, varying only in degree, I think it should be carried to a point where all classes in Canada will benefit, and I think the consuming public in Canada must be prepared to pay a certain price for it. The weakness of the position of my hon. friends on this side of the house is that they never had the courage when in power to undo the policy which their opponents had adopted when they were in power.

The policy of protection being given as the policy of Canada, how should it be applied? It seems to me that it should be applied all round. If we have the courage to react against what I think is the false principle of protection, then we should have the courage to react all round. But unfortunately no party has had that courage so far. I do not blame them, because perhaps they were not in a position to do it. Perhaps they found economic conditions such that they could not. But I do not think this is the time to carry on a discussion and to maintain an opposition against the advancement of a principle which has been in our legislation for practically all time.

Comparing the old clause with the proposed clause, I find that the governor in council already exercised this power which it is now proposed to give. Whether this government would carry its policy to the absurd extreme of fixing abnormal valuations upon goods not produced in Canada—

Mr. CAHAN: It refers only to goods produced in Canada.

Mr. BOURASSA: It refers to goods of any kind.

Mr. CAHAN: Read the fourteenth and fifteenth lines of the bill.

Mr. BOURASSA: There is no limit. If my hon. friend will allow me, I am quite prepared to credit him especially, and even some of his colleagues, with sense enough not to carry the policy of protection to an absurd conclusion. I do not presume that this government would fix upon any natural or manufactured product not made or produced in Canada an abnormally high price, the result of which would simply be to raise the purchasing price to the consumer. But suppose they

did? Then it would simply open the eyes of our population to the effects of the mandate that they have given to these gentlemen.

The proposition I want to make is simply this—that given the situation as it is, the argument that was carried on all over the country for two months as between the advantages of the policy of protection and the disadvantages of that policy, I do not think we gain anything by quarrelling over this or that clause of this legislation. I believe hon. gentlemen opposite received not only a general but a specific mandate to enact the principle of this legislation. I readily believe it, the more so that not being a candidate of the Liberal party I combated the principle of this legislation, I endeavoured to point out to the people who had confidence in me that a further measure of protection would not cure either the evil of unemployment or the general conditions which prevail in this country as in many other countries. But the people thought otherwise. They have given their confidence to hon. gentlemen opposite, they have by their mandate given them the right to enact any measure of protection the government deem necessary in order to cure not only unemployment but the general uneasiness in economic matters of which all classes in our country complain.

It seems to me the only duty that hon. gentlemen on this side of the house have is to reiterate their objections on principle to the policies propounded by hon. gentlemen opposite, the policy accepted by the majority of the people of this country at the recent elections and then quit.

An hon. MEMBER: Not forever?

Mr. BOURASSA: Oh no, not forever. I mean it is perfectly useless at the present time, taking into account the conditions under which this special session has been called, to carry on a debate on the merits or demerits of protection, because after all it amounts to this as between the two parties; the merits or demerits of a little more or a little less protection. I am old enough and I have taken my share in a sufficient number of political campaigns to be in a position to state that nobody in this house has the right to pose as the standard bearer of free trade against protection. I mean as a supporter of the Conservative or the Liberal party. Of course, there have been such individuals. I remember my dear old friend—may I name him?—the late Senator Edwards, who was one of the standard bearers of free trade. He was one of those who in the national Liberal convention of 1893 denounced protection as being organized robbery. Every time Mr. Fielding brought down his protectionist budgets at each session after 1896, I asked the Senator: "Are you going to vote according to your free trade principles or according to your faithfulness to the party of disguised protection?" He answered: "Oh, don't be cruel; I am forced to choose between my party allegiance and my principles." And of course, like every one of us, he chose his party allegiance as against his principles. I am not bringing that forward as a reflection against anybody. We must take conditions as they are. Industries have been built up, people have been educated in the idea that a certain degree of protection is needed. I have even heard my friends in this quarter of the house—more numerous as they were in the last parliament—

Mr. GARLAND (Bow River): Not very much so.

Mr. BOURASSA: It does not matter; quantity does not make value. I have even heard them say that free trade could not be established. Therefore if we are to have protection, and if the people of this country have decided that a certain measure of protection is necessary to remedy the economic conditions that exist to-day and, as the leader of the government stated this afternoon, to give more employment, then let those hon. gentlemen apply it. I do not believe they will succeed. But I believe that all of us, whether in opposition for the sake of opposition, whether free to be on the side of the government or on the side of opposition—as I claim to be—will be in a far better position to call the government to task after one or two years' trial, after they have tried their hands than in attempting to drive home their objections to this or that clause of any measure now introduced.

For my part, on this little clause, I state once for all what we should do. We should express concisely what objections we have, either on principle or as a matter of practice, and then quit. Let those hon. gentlemen enact their legislation. Let them try, as they have promised, to remedy all the economic evils, let them try to give work to all the unemployed people, let them try to put life into agriculture and industry and everything. They have a large majority, they can do it. Why go on delaying matters by protracting debates? It is perfectly useless when we know they have the force to enact their legislation, and that the majority of the people of the country, who are no fools—

An hon. MEMBER: Hear, hear.

Mr. BOURASSA: —who are no fools, will react against this government in the proportion in which they have shown themselves unable to redeem their promises.

Section 4 agreed to.

The CHAIRMAN (Mr. Bell, Hamilton): The following amendment is moved by Mr. Cahan as subsection 2 of section 4:

That every such order in council shall be published in the Canada Gazette in the first issue thereof in which the same can be published after the passing of such order in council.

Shall the subsection carry?

Mr. POWER: The amendment is that "every such order in council" shall be published in the Canada Gazette and so on. Now, what does "order in council" here refer to? Does it refer to the authority given the minister to fix the value before he has fixed the value, or does it refer to the actual appraisal which the minister makes of the goods? Do I make myself clear to the minister?

Mr. RYCKMAN: Yes. I would take it that the order in council would authorize the minister, and it would be advertised before the rates were fixed, except in emergency.

Mr. POWER: I understood the minister to say that the order in council would authorize him to fix the rates.

Mr. RYCKMAN: No, to fix the value.

Mr. POWER: Yes, the value; and the order in council will be published in the official gazette prior to the actual appraisal of the goods.

Mr. RYCKMAN: There would be the time between the passage of the order and its publication in the Gazette, and if action did take place at all it might be necessary within that time.

Mr. POWER: The actual fixing of value is not accomplished by order in council; it is a mere departmental ruling, if I understand this legislation.

Mr. EULER: If council gives the minister power to fix the value, and if the purpose of publication of the order in council in the Gazette is that the public generally, the consumers, shall have an opportunity of making their representations—

Mr. BENNETT: So that they may know what is going on.

Mr. EULER: —then the minister should delay the actual fixing of values until such representations can be made. Can any assurance be given us in that regard? It would be useless to publish the order in council if the minister proceeded immediately to fix the values before the consumers could make their representations.

Mr. BENNETT: It is in order that there may be no secrecy.

Mr. EULER: But if the minister proceeded immediately on the publication of the order to fix the values the representations that might be made would be too late.

Mr. RYCKMAN: There might be a case where instant action would be necessary. I do not know of such a case, but suppose instant action were required: a special meeting of council would be called to consider this particular matter and the minister would be authorized to fix the value. If we advertised in the Gazette, the public would be put upon inquiry; and, as my hon. friend knows, an order in council recites the reasons for doing what the minister recommends.

Mr. EULER: The minister might be justified in proceeding immediately to fix the value. But the fact would remain that in all cases of that kind publicity would be of no use as regards giving the public an opportunity to make representation. They would not know what the prices were.

Mr. RYCKMAN: As soon as the public was advised by the Gazette it could take action. And no action would be taken in any case unless the circumstances demanded it immediately, in which event there would be no time to inform the public fully as to all the details surrounding the matter.

Mr. MALCOLM: There is more in the publication of information than would at first appear. The minister is now taking complete power to value raw materials coming into Canada for industry, because some small industry is attempting to import these raw materials. It seems to me that in the publication of the order in council he should give the actual ruling and what the values of these materials are to be; for a man in the future must govern his purchases by the prices on which he will have to pay duty. I see no benefit from the publication unless the importer is informed what the values are to be in the future.

Mr. RYCKMAN: It amounts to an unfairness, to me at least, to put the case in that way.

Mr. MALCOLM: Why?

Mr. RYCKMAN: My hon. friend says that power will be given to the minister to fix the price of raw materials—

Mr. MALCOLM: Raw or semi-finished.

Mr. RYCKMAN: —for the benefit of some manufacturer. I have stated many times, and I now wish to put it as emphatically as I can, that the important words of this section are, "prejudicially or injuriously to affect the interests of Canadian producers". That is a situation that must be proved before any action can be taken. Therefore, it is not a case where the minister by order in council is called upon to act because some raw materials are coming into the country affecting some little manufacturer here. This is a case where immediate action is necessary. I can conceive of a case where instant action would be necessary, the public being advised afterwards, in the same way as we have had tariff rates fixed. That action has been taken and if, on representations in this house, it is found not to be fair in some respects, no doubt it will be modified. That might be the position that would confront us where the fixing of a value had to be done at once and, if you like, without advice to anyone, to protect the revenues of the country where there was this prejudicial or injurious effect.

Mr. STEWART (Edmonton): I cannot conceive of any case—at least I hope there will be none—

Mr. RYCKMAN: I hope so too.

Mr. STEWART (Edmonton): —in which the minister will invoke the provisions of section 43, unless the case were of a character such as he has described; because I cannot for the life of me understand why he would require legislation for any case other than one that would call, in his opinion, for instant remedy. I fail, therefore, to see what value the advertisement would be except to inform the public that action had been taken.

Mr. RYCKMAN: With the hon. member, I hope that no action will be necessary under this section. Nevertheless I can quite conceive how it would be essential to take such action as is here provided for. I do not think any hon. member expects that our producers will be injuriously affected, and I agree with what my hon. friend has said. The act in relation to fair market value and the fixing of value for duty is now in such a frame that I believe we shall be able to meet the situation without resorting to this section which has met with so much objection.

[Mr. Malcolm.]

Mr. POWER: The minister has referred to a possible modification of the appraisal of value. Does he consider it possible under this legislation to decrease in any way the valuation which he has once fixed by order in council or otherwise?

Mr. RYCKMAN: There is the general principle that, although you may not increase a duty, you may decrease it.

Mr. POWER: It is not a question of duty. The minister may fix the value if the goods are imported in a manner to injure any producer or manufacturer. Now I take it that the statute contains all the authority which is given to him. He cannot go beyond the statute, and I am asking him this question: If the manufacturer does not complain, if the producer does not complain, but if he himself, on representations being made by someone other than a manufacturer or producer, finds that there has been an error or that there has been fraud—although in that case the statute would cover it—or if he discovers that circumstances have changed so that in his opinion the value he has fixed is too high, what can the minister do under this legislation to get out of that situation?

Mr. RYCKMAN: In such a case I do not think this section would be invoked. But let us assume that it has been invoked and that it is desired to change it. My opinion is that the governor in council could change it.

Mr. STEWART (Edmonton): The value?

Mr. RYCKMAN: The governor in council authorizes the minister to fix the value. Suppose the minister has fixed the value. Do you mean to tell me that the governor in council has no right to authorize the minister to fix another value lower than the previous one?

Mr. POWER: Will my hon. friend read that section again?

The statute says:

If at any time it appears to the satisfaction of the governor in council on a report—

You will see that there must be a report,

—from the minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers—

Here would be a case where goods were imported which did not injuriously affect anyone, we will say except the consumer. The minister cannot make a report and he cannot act under this legislation. I am simply asking these questions for information; there are

many learned lawyers on the other side of the house, and I am wondering if the minister can even cancel the order in council.

Mr. RYCKMAN: Speaking as an ordinary member of the house I think if the rate is fixed it can be unfixed in the same way, but if this amendment is not desired I am sure I will not press it.

Mr. POWER: I am only endeavouring to protect the minister himself.

Mr. MALCOLM: I would like to make an observation with regard to the former comment I made. As the section stood previously it simply applied to natural products, and there was no difficulty at all in administering it. Now when you add manfactured goods you introduce difficulties which never came up under the old section. My hon. friend knows that in every new country an industry starts off by assembling and gradually goes on manufacturing more and more of its parts until it finally makes the entire article. In all infant industries a great many parts are imported, and there is no question that any part imported is probably made first in this country in a small way and then in a larger way until finally it is manufactured here about as cheaply as it is made elsewhere.

My point is that the minister will be asked to give rulings on semi-manufactured goods entering into the completely finished article. I do not hesitate to join with him in saying that I am not in favour of distressed merchandise coming into Canada, but I do think the industrialist who is importing merchandise has a right to know the ruling of the minister, when a case is referred to him. I believe the amendment proposed by the Secretary of State is good, but I think in justice to the importers his ruling should be published together with the valuation. This act distinctly says that after this ruling is given the value so fixed shall be deemed to be the fair market value of such goods. Then I understand that price must remain unless another order in council changes it. I think in the ordinary conduct of business the minister should report what his rulings are, what price was fixed and so on, so that every man in the same business will know on what price he will have to pay duty in connection with future importations. I should like to know from the minister whether he is prepared to publish in the Canada Gazette the rulings he makes under this act.

Mr. RYCKMAN: I may say that ordinarily I cannot think of any case where it would not be proper to do that, and I shall be glad to do it except where it is against the public interest by reason of the fact that action must be taken before it is possible to communicate the nature of such action to the public. The Canada Gazette is published on Saturday. Suppose that on Tuesday it is desired to fix value for duty in some special instance where interests are prejudicially affected or threatened. Must we wait from Tuesday until Saturday before taking action?

Mr. MALCOLM: No.

Mr. RYCKMAN: That is what you are asking us to do. I think it would be proper to fix such values, but they would be fixed before publication.

Mr. MALCOLM: I am not objecting to that. I am afraid the minister has misunderstood me. I think once a ruling is given it should be made known. Let us take a commodity such as glass. There have been people who held that we should manufacture all our glass in Canada. Glass is a very necessary commodity. There was a glass factory in Hamilton which was closed, and my investigations proved that the duty necessary to enable this factory to reopen would increase the price of glass. Supposing someone asks that the discount on British glass be fixed. I think the public have a right to know the basis of value of glass for duty purposes in the future. Fixing the discount might be a very good way of giving protection. I will not criticize my hon. friend if he does give protection in that way; he has told the public they are to have higher protection and the public will have to stand for it, but the importers of glass have a right to know definitely what his ruling is, not necessarily the day he makes the ruling but at some future date.

Mr. RYCKMAN: I think such information is valuable and should be given to the public as soon as possible.

Mr. COOTE: I have not been able to hear the amendment or much of the discussion which took place on it. I suppose that is due to the poor acoustic properties of the chamber and also to the fact that some of the hon gentlemen sitting at the other end of the chamber either have very poor voices or are tired out to-night from the arduous duties they have been performing in the house, and so cannot make themselves heard. However, as I gather from so much of the discussion as I have been able to hear, the amendment relates to the question whether the values fixed by the minister in each case are to be published, together with the order in council.

It seems to me that at least this concession should be made by this government. The duty which any person is going to pay on an importation of goods is determined by two things: the basis of valuation in fixing the duty, and the rate of duty. The rate of duty can be ascertained by any importer or consumer from our customs tariff, but when this new section comes into effect the importer will not be sure that he can determine the amount of duty he will be called upon to pay on these goods, because it is provided here that the minister can fix the value for duty purposes on any commodity imported into Canada. An importer might be very much afraid that the minister would fix the value for duty at something altogether different from what is shown on the invoice, and surely consumers and importers have the right to know the amount of duty they will be called upon to pay in connection with anything imported.

If the minister is going to publish anything at all why should he not publish the value he has fixed on this certain class of goods, so that from that time on the importer may know what he will have to pay in the way of duty? If this is not made public through the Canada Gazette, personally I cannot see that there is any use in publishing anything at all. I think the government has gone a long way in bringing down this legislation, particularly section 4. It is bad legislation.

Mr. CAHAN: Would the hon. gentleman allow me one moment? I have suggested an amendment. With the permission of the committee I will withdraw the amendment I previously proposed and now propose another amendment which I think will meet the views of the committee.

The CHAIRMAN (Mr. Bell, Hamilton): If the hon. member will allow me, the phraseology of the new amendment is:

> Every order of the governor in council authorizing the minister to fix the value for duty of any class or kind of such goods, and the value thereof so fixed by the minister by virtue of such authority, shall forthwith be published in the Canada Gazette.

Mr. COOTE: The new amendment is certainly an improvement on the old one. Seeing that I had almost finished stating my views on this point, possibly I had better continue for just a moment or two. It has been said here this afternoon, and very well said, indeed, better than I could say it, that the power of fixing duties should belong to parliament, and that to some extent at least this power is being usurped by the government. The extent to which it is being usurped of course we do not know; that will depend upon the use which the government makes of it. The hon. member for Wetaskiwin this afternoon said that in effect parliament did not have that power; that the power rested in the party in office and that the party was quite willing to have the government exercise all the power that rested in the party. That is possibly true in one sense, but I should like to remind the committee that it has the power at any time a majority of the members care to exercise it. It rests in the party only because of a custom that has grown up in parliament and that I sometimes think is carried very much too far, a custom that is indeed, a very bad one. But a majority of the members in every parliament that I have been associated with seem to think that idea should be perpetuated. I live in the hope that some parliament in the future will be made up of members who will insist upon the supremacy of parliament even over a cabinet and a prime minister. It is for that reason I have risen, rather against my will, in a sense, to protest against this legislation. I realize the government have the power to put it through; I also realize now that it is part of their plan for dealing with unemployment. But so far as the people in my constituency are concerned, I do not think they were ever given to understand that the Conservative party, even if they did form a government, intended to introduce any such legislation as this, because the two principal planks in their platform as placed before the electors of my constituency and published in every paper in the riding, were these—an advertisement published in the Nanton News reads:

> Vote for J. D. Matheson, K.C. the Liberal-Conservative candidate for Macleod federal constituency and for
>
> (1) Unemployment relief by a special session of parliament to be called immediately after the election of Hon. R. B. Bennett, to pass grants for public works.

That, I presume, has been done.

> And (2) Protection for the consumer by legislation to prevent Canadian manufacturers and other protected interests from adding the customs and excise tariffs to the proper selling price of agricultural implements and other goods.

In that advertisement there is not a word about giving the government power to fix the value for duty of any goods that may be imported if some manufacturer or producer claims that his business is injuriously affected. I hope that before this short special session of parliament is over the government will introduce the legislation that is suggested

in the second part of this advertisement. It is possibly the thing which appealed most to those who voted for Conservative candidates in western Canada. Many people, if I may use the expression, were "sold" on this idea. On the platform I pledged myself to assist the government, if I could in any way, in the passing of legislation that would achieve this end, but I regret that legislation which, it seems to me, is going to make it more difficult to protect the consumer, is being introduced by the government, and certainly is being introduced before we hear very much about this protection for the consumer. As I have said, I hope that before the session closes legislation such as is suggested in the second part of the advertisement will be introduced and pushed through the house as energetically as the legislation now before us and which, as I have stated, is very bad legislation.

Miss MACPHAIL: I cannot help feeling that the government, which is in power with an excellent majority, is using this short session to put through legislation which even it would fear to put through if the session were longer and the opportunity for publicity and the acquainting of the public with the facts were greater. The election from which we have just emerged was one of the hardest things I have ever gone through. I am not now speaking of the physical strain. During that experience and as a result of it I came close to losing my belief in the intelligence and the goodness of human beings. Strange as it may seem, in Southeast Grey I have never used any of the methods commonly employed for the winning of votes. I persisted, almost to my undoing, in the course I had started with some years ago, but I say in the House of Commons—and I say it rather because of the remarks made by the hon. member for Labelle—that I would very much rather be defeated having used methods that I could honourably uphold than be elected having employed the methods resorted to in many parts of Canada, and possibly not all by members of one party.

But strange as it may seem, the one thing that is now in a measure restoring my confidence in humanity—and I am sure the hon. gentleman will be surprised—is the Prime Minister himself. This can be said, that he has apparently the courage of his convictions, and I like people who have decision and who act with despatch. But I am entirely opposed to the policies he is advocating, and while at the moment we have seen in Canada, as in other parts of the world, nationalism gone mad, it is not a policy that in the long run will be beneficial either to Canada or to any other country that pursues it. And because I believe the legislation we are now considering will to an even greater degree than has hitherto been the case take the authority from parliament and put it into the hands of the cabinet, the executive council, where all too much authority already resides, I am strongly opposed to the legislation we are now considering. By virtue of this measure the cabinet will have the power—and I believe they will exercise it—to raise the price of goods in Canada by raising the valuation of the goods, all under the guise of preventing dumping.

I have every respect and liking for the man who is now Minister of National Revenue; but, after all, he is connected with many industrial concerns, and it is very difficult for a man, be he ever so honest and honourable, to make a fair decision as to the fair market price for articles which are being sold by industries in which he is interested and with which he is so closely connected. I think we all know how true that is, and to put into the hands of one man or one group of men the power, without consulting parliament, to raise prices when they will, is something that I at least will never have anything to do with. We are giving to the manufacturers of Canada the right to the cost of production plus a fair profit, when at the same time the agricultural industry, which I am glad to say I at least try to represent, is not getting any such thing; when this year it is not getting even the cost of production, leaving out entirely a reasonable profit. Why should we guarantee to any one group—to any one class group, if you will—the cost of production plus a reasonable profit, when agriculture, which the Prime Minister himself admitted was the great basic industry, is not getting a reasonable profit and in western Canada is not getting even the cost of production?

I know it is useless to protest. There is something to be learned from the cynical remarks made to-day by the hon. member for Wetaskiwin. I think, however, that he did not sufficiently emphasize the fact that some power still resides in parliament. Probably there is not as much as we would like, but there is still some power. What is done here is broadcast throughout Canada.

Some hon. MEMBERS: Hear, hear.

Miss MACPHAIL: Yes; after all, taking it by and large, the press does some things, we know. The people have a chance to know what is being done. But that is an altogether

different thing from vesting in the cabinet the power which it is seeking by this measure. I am not sure whether we shall have an opportunity to vote upon the proposed legislation, but I wish to state as strongly as it is possible for me to put it in words, my objection to the taking of power from parliament and giving it to the cabinet, the body which at this moment really rules Canada.

Amendment agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read a third time?

Some hon. MEMBERS: Now.

Some hon. MEMBERS: Next sitting.

Hon. R. B. BENNETT (Prime Minister): if there is any point in not having the third reading to-night, the bill can stand. On the other hand if it were given its third reading to-night it would go to the other chamber.

Mr. SPEAKER: Mr. Ryckman moves that the bill be now read a third time.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): So far as we are concerned I think there is no objection to having the bill passed to-night. On the other hand it is, I believe, important that hon. members should register their position with respect to legislation as important as this. To give them the opportunity of so doing on the third reading I move:

That the word "now" be struck out, and the words "this day six months" added at the end of the question.

Mr. SPEAKER: Call in the members.

Mr. ROBERT GARDINER (Acadia): Before the vote on this amendment is taken, I desire to raise a point of order, Mr. Speaker.

An hon. MEMBER: The vote is on now.

Mr. GARDINER: I think it is within the rules to raise a point of order at any time. After the bill had been reported from the committee and the amendments read a first and second time, you, Mr. Speaker, asked "When shall the bill be read a third time?" The members in this corner of the house said, "At the next sitting of the house." In view of the fact that amendments were made to the bill in committee I submit that we are perfectly in order in asking that the third reading stand over. The Prime Minister rose and said that unless there was some serious objection he would like to have the third reading taken now, whereupon the leader of the opposition said, "I have no objection to going on with the third reading to-night, but I am going to move an amendment to the bill." My point of order is this, that you, sir, as Speaker of the house, after accepting the objection to going on with the third reading of the bill to-night, allowed an amendment to be proposed to the motion for the third reading. I object to that. It is against the rules of the house, and we in this corner object to that kind of proceeding because we are members of the House of Commons.

Mr. SPEAKER: The hon. member has correctly stated what took place; however, he should have stated his objection when the amendment was moved. The vote will now be taken on the amendment, and when that has been done, the motion for third reading will be in order. That motion being debatable, the hon. member can object to the third reading being taken to-night and ask that it be taken at the next sitting. The right of the hon. member to object, therefore, will not in any way be prejudiced by the taking of this vote.

The house divided on the amendment (Mr. Mackenzie King) which was negatived on the following division:

YEAS

Messrs:

Beaubien,	King, Mackenzie,
Bertrand,	Lapointe,
Bettez,	MacInnis,
Blair,	Mackenzie (Vancouver Centre),
Bothwell,	Macphail (Miss),
Boucher,	McKenzie (Assiniboia),
Boulanger,	McMillan (Huron South),
Bradette,	McPhee,
Brown,	Malcolm,
Buckley,	Mercier (Laurier-Outremont),
Butcher,	Mercier (St. Henri),
Cardin,	Munn,
Casgrain,	Parent,
Cayley,	Power,
Coote,	Ralston,
Denis,	Reid,
Deslauriers,	Rhéaume,
Desrochers,	Rinfret,
Dubois,	Roberge,
Duff,	St-Père,
Dumaine,	Sanderson,
Elliott,	Seguin,
Fafard,	Taylor,
Ferland,	Thauvette,
Fontaine,	Totzke,
Gershaw,	Veniot,
Girouard,	Weir (Macdonald),
Goulet,	Woodsworth,
Hall,	Young.—62.
Hanson (Skeena),	
Heaps,	
Heenan,	
Howard,	

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Baker,
Barber,
Baribeau,
Belec,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Beynon,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Cahan,
Campbell,
Cantley,
Casselman,
Chaplin,
Cormier,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Duguay,
Dupré,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Ganong,
Gardiner,
Garland (Carleton),
Geary,
Gobeil,
Gordon,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Harris,
Hay,
Irvine,
Jones,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
Laflèche,
Larue,
Laurin,
LaVergne,
Loucks,
Lucas,
Luchkovich,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdougall,
MacMillan (Saskatoon),
MacNicol,
McGillis,
McGregor,
McLure,
Maloney,
Moore (Chateauguay-Huntingdon),
Morand,
Murphy,
Myers,
Neill,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Rennie,
Rhodes,
Robinson,
Rogers,
Ryckman,
Ryerson,
Senn,
Shaver,
Short,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Spankie,
Speakman,
Spencer,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Turnbull,
Weese,
Weir (Melfort),
White (London),
White (Mount Royal),
Wright.—116.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Arthurs,
Barrette,
Bell (St. Antoine),
Black (Halifax),
Perras,
Robitaille,
Raymond,
Motherwell,
Charters,
Cotnam,
Dickie,
Dorion,
Gott,
Lennox,
McGibbon,
McDade,
Manion,
Matthews,
Sauvé,
Spence,
Nicholson,
Ross,
Johnstone,
MacLaren,
Spotton,
Wilson,
Porteous,
Beaubier,
Mullins,
Rowe,
Perley (Sir George),
MacIntosh,
Dubuc,
Dupuis,
Verville,
Rutherford,
Pouliot,
Ilsley,
Factor,
Euler,
Moore (Ontario),
Bouchard,
Stewart (Edmonton West),
Ahearn,
Brassett,
Donnelly,
Fiset (Sir Eugene),
Fournier,
Fraser (Northumberland),
Gray,
Hanbury,
Howden,
Lacroix,
Marcil.

Mr. MANION: I was paired with the hon. member for North Waterloo (Mr. Euler). Had I voted, I would have voted against the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted, I would have voted against the amendment.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted, I would have voted against the amendment.

Mr. STEWART (Edmonton): I was paired with the hon. member for Parkdale (Mr. Spence). Had I voted, I would have voted for the amendment.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the amendment.

Mr. MOTHERWELL: I was paired with the senior member for Halifax (Mr. Black). Had I voted I would have voted for the amendment.

Mr. McINTOSH: I was paired with the hon. member for Peel (Mr. Charters). Had I voted, I would have voted for the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted against the amendment.

Mr. ILSLEY: I was paired with the hon. member for Muskoka-Ontario (Mr. McGibbon). Had I voted, I would have voted for the amendment.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted, I would have voted against the amendment.

Mr. SPOTTON: I was paired with the hon. member for West Elgin (Mr. Hepburn). Had I voted, I would have voted against the amendment.

Mr. DUPUIS (Translation): I was paired with the hon. member for Northumberland (Mr. McDade). Had I voted I would have voted for the amendment.

Mr. SAUVE (Translation): I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted I would have voted against the amendment.

Mr. BARRETTE (Translation): I was paired with the hon. member for Maisonneuve (Mr. Robitaille). Had I voted I would have voted against the amendment.

Mr. VERVILLE (Translation): I was paired with the hon. member for Quebec-Montmorency (Mr. Dorion). Had I voted I would have voted for the amendment.

Mr. SPEAKER: Shall the bill be now read a third time?

Mr. WOODSWORTH: Mr. Speaker, it is after eleven o'clock and I cannot speak at this hour. I would ask that you call it eleven o'clock.

On motion of Mr. Bennett the house adjourned at 11.25 p.m.

Wednesday, September 17, 1930

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Willingdon.

Government House,
Ottawa.

BUSINESS OF THE HOUSE

PRECEDENCE OF GOVERNMENT MOTIONS AND ORDERS

On the order, introduction of bills:

Mr. SPEAKER: I call the attention of the house to the fact that on the opening day of the session it was resolved:

That on and after this day, the 8th of September, and all subsequent Mondays, Wednesdays and Thursdays, until the end of the session, government notices of motions and government orders shall have precedence over all other business except questions and notices of motions for the production of papers.

Government business will therefore have precedence over the introduction of the bill on the order paper.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PICTOU WHARF

Mr. ILSLEY:

1. What were the names of the carpenters who were dismissed from work at wharf repairs in Pictou, Nova Scotia, under the public works department?
2. What was the date of their dismissal?
3. On whose recommendation were they dismissed?
4. Who were the parties employed in their places?

Mr. STEWART (Leeds):

1. Louis Bedford.
2. August 18, 1930.
3. On the recommendation of the foreman.
4. Not replaced.

PRINCE EDWARD ISLAND FERRY

Mr. CANTLEY:

1. Who are the contractors building the new Prince Edward Island steam ferry boat?
2. What is the contract price and date for delivery?
3. Is domestic steel being employed and, if not, what is the source from which it is supplied, both as to framing, scantling and plating of the vessel?
4. Where are the boilers and propelling machinery being built and, by whom?

Mr. MANION:

1. The Davie Shipbuilding and Repairing Company, Limited, Lauzon, Que.
2. $2,112,600; date of delivery, July 15, 1931.
3. British.
4. Canadian Vickers Limited, Montreal.

TROIS-PISTOLES POST OFFICE

Mr. POULIOT:

1. What amount, if any, was voted at the last session to construct a post office at Trois-Pistoles?

2. Will the government proceed with this work before the end of the present fiscal year?

Mr. STEWART (Leeds):

1. $20,000.
2. Matter under consideration.

IMPORTATION OF RUSSIAN PULPWOOD

On the orders of the day:

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, last Friday the hon. member for North Timiskaming (Mr. Bradette) asked a question verbally regarding the importation into Canada, or at least through Canada to the United States, of Russian pulpwood. With reference to the importation of pulpwood, lumber and coal from Russia since March 31 of this year—and the records show the same for other years—the answer is, none; lumber, none; coal, 157,780 tons.

As to shipments of pulpwood in transit to the United States, such shipments were received at Three Rivers and Sorel, but were not entered for consumption in Canada.

CUSTOMS ACT AMENDMENT

VALUATION FOR DUTY OF GOODS IMPORTED INTO CANADA

The house resumed from Tuesday, September 16, consideration of the motion of Hon. Mr. Ryckman for the third reading of Bill No. 3 to amend the Customs Act.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, my purpose last night in asking that the third reading of this bill should stand over until to-day was that we might have one more opportunity of protesting against what some of us regard as very reactionary legislation.

Under normal conditions there would be an opportunity, not only that a matter of this kind should be very fully discussed in the house, but also that the people outside should be informed as to what is involved in the legislation. I am quite convinced that the public do not as yet understand what this legislation does involve. In the course of an ordinary budget debate which may extend over several weeks there is discussion backward and forward, very full reports of the discussion appear in the papers, and editorials are written; all this brings out what will be involved to the public at large in the budget. In the very brief time that we have had for the consideration of this bill there has not been a sufficient interval for the public to understand the situation, much less has there been an opportunity for an expression of public opinion. In a country such as Great Britain the response from the public is immediate, and I take it that it was under conditions of that kind that the British parliament has attained its present position, a position where the ministers are more or less amenable to public opinion. As we all know, Canada is a very large country, for example, it is a long way from Ottawa to my home city of Winnipeg. There has not been time for Winnipeg to express itself in regard to this matter, much less has there been time for an expression of opinion to come from Vancouver. Under these circumstances it seems to me we are justified in spending a little time in canvassing the situation which might result from the passage of this bill.

Further than that, I am afraid that the circumstances under which we meet rather facilitate the rushing through of a measure of this kind. We are not yet fully recovered from the effects of the recent election. I speak particularly for some whose parties have suffered defeat in the election. This is an emergency session. None of us when we came here were quite sure what was going to happen, and therefore we could not discuss matters with our people at home. Furthermore, this is a new house; we have, I understand, some eighty or ninety new members. These hon. gentlemen have not perhaps the same opportunity of knowing the rules of the house as some who have been here a little longer. It is comparatively easy for a government to rush through legislation under these circumstances. Take the changed position in which we in this corner of the house find ourselves. For the last four years we have been sitting next the Conservatives, and we have of necessity for the purposes of the house been more or less working with the Conservatives.

Some hon. MEMBERS: Oh, oh.

Mr. WOODSWORTH: In one sense; because from different angles we were both in opposition to many of the acts of the former government, and I think all hon. gentlemen who were members of the Conservative party when they sat to the left of the Speaker know that of necessity and for the purposes of the house opposition groups are more or less brought together. I refer only to that class of cooperation. Now all of a sudden we find ourselves sitting side by side with members of the Liberal party whose policies for the past four years, while in control of the government we have had to criticize. I suppose that in time we shall have to align ourselves, again for the purposes of the house, more closely with the Liberals because necessarily we are under compulsion to check some of the claims of the government of the day—now Conservative.

An hon. MEMBER: Always against the government.

Mr. WOODSWORTH: Always against the government—perhaps a happy position to be in. I would submit that under these circumstances which I have outlined it is more difficult for the opposition to make itself effective. Further than that, I would protest, as has been done before, against an emergency session being used as a means of enacting legislation of this character. I am quite well aware that the Prime Minister came before the house at the beginning of the session and very frankly—I give him credit for the stand he took—placed before parliament the three parts of the program which he intended to put forward. The first was that of giving relief, and I for one felt that we should have facilitated that measure to the utmost. Nor do I think any one of us delayed it very much. Then the Prime Minister said that, forming an integral part of his program, there were these two other measures, the changes in the tariff and the changes in respect to the Dumping Act.

Now the Prime Minister may very sincerely believe that through these two latter means he may help the unemployment situation. Some of us, however, do not so believe and some of us protest that it is not fair that the Prime Minister should call an emergency session and use it for the purpose of putting through legislation which under ordinary circumstances would occupy weeks of the time of the house.

An hon. MEMBER: To help the unemployed, according to instructions.

Mr. WOODSWORTH: I am as much interested as anyone in the welfare of the unemployed, but now that we have passed the $20,000,000 grant, so far as this house is concerned, it does seem to me that a piece of legislation of this character might well stand over until next session. I do not think anyone will claim that the people who will be immediately affected by it would suffer by having the matter delayed for a few weeks. I do not believe that the people involved are so numerous as to constitute an important part of the unemployed to-day. It seems to me, therefore, that this particular piece of legislation might well stand over.

The Prime Minister and his supporters say that they have a mandate from the people to put through legislation of this nature. I agree that they have a mandate from the people. But some of the rest of us have a mandate from the people to oppose this sort of thing. Let me say that the Prime Minister has held over us the club of the imperial conference.

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: Yes, I think so; and I do not think that is quite fair. The Prime Minister has declared that he may not go to the imperial conference. I call that the use of the club. It might possibly, of course, be conceivable that the imperial conference could get along without the Prime Minister. But I submit that while we are all anxious to see Canada represented at the imperial conference it would not do for us, on that account, to neglect important legislation of this kind. I do not think that is good policy. There is another alternative which the Prime Minister refuses to accept, and that is that he might go to the imperial conference and leave parliament to carry on. Sir Robert Borden, in his time, took that position and went to the imperial conference. And I believe there are very eminent prime ministers of some of the sister dominions who are going to the imperial conference and leaving their houses in session. I do not see why that course could not be followed here.

I wish to express my divergence from some of the gentlemen who have spoken on this side and who have exhibited what I might almost call a defeatist attitude. I refer to my hon. friend from Wetaskiwin (Mr. Irvine); and I believe the hon. member for Labelle (Mr. Bourassa) was guilty of something of the same kind. A good many people outside are rather in that humor at the present time. They say, "Let the people take their medicine, and if they are treated rough enough they will wake up the sooner." Now I do not believe that the liberties and rights of the people are either kept or won by such an attitude. I am rather inclined to take the view that every inch of ground gained may be utilized as vantage ground for further victory. I am inclined to think that in the march of progress every inch of ground lost is extremely difficult to recover. Once, therefore, this legislation is placed on the statute books it will be extremely difficult to have it removed; rather, those who seek leigslation of this kind will be encouraged to look for more of the same character.

I am not usually very strong on emphasizing the ancient liberties which we enjoy and which should be preserved. Personally I would rather go forward to new liberties. In fact, I believe that it is only as

we do go forward to the newer that we can keep the old. But I would point out to the house that after all the foundation stone of parliament is the right to appeal before being taxed. The tariff is undoubtedly a tax, and we have always felt in this house that we had a right to appeal against taxation. It must be admitted that this legislation is essentially a form of taxation. There is not the slightest doubt about that. It places in the hands of the minister the power to tax the people, and the point is that he can do so without our having any chance to make effective appeal. For that reason, we ought to take very seriously the passage of an act of this kind.

I would appeal to the Conservatives in this matter. I said I had been sitting very close to them for the last four years and perhaps some of us do not feel just so suspicious of the Conservatives as does the leader of the opposition (Mr. Mackenzie King). I would appeal from Philip drunk to Philip sober—from the Conservatives, rather drunk with recent victory, to the Conservatives as they have shown themselves in the past, anxious to preserve British precedents and British traditions. The Prime Minister himself called attention to the six centuries of British tradition which we had before us. I think it was on the occasion of the election of the Speaker that he made this reference. I cannot believe, therefore, that a student of constitutional history such as the Prime Minister can fail to realize that this legislation is lessening the liberties of the people and is a very serious break in British tradition. I believe that the Conservatives, when they were in opposition, in this matter as in some others, were likely to be on sounder ground than now that they have attained to power, simply because a leader of an opposition, or a defeated party, the party without immediate privilege, is nearer to the people.

I am glad that the Secretary of State has introduced his amendment. I think he too, however, will concede that this legislation goes a long way and is very arbitrary in character. I cannot quite understand that he would have been willing to introduce that amendment unless he recognized the dangers incurred in granting arbitrary power to the minister or to the governor general in council. A day or two ago, the hon. member for Macleod (Mr. Coote) read in this house a passage from the remarks of Mr. Meighen when somewhat similar though less far-reaching legislation was introduced in 1922. I am going to crave the indulgence of the house to read again the passage which the hon. gentleman read and to add one or two other brief passages. I am still appealing to my Conservative friends on the constitutional side of this matter. Mr. Meighen said:

> This provision is protection personified.

He was speaking on the dumping legislation as introduced by Mr. Bureau.

> This is the last emanation from the government that denounced protection two or three days ago. For purposes of valuation the minister can fix the value where he likes, and any basis he likes, on any principle he likes, to suit any interest he likes, as low as he likes, as high as he likes, and when he likes. In a word, this simply puts into the power of the minister the whole elevation of the tariff of this country.

I do not think the position could be better stated by any member on this side of the house. When there came some objection from the government side, Mr. Meighen went on:

> The old reply, "We won the election."

And that reply is being given to-day by the present government.

Some hon. MEMBERS: Why not?

Mr. WOODSWORTH: Quite so, why not? I think that is very characteristic of a government. That is my point. They are going to use—I was almost going to say—their brute force of numbers to rush this kind of thing through, not withstanding the serious criticism of this very policy by the man who for many years was the leader of the Conservative party and who, I think all will agree, was an authority on matters of this kind. Mr. Meighen then said:

> If ever a government demanded order in council powers to the very infinite, that demand is made in this proposed measure. The government proposes simply to arrange the tariff by order in council. . . .

Mr. CHAPLIN: What attitude did you take then?

Mr. WOODSWORTH: One other passage.

> There have been certain limitations, and it is proposed now to wipe away all those limitations and vest the sole power in the minister to fix duties as he sees fit.

What attitude did I take? I do not think I took any very definite attitude at that time. Unfortunately, in 1922 I was one of those new members, and I was in the position of many of the new members to-day to which I have already alluded; I did not freely realize what might be involved in the legislation. I did not understand it; I frankly admit that fact.

An hon. MEMBER: How did you vote?

Mr. WOODSWORTH: I have not looked up the vote, but I do not think there was a recorded vote.

I have appealed to the Conservatives; I would appeal also to the Liberals in this house. I have wondered sometimes why we have not had, during the last two or three days, a much stronger protest from the Liberal benches. Where has the ex-Minister of Justice (Mr. Lapointe) been while this has been going on? I would have imagined that he would have been one of the first to protest against this kind of thing, because I know he has knowledge of constitutional law; I know he has a full knowledge of the British tradition. Yet, he may have protested, but his protest was very mild indeed in comparison with what I have frequently heard him make on matters of much less importance. I would ask where is the ex-Minister of National Defence (Mr. Ralston) that he has not made a more spirited protest at this time? I would ask where are the Ontario members, who in the past have been almost vociferous when it came to matters affecting the tariff. I am inclined to think that the members of the opposition are still suffering from their overwhelming defeat. I am inclined to think that may be it; in fact I might be tempted to taunt them—if I were given to that kind of thing—in order to bring about a little more definite action along this line. I am afraid that all of us have rather suffered, as I have said, from the election, and further than that I am also rather afraid that some of the members of the opposition are suffering from certain inhibitions produced by their action in foisting on this country the Dunning budget. I am inclined to think that has weakened them considerably in making an attack at this time, but I would like to direct the attention of the Liberal party to one point. I am not particularly concerned with the future of the Liberal party, but I would ask whether the Liberal party in Canada is going to follow the downward course of the Liberal party in Great Britain. It would seem so, and while it is dangerous to prophesy, I say that unless the Liberal party in this country gives a forward lead to those forces which are trying to press beyond the present stage of attainment, then the Liberal party deserves to go down as the Liberal party in Great Britain has done. Some of us possibly may think that some other party will arise that will take the place of the Liberal party, and perhaps we will not be very much the worse off if that does happen.

I would say that to-day, with such an issue before us, with the lips of the Conservatives closed and with the lips of the official opposition more or less closed or speaking in feeble terms, we who are in this independent group must utter our protest. Personally I never have regarded tariffs as a major issue; I want to say that frankly. That is one reason why I have taken comparatively little part in the tariff debates of the last eight or ten years. I do not believe that either protection or free trade is a solution for our present economic problems. I think we will have to reach the solution along other lines and some of us, as opportunity has arisen, have been trying to show these other lines, in the way of social control over our natural resources, our great industrial enterprises and finances.

However, I am a westerner and represent a western constituency. Our industrial groups in my own city and elsewhere are essentially dependent upon the agricultural prosperity of the west, and now the agricultural population is a debt-ridden population with no markets to which to send their grain. I am interested, then, in these tariff matters for this reason. We in the west who are consumers, whether industrialists of the city or agriculturists of the prairies, want cheap food, cheap clothes and cheap implements of production. We are not getting those, but it is proposed to give us more expensive implements. As I came along this morning a fellow member who had just had breakfast said to me, "My orange juice has gone up in price from 10 cents to 15 cents," an increase of 50 per cent. Now, Mr. Speaker, I confess that in my restaurant the orange juice did not go up in price this morning, but I am inclined to think the proprietor had not read the morning papers. There is not the slightest doubt that in the west the people have been feeling the effects of these tariff changes. Already our people are wondering where they are going to get their fresh fruits and vegetables for this winter. As I stated to the house the other day, we have had the minister already exercising authority which I think went beyond the existing legislations when he proceeded to set the price of automobiles. The automobile dealers in the west have been protesting against that action and are now protesting against the proposed legislation which will clearly permit such procedure.

The trouble with the program offered at the present time is that it lays a heavier burden upon the poorer people of this country. We have voted $20,000,000 to be devoted to public works, but we cannot shut our eyes to the fact that more public works undoubtedly mean higher taxes. I voted in favour of that measure as I thought that the emergency warranted such action. When taxes are raised by means of indirect taxation

the result is a heavier load upon the poor people of this country, so that the ordinary people having work will be contributing out of their own pockets to help those poor people who have no work. It may be essential that we have public works, but instead of taking the money to pay for them out of the consolidated revenue fund it might well have been obtained by an increased income tax. That would have been much fairer as those who are best able to pay would have paid.

Public works mean higher taxes, and higher tariffs mean higher taxes. Whilst individual industries or groups of industries may be helped, they are being helped at the expense of the country as a whole. If the power proposed by this legislation is given to the minister he, without any effective protests being possible, is enabled to set the tax, thus raising the cost of living for the majority of the people.

Sometimes our wives go down to the bargain counters in the different stores, but I suggest that the Canadian bargain counters are being effectively abolished by this legislation. That might not be so serious if other legislation were proposed by which we were to be given a larger purse. Unfortunately, I believe our purses will be smaller. Let us make no mistake, the bargain counters which we had in the past will be abolished.

I have ventured to take the time of the house on this question for two reasons: first, because I do not believe the public is at all aware of the far reaching character of this legislation, and I wish that we could have had a little longer time so that they might have become apprised of its implication, and, second, it would appear to be a serious deviation from British practice, to allow such a large measure of power to go to one minister or to the governor in council.

Mr. YOUNG: Mr. Speaker—

Mr. RYCKMAN: Mr. Speaker, before the question is put, I desire to make a short reply in answer to the hon. gentleman who has just spoken.

Mr. WOODSWORTH: Mr. Speaker, I rise to a point of order. An hon. member was on his feet at the time the minister rose; does not a speech by the minister preclude any further discusison?

Mr. RYCKMAN: I looked around and I saw no one on his feet.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, as we all know, this legislation is designed to put a stop to what is commonly known as dumping. Several times in the course of this debate the word "dumping" has been defined; it has been stated that dumping constitutes the shipping of goods into this country at lower prices than the same goods are being sold at in the country of origin. An hon. members corrects me by saying that that used to be the meaning. Under this new Legislation a new definition of dumping will be required, and as yet the hon. minister has not given us that definition. Last evening I did my best to define the word for him, and I stated that I believed that this new legislation would prohibit the sending of goods into this country at a lower price than the producers of similar goods in this country are willing to accept. The aim of this legislation is to prevent any decline in the price of commodities. The whole trouble with our economic system, the cause of unemployment, the cause of distress and the cause of the plight of the farmer is that the price of other commodities has failed to come down along with the price of farm products. The price of farm products is lower to-day than it has been for twenty years, while the price of other commodities has remained stationary. There will be no return of prosperity to this country until the purchasing power of the farmer is restored, and I see no possibility of any material advance in the price of farm products. Our farmers have to sell their products in the markets of the world; they have to accept whatever price they can get and no legislation passed by this government will have the slightest effect upon that price. How then are we going to restore the purchasing power of the farmer? How are we going to bring prosperity back to this country? It will not be by means of the legislation proposed by the minister, which legislation is designed deliberately to keep up the price of commodities. The only way to restore prosperity to this country is to bring the price of all other commodities on a parity with the price of farm products. We have always been told by hon. gentlemen opposite that when a duty is imposed upon goods coming into the country that duty is paid by the foreigner; they have stated that we receive the goods at the same price while the foreigner pays the duty. If that theory is correct, then this legislation is designed deliberately to prevent the foreigner from paying that duty. If the foreigner pays the duty and absorbs it into his price, then he accepts for himself a lesser

price than he is receiving in his own country and that would bring his product within the provisions of the dumping clause. The minister is saying to the people of this country: I will impose these higher duties on the things you wish to purchase and I will see that you and you alone pay that duty; I will not allow the foreigner to pay it. I pointed out last evening that this legislation was designed in order to enable the minister to guarantee the profits of foreign manufacturers. This legislation is designed so that no one but the Canadian consumer will pay the duty imposed. For many years we have heard from hon. gentlemen opposite about the foreigner paying the duty, but now that will be absolute nonsense because they are going to see that the foreigner does not pay the duty. I have stated before during this debate that no genuine case of dumping into Canada had yet been discovered, but there were cases before the tariff board where it was shown conclusively that certain of our manufacturers were dumping their goods in foreign markets. I have here a report of the proceedings before the tariff advisory board in connection with iron and steel, held on December 12, 1929, and January 22 and 23, 1930. During a discussion with regard to automobiles, the following took place:

Mr. Deachman: Do you sell in the places to which you export at the Canadian wholesale price or at the American wholesale price?

Mr. Campbell: American wholesale price.

Mr. Deachman: What is the wholesale price of a car in Canada? What is the selling price of one of your cars—your best seller?

Mr. Campbell: The Tudor probably would be typical—not on export, though.

Mr. Deachman: Take one that goes to export.

Mr. Campbell: Touring car.

Mr. Deachman: What is the retail selling price of that in Canada?

Mr. Campbell: $550.

Mr. Deachman: And what is the wholesale price of that car?

Mr. Campbell: Less 17½ per cent.

Mr. Deachman: What does that amount to?

Mr. Musselman: $453.75.

Mr. Deachman: That is the wholesale price at which you sell in Canada; what is your wholesale selling price when you sell abroad?

Mr. Campbell: $440, less 17½ per cent.

Mr. Deachman: What does that work out at—$363; is that right?

Mr. Kew: Yes.

Mr. Deachman: Evidently you must have lost somewhat heavily on the cars you sold abroad, when you made only $12.53, or, according to my calculation, $43, on your total cars, and you sold the cars that you sold abroad at a price not far from the wholesale price, which is $90 below the Canadian price—you must have lost rather heavily on the cars sold abroad?

Mr. Campbell: Yes.

Mr. Deachman: Give us an idea of the loss per car on the cars sold abroad. Roughly I would put it at $100.

[Mr. Young.]

Mr. Campbell: Well, I don't know—we will have to give you a computation on that.

Mr. Deachman: We will put it at the tentative figure I am suggesting for the moment; according to these figures it would work out roughly at $100. If you take away your loss on your exported cars, how much must have been the profit you actually made upon your Canadian sales in order to stand that loss and still come through with a profit of $43? That is the point I would like a calculation on.

That is conclusive evidence that our own manufacturers were dumping their goods into foreign markets; they were selling their cars in foreign markets at a lower price than it cost to produce them and they were making up their losses by charging excessive prices to Canadian consumers.

Mr. LAVERGNE: The hon. gentleman is indeed interested in foreign markets.

Mr. YOUNG: I am interested in the Canadian consumer. As I said before, I study all economic questions from the standpoint of the consumer for the consumer's interests are the interests of the human race. As I have just said, our own manufacturers were selling their cars in foreign markets at a lower price than it cost to produce them and they were making up their losses by charging excessive prices to the Canadian consumer. Is that a crime? I think it is a crime against our own people. If we are to be subjected to such treatment by our own manufacturers, surely we ought to be entitled to the benefit of similar treatment on the part of foreign manufacturers shipping goods into this country. If it is a crime for foreign manufacturers to dump goods into Canada, surely it is a crime for Canadian manufacturers to dump their goods abroad. When we are by tariff legislation allowing our own manufacturers to dump goods into foreign countries, surely we have no reason to object to foreign manufacturers dumping their goods into this country. As the hon. member for Wetaskiwin (Mr. Irvine) said yesterday, if you can supply us with $15 hats at seventy cents apiece, I am all for getting the hats.

Once more I want to make an appeal to the Prime Minister (Mr. Bennett). No other man in Canada has a greater appreciation than he of the rights and privileges of parliament, or knows better than he the value of preserving to parliament all its control over the executive and over taxation. This legislation which would take away from parliament complete control of taxation, which would place in the hands not of the cabinet but of the minister alone, the elevation of the whole tariff of this country, is too drastic to be hurried through at such a short session as this. As the hon. member for Winnipeg

North Centre (Mr. Woodsworth) said this afternoon, the Canadian people do not know what is being done. This thing is being forced through the house so hurriedly that before the people realize what is actually taking place, parliament will have lost control over taxation. In view of the drastic nature of this legislation and the fact that it aims to reduce parliament to a mere rubber stamp, I ask the Prime Minister not to force it through parliament in such a hurry. Let it stand over until he returns from the imperial conference. We can adjourn until then. Let the people discuss this legislation in the press and on the platform. Let the people think about it and consider it from all angles. When the Prime Minister returns, let the house reassemble, and then in the light of public opinion, and after giving the matter more consideration ourselves, if we want the legislation, let us pass it. But do not force this legislation through parliament without more mature consideration.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I listened with a great deal of interest yesterday afternoon to the speech of the Prime Minister (Mr. Bennett). Indeed, I was so interested in it that I read it again this morning. By the tariff provisions now before the house he has indicated how he proposes to take care of the manufacturers and of industries with the exception of one. To that industry he merely makes promises. I do not wish to do the hon. gentleman an injustice and so I propose to read a statement he made yesterday afternoon in regard to the marketing of Canada's wheat crop. This is what he said:

> This government believes—and as we proceed with the schedules I think perhaps the most doubting Thomas opposite will be satisfied that we have reason for our belief—that the amendments to the tariff will result in benefit to all sections and classes of the country. But, I may add, that the particular and urgent problem of the marketing of Canadian wheat is receiving the further attention of the ministry, which is giving consideration to the most effective means of meeting the difficulties which now confront the basic wheat industry. At this moment I will not detail the steps that have been taken, but I am hopeful that at least they will be of some benefit to our grain producers. A review of the causes underlying the present unsatisfactory situation is being carried out—

And I want the house to notice particularly what he says next:

> —and it will be the purpose of the government to take whatever action it properly may take to ensure the prosperity of that industry upon which the welfare of the country is dependent to such a large extent. I know that in this work we will have the sympathetic assistance and support of every member of this house, for there is no member, whether he lives in the east or in the west, whether he represents a rural or a city riding, who does not realize the extent to which the prosperity of this country is dependent upon the success of the great grain industry of Canada. We believe the investigations that are now being carried on will have a beneficial result and so far as lies within our power we will endeavour to secure the ends that we all aim at in that regard.

As I stated before, it will be an easy matter for me to go back to western Canada and to answer all questions that any of my constituents ask me regarding the various industries of Canada with the exception of this one industry, but in view of that statement made by the Prime Minister, might I ask him whether it will be possible for him to inform the house and the country before the end of this special session, what steps the government have taken and what further steps they propose to take to ensure the prosperity of this great industry? That is a reasonable question. He has pointed out in his speech what all the tariff provisions he has proposed will do for those industries, but all he suggests for agriculture is contained in a promise. It is only right that the government should place all hon. members in a position where they can go back to the agriculturists throughout Canada and give them the selfsame sense of security that he gives to the manufacturers and to other industries.

Hon. E. B. RYCKMAN (Minister of National Revenue): Mr. Speaker, I desire to say but a few words in answer to the statements made by the three hon. gentlemen who have just spoken and especially in reply to the hon. member for Winnipeg North Centre (Mr. Woodsworth). He has described this legislation as being very reactionary. He is milder in his language of course than the former Minister of the Interior (Mr. Stewart, Edmonton) who characterized it as a monstrous piece of iniquity. The surprise that comes to me when I hear the words of the hon. member for Winnipeg North Centre and when I listen to what the ex-Minister of the Interior says, is this, that while each condemned the legislation and said that more time should be given for its consideration, it must now be known to every hon. member that ever since 1922 the principle of this legislation has been approved by the house. There has not been one instance of any protest or of any fault found with the principle of this legislation until this recent debate.

Mr. YOUNG: Oh yes, there has.

Mr. RYCKMAN: I also desire to emphasize this: This bill contains four clauses.

Three of them have been approved by both sides of the house. So the attack, if any, is limited to the fourth clause of the bill. This clause is necessary in relation to unemployment and to carry out what we have undertaken in relation to dumping in Canada. That we want to do. Would it not be fair, in the circumstances, the principle having been on our statute books since 1922, not to belabour us now, but rather to allow us to go ahead, and if later it is found that any mistake has been made, it can be pointed out to the people of Canada who will undoubtedly be well informed of the error? But I think it is unfair, Mr. Speaker, that there should be delay at the present time over this matter. I desire to say nothing that could be construed by anyone as in the slightest degree offensive, but it does seem to me that we have had stated and repeated and reiterated all the arguments that have been addressed to you, sir, against this bill, and now when we are anxious to do business, when there is an event that we want to provide for, objection is taken over and over again to the principle of this bill. Not only that, but three times in this house, as if the members were slow of understanding, there has been read what was stated by the Right Hon. Arthur Meighen, and the laugh comes that the hon. members who now rely upon that in their argument did not any one of them listen to it at the time, but put the law on the statute books.

An hon. MEMBER: They laughed at it then.

Mr. RYCKMAN: Yes, they laughed at it. I say, Mr. Speaker, that it is unfair to take up the time of this house by telling us that orange juice has been increased in price when there is nothing in this bill or in any way related to it that touches oranges.

In conclusion, Mr. Speaker, let me say that the people of Canada understand this legislation. There is no need, as has been suggested, for weeks to be taken for the purpose of informing the people. The question was before the people when the principle first came before this house and was approved, and nothing can be gained in the way of solving unemployment or expediting the business of this session by further delay over a principle that the people of Canada well understand and have approved without protest for nine years.

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

[Mr. Ryckman.]

PROPOSED TARIFF CHANGES

CONTINUATION OF DEBATE ON MOTION OF PRIME MINISTER FOR COMMITTEE OF WAYS AND MEANS.

The house resumed from Tuesday, September 16, the debate on the motion of Hon. R. B. Bennett (Prime Minister and Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I wish to protest in the strongest manner possible, in language as strong as the rules of this house will permit, against the time at which the amendments to the tariff now before the house have been introduced and against the circumstances under which these all-important resolutions have been introduced.

This session of parliament has been called to deal with unemployment. It is a special session in the nature of an emergency session. The emergency has a relation to existing unemployment, but also to the meeting of the imperial conference which is to take place in London within two weeks. The reason the session was called at the time that it was, as I understand it, was to enable the Prime Minister and his colleagues to introduce, before they left for the imperial conference, such measures as would serve to meet the emergent condition, which otherwise in the nature of things could not be dealt with until a regular session after their return. This session of parliament was not a session called for the purpose of amending the tariff of Canada. This is not a special session to deal with the tariff. Important as has been the legislation thus far presented, it wanes into insignificance before the importance of the legislation which we have now before us. I wish to say to the Prime Minister that in none of his speeches made in the course of the general election did he give us the slightest reason to believe that an emergency session would deal at all extensively with the tariff. As I said yesterday, he did say when interrupted on one or two occasions and asked whether he would introduce amendments to the tariff at a special session that he would do so; but over and over again he was asked in the course of the campaign to signify what were the tariff items that he intended to amend, and what were the industries that were suffering through lack of sufficient protection, but never once did he give the slightest indication to the electorate of what they were.

To-day under the cloak of an emergency session Canada is being asked to alter its tariff to a degree more extensive than has been the case at any other time since the tariff was placed on the statutes of this parliament, and this is being done under the threat that Canada will not be represented at the imperial conference by the Prime Minister and his colleagues unless these resolutions are adopted within the period that remains between now and Monday of next week. I say, Mr. Speaker, that a proceeding of that kind is in the nature of coercion, coercion in a most extreme form. My hon. friend knows very well that in deciding our course on this matter we on this side of the house are, so to speak, placed between Scylla and Charybdis. If, on the one hand, we fail to take sufficient time in this house to discuss the significance of the amendments we will be told by the electors that we have not done the duty which is expected of us as members of parliament, and particularly as members of the opposition. If, on the other hand, we do take the time that is necessary to discuss these amendments and to bring out their significance, we will be told that we have prevented the Prime Minister and his colleagues from attending the imperial conference. The Prime Minister himself has said that the imperial conference has an all-important bearing on the solution of the unemployment problem in Canada. The next thing therefore we would be told is that through preventing the Prime Minister from going to the imperial conference we have made impossible the solution which he has had in mind of the unemployment problem.

This session has been called, to use the Prime Minister's own words and pledge, "to end unemployment." The Prime Minister has given to the house three measures. He has indicated in his public utterances that there remains still what is to be done at the imperial conference, and that then his program is complete. May I say, Mr. Speaker, that we do not intend to have ourselves subjected on any grounds that are reasonable to the criticism that we have in any way restricted the government in its plans for ending unemployment. As I said in the speech on the address, we expect the government to carry out its promise to end unemployment forthwith, or failing to carry out that promise to abide by the consequences, serious as they may be, which the Prime Minister has indicated will follow failure in that direction. But if, as a consequence of our attitude not to delay that carrying out of any phase of the program submitted, adequate consideration of its essential features is precluded, the Prime Minister must take upon his own shoulders the full responsibility for having introduced amendments to the customs tariff in a manner which necessitate their being railroaded through parliament without due opportunity for consideration.

May I say further, Mr. Speaker, that I wish to protest very strongly against the little opportunity there has been, or is at the moment or will be through the remainder of the present week to discuss intelligently in this house the amendments which have been brought down, or to have the country within that period of time gain any real appreciation of their significance. The rules of parliament have been framed so as to enable public opinion to play its part in all discussions which take place here. There can, in the nature of things, be no opportunity for public opinion to shape itself in a manner which can be reflected in the debates in this house where a tariff measure as extensive as the one which has been brought down is brought down on a Tuesday afternoon, and parliament is expected to be through with its deliberations and discussions on the measure by Saturday night.

It does appear that the hon. Prime Minister has deliberately sought to make it as difficult as he possibly could for hon. members of this house to appreciate the significance of the changes which he is making in the tariff. He has submitted the tariff changes in the resolutions which have been laid on the table of the house. He told us yesterday that we would find in a document to be distributed, and which apparently is the one which was placed on our desks before us, what the existing tariff was. He said that we would be enabled thereby to make comparisons between the existing tariff and the changes that have already taken place. When the former Minister of Finance (Mr. Dunning) introduced his budget it contained many important changes in the tariff, but hon. members, if they will look at Hansard of May 1, the date on which the budget was introduced, will see there printed side by side in parallel columns the then existing rate and the rate as it would exist after the changes proposed in the rates came into effect. That has not been done in the present instance. My hon. friend says that he would like to have done it but being busy with by-elections and having very little time, the government had not opportunity so to arrange. I say to my hon. friend—

Mr. BENNETT: I did not say "being busy with by-elections," if my right hon. friend will pardon me. I said that since the by-elections we had had very little time.

Mr. MACKENZIE KING: I have no doubt by-elections were mentioned to indicate that time had been taken up until then. But may I say it would not have involved the time of my hon. friend or of any member of his cabinet to prepare parallel columns in the statement to be presented to this house. All he had to do was to give instructions to the officers of his department to see that these parallel columns appeared on the statement he was to present, and they would have been ready in plenty of time. The reason they have not been put there is that hon. members in this house may find it still more difficult in the little time they have at their disposal to discover the full intent and meaning of the extensive changes which have been made.

The present tariff changes have been presented to us in the form of a pamphlet, which has been distributed and placed on the desks of hon. members. The existing rates do not appear even in Hansard, they do not appear even in the Votes and Proceedings. In other words, the government has sought so to arrange matters that when future reference is made to the records of parliament there will not be found there in a form which will be readily available for the purposes of comparison the existing tariff and the tariff as changed by the resolutions of the hon. gentleman.

Now, I say to my hon. friend that he should see that the present tariff is included in Hansard's report of proceedings immediately after the statement of the resolutions of September 16, 1930 respecting the customs tariff which he introduced yesterday. The statement of the present tariff changes should be included in the Hansard report, it should also be included in the printed copy of the Votes and Proceedings of parliament. That can be done by consent of the house: my hon. friend has only to ask for such consent and the document can appear beside the other in a form which will render it possible for the balance of the present session and throughout the future to make the comparisons that are all important and essential if there is to be an understanding of the changes made. I hope my hon. friend will grant that request.

May I say, Mr. Speaker, that I wish to protest very strongly against the nature and the extent of the changes in the tariff made by the government at this session. As I have just said, they are so extensive that it would be impossible for anyone inside of a few days adequately to estimate what their effect is likely to be. Certainly since they were laid on the table of the house yesterday, being obliged to remain here until after eleven o'clock last night, there has been no opportunity for hon. members to study what these changes are; the only opportunity we have had has been in the few free hours this morning, and many of us have had appointments which we have had to keep during that time. However, I have by a hasty perusal,—and it has been only a hasty perusal—of the resolutions had extracted from them a few statements and figures which will indicate something of the nature and extent of the changes which are being made, and in order properly to appreciate the position in which parliament is placed in discussing these matters and the little the country may expect as a result of discussions carried on in a very limited period of time, I think I should at once give some of the outstanding features, so that hon. members will see clearly the nature and extent of the changes proposed.

First of all, the old dumping duty could not exceed 15 per cent ad valorem in excess of the normal duty. The proposal now before us is to take off the 15 per cent maximum for dumping duty purposes and substitute 50 per cent. This is an increase of over 300 per cent in the rate of dumping duty. Dumping duties did not formerly apply to sugar or binder twine; under the new proposal they will apply to both.

The new clause number 6—I will not read it, it is of considerable length and will be found in the resolutions—gives the Minister of National Revenue (Mr. Ryckman) still more autocratic powers over business in this country. It enables him to hold the big stick of 50 per cent dumping duty in excess of the regular duty over the heads of any industry in Canada that must import foreign goods for the purpose of future manufacture here.

The new section 18 which purports to give to the government a power to reduce or remove duties in case manufacturers increase prices is simply for window-dressing purposes; it is absolutely meaningless in fact, because the government has always had the power of reducing taxation.

The countervailing duties of the last budget which enabled this country to reduce its tariff on certain articles which we both import and export, conditional on other countries reducing their duties, have been removed and higher duties imposed in every case.

The rates on stoneware and other ware are increased against Great Britain from 20 to 25 per cent and, under the general tariff, from 30 to 35 per cent.

Just here may I pause to say a word about these increases in duties against Great Britain

on the eve of the imperial conference. Hon. gentlemen opposite are asking us to hasten the proceedings of this parliament in order that they may go to London to attend a conference at which all parts of the British Empire will be represented. They ask us, in the short interval before they go, to place on the statutes of Canada increases of duties against goods coming from Britain to this country. I say, Mr. Speaker, that common courtesy and decency alone would have demanded that any changes that were to be made in the duties with respect to goods coming from other parts of the British Empire be left until after the imperial conference.

A tremendous increase in duties on glass is brought about from changing the rates from ad valorem to specific. Over 200 per cent is the increase in the British rates against iron or steel plates; there is a large increase in the intermediate tariffs on rods and bars of iron or steel, and also on structural steel under all tariffs. There is a 40 per cent increase in the tariff on cast iron piping. Duties on Refrigerators are increased under the British preference by 75 per cent and the general tariff is raised to 30 per cent. Washing machines were duty free when coming from Great Britain; a duty of 15 per cent is imposed, and the general tariff is raised from 25 to 35 per cent. Clothes wringers, even fire engines and fire extinguishers, which were free from Great Britain, are now to have a duty of 22½ per cent. Traction engines, above $1,400 in value, reduced in the last budget, are increased under the general tariff from 15 to 25 per cent. All kinds of kitchen and dairy hollow-ware, cream cans, and so on, are increased by over 100 per cent when coming from Great Britain, except enamel-ware, which is increased 125 per cent. The general tariff is also increased on this class of goods. Children's carriages are increased 125 per cent when coming from Great Britain, with an increase also under the general tariff. Under the existing tariff, apparatus designed for cooking or for heating buildings, came in free under the British preference; all this class of goods it is proposed should now pay 15 per cent when coming from Great Britain and 30 per cent under the general tariff, as against the former rate of 25 per cent.

Only an expert could tell exactly the amount of the tremendous increases in duties on textiles brought about, as they are, by substantially increasing the ad valorem duty and adding to it in many cases a specific duty of so many cents per pound. Many of these duties on textiles will undoubtedly constitute more than 100 per cent increase in the amount of duties. Clothing, for instance was 27½ per cent when coming from Great Britain. Under the proposal now before the house clothing will be taxed 35 per cent ad valorem plus a specific duty of 25 cents per pound by weight. Under the general tariff an ad valorem rate of 40 per cent is proposed, plus 35 cents per pound by weight. Even sails for the fishermen's boats are taxed an additional 3 cents per pound by weight when coming from Great Britain and 4 cents under the general tariff, on top of an ad valorem duty of 25 per cent. Blankets are increased by 20 cents for each pound of weight when coming from Great Britain, and by 30 cents per pound under the general tariff. On clothing wholly or partly made of silk or artificial silk, rates as high as 45 per cent ad valorem and 50 per cent ad valorem are proposed. Knitted underwear is raised to 45 per cent ad valorem. On socks and stockings of all kinds the British rate is increased by 100 per cent, and on top of that is added $1 per dozen pairs, while under the general tariff $1.50 per dozen pairs is added to an ad valorem rate of 35 per cent. Boots and Shoes are increased from 17½ per cent to 25 per cent under the British rate and from 30 to 40 per cent under the general tariff. Even fertilizers, formerly free, will now bear a duty of 5 per cent under the British rate and 10 per cent under the general tariff. Gasoline which was formerly free, is now taxed 2½ cents a gallon.

Let me give a few more particulars that apply more especially to increases in the tariff on farm machinery under various items. Here there have been tremendous increases. On 409b, which includes cultivators and seed drills, the increase is over 250 per cent. On ploughs and similar articles it is 150 per cent, and on mowing machines and harvesters over 300 per cent; on horticultural machinery, 150 per cent; on hay and potato machinery, 150 per cent; on incubators, 150 per cent; on threshing machines and similar machines, 150 per cent; and on pasteurizers for dairy purposes, 150 per cent. Even the farm wagon is increased by 150 per cent.

I wish next to protest against the Star Chamber manner in which these changes have been made. For many years parliament has thought, and wisely thought, that where changes were to be made in the tariff it was advisable that all interests likely to be affected should at least have a hearing. The Liberal administration when in office took the view that the tariff ought as largely as possible to be removed from politics; that

the making of the tariff was a scientific task; that there was nothing more complicated than the tariff schedule except possibly a schedule of railway rates; and that it would be well therefore wherever possible to remove the tariff from the arena of partisan discussion. Of course, the final word had always to be said from the political point of view on matters affecting the tariff. The government necessarily took final responsibility for what was done. In the first instance, parties making application for an increase in the tariff were obliged to appear before a board, in the nature of a tariff advisory board, and opportunities were given before that board for all classes likely to be affected by any change in the tariff to make their representations. The tariff advisory board was constituted some four or five years ago; and as hon. members well know, in that period it has gone most carefully into all proposed changes in the tariff. Any changes that have recently been made have been made only after investigation by the tariff board. The ministry was in a position to give reasons to the house why those particular changes were being made. More than that, the ministry so far as was humanly possible was in a position at the time of making the changes to give assurance that the changes would not create uncertainty as regards their operation, nor discord as between different parties or different parts of the country likely to be most affected. In other words, there has been on all occasions prior to changes proposed a most careful and painstaking investigation. Before the tariff board was instituted the custom had prevailed —and I think I am right in saying that it prevailed even under Conservative administration as well as under Liberal rule—of one or more ministers of the crown having public hearings in different parts of the Dominion and allowing representations to be publicly made to the government with respect to necessary or desired changes in the tariff, hearings at which opportunity was given to all parties affected to appear. In other words, for decades past it has been recognized that something in the nature of publicity—and I think as the years have gone by, that more and more in the way of publicity—was essential to any changes in the tariff before those changes were made.

The present Prime Minister and his colleagues have shattered completely that fundamental method of proceeding. The very first act of my hon. friend, after assuming office, was to completely abolish the advisory board on tariff and taxation. Some hon. gentlemen opposite say that was done because the chairman happens now to be a member on the Liberal side of the house. May I say that the fact that there was no chairman of the board when my hon. friend came into office left him with a free hand to appoint any chairman he wished, and that was a very good reason why he should have maintained the board. It must be apparent to everyone that a board that had gone into matters as carefully as the tariff board did go into the matters before them would accumulate over a period of four or five years a mass of material, of evidence and the like that would be of incalculable value in considering further changes in the tariff, but my hon. friend has simply scattered to the four winds of heaven all the material that has been gathered.

Mr. BENNETT: Not at all.

Mr. MACKENZIE KING: If not, perhaps he will tell us what he has done with it. At any rate, I venture to say he has not used any of it in preparing these schedules.

Mr. BENNETT: Where it was advisable to look at it, I did so.

Mr. MACKENZIE KING: My hon. friend says he looked at it where it was advisable. He just told us a moment ago that he had been so busy since the by-elections that he did not have time to place in parallel columns the old and new tariff schedules. Such being the case I do not think in that limited time he had much opportunity to look at the evidence taken before the tariff board. I wish to repeat that the method which my hon. friend is now adopting, the method which he has adopted, is the Star Chamber method whereby he himself with possibly some of his colleagues—although I doubt very much the possible side of it; I think he himself alone—has given instructions as to what should be done, and these instructions have been carried out in the way in which he has suggested.

I say, Mr. Speaker, that that is a great injustice to all the people of this country, bar none. It is an injustice to the manufacturing interests which depend to a certain extent upon each other, the one man's finished product being the other's raw material; it is a great injustice to labour, because labour has no knowledge at the moment of the extent to which labour content enters as a factor into the manufacture of the particular articles that are receiving these special favours. The consumers never have been heard; they are the ones who are going to

suffer most from the effects of the tariff. Apparently the only persons who have had any hearing at all have been the immediate friends of the Prime Minister who are engaged in the manufacturing industry, and from whom he says he has extracted certain pledges and promises to the effect that they will not increase prices if given this additional protection.

The mere fact that my hon. friend has been able to extract promises in this very short time from manufacturers, which promises to his mind are going to be sufficient to hold throughout this country prices at a particular level for an indefinite time is pretty good evidence that there must be among these manufacturing friends of my hon. friend something approaching a combine or monopoly with respect to the businesses in which they are engaged and with respect to which he is now going to secure for them a monopoly still greater and more effective.

May I mention another circumstance, which perhaps I should have mentioned a little earlier. It relates to the desirability of having a very full discussion on those matters before they are finally assented to. The changes my hon. friend proposed yesterday in his resolutions are already made; the new tariff rates are in effect to-day. The Prime Minister has told us that we have before us all the legislation that he has thought will be necessary for the purposes of this special session called, as it has been, to end unemployment. There is the bill for the relief of the unemployed, appropriating $20,000,000; there are the amendments to the Customs Act which have passed this house this afternoon. There remain the amendments to the tariff. The two first mentioned measures unquestionably will pass the other house and may be assented to thereafter at any moment my hon. friend desires. There remains, then, only this measure. As regards the effect of this measure on unemployment, any effect that it is going to have has already been secured; it will be quite as real and quite as substantial by giving ample time in this parliament to discuss the measures as if they are hastened through this House of Commons at the present time. Sir, I wish again to suggest to my hon. friend that, having got all that he has asked for up to the present time, and all that he can get even after this legislation is finally passed, he consider whether it would not now be possible for him to say that at the end of the present week if we are not through with our discussions on the tariff, he will adjourn this house until the imperial conference is over, reassembling on whatever date he wishes to fix, either immediately when he comes back or at the time of the general session, and let us then continue the discussion that in the public interest is necessary if we are to understand and appreciate aright and if the public is to understand and appreciate aright what is being done under these tariff resolutions. I say, as matters now stand, he can go to the imperial conference without sacrificing one item of his program. He can, on the other hand, by permitting an adjournment, enable parliament to have the fullest opportunity for discussion. If knowing that, he refuses to go to the imperial conference unless this discussion is ended by Saturday night or Monday, whatever date he fixes as necessary, to permit of his getting away then I say there must rest upon his shoulders the responsibility of having railroaded through this parliament, by coercive means, the most iniquitous tariff measure that has ever been presented to any parliament.

I wish to protest also very strongly against what my hon. friend has said, or made in the way of representations, as to the security that he is giving the consumer under this legislation. He has said that he has obtained promises to the effect that prices will not be increased on any of the commodities which are receiving this additional protection. May I first of all point out that at the moment we are, and for some little time have been, in a period where prices are declining, and in the nature of things if prices are to be maintained at an artificial level through this legislation which my hon. friend is introducing, then the great body of consumers in the country, labour as well as all other classes, will not obtain what is their just due in the matter of prices, namely commodities at a price which is fixed by the cost of production or by the law of supply and demand.

Mr. BAKER: May I ask my hon. friend a question? Are not the employees in these manufacturing industries in Canada also consumers?

Mr. MACKENZIE KING: Yes, they are consumers and as consumers they lose on one count. I believe as workingmen in the manufacturing establishments they will lose on another, as I will endeavour to show my hon. friend. No guarantee is given by my hon. friend that while prices may as he alleges be maintained at a certain level, that labour is going to receive thereby any special advantage. I venture to say that with respect to the rate of wages which will prevail in these industrial establishments, that rate will be the result of the law of supply and demand

and that men who are now working on part or full time will be paid such wages as employers find it possible to obtain their services for. The price of articles to the consumer will be fixed at a certain figure; labour will be employed at lesser rates of wages than are being paid at the present time, and by virtue of the legislation introduced by my hon. friend those who are fortunate enough to have money invested in such concerns, or who are owners or managers will receive a special additional profit. In other words, special privilege will receive special favours and that alone is the significance of the price-fixing aspect of this legislation.

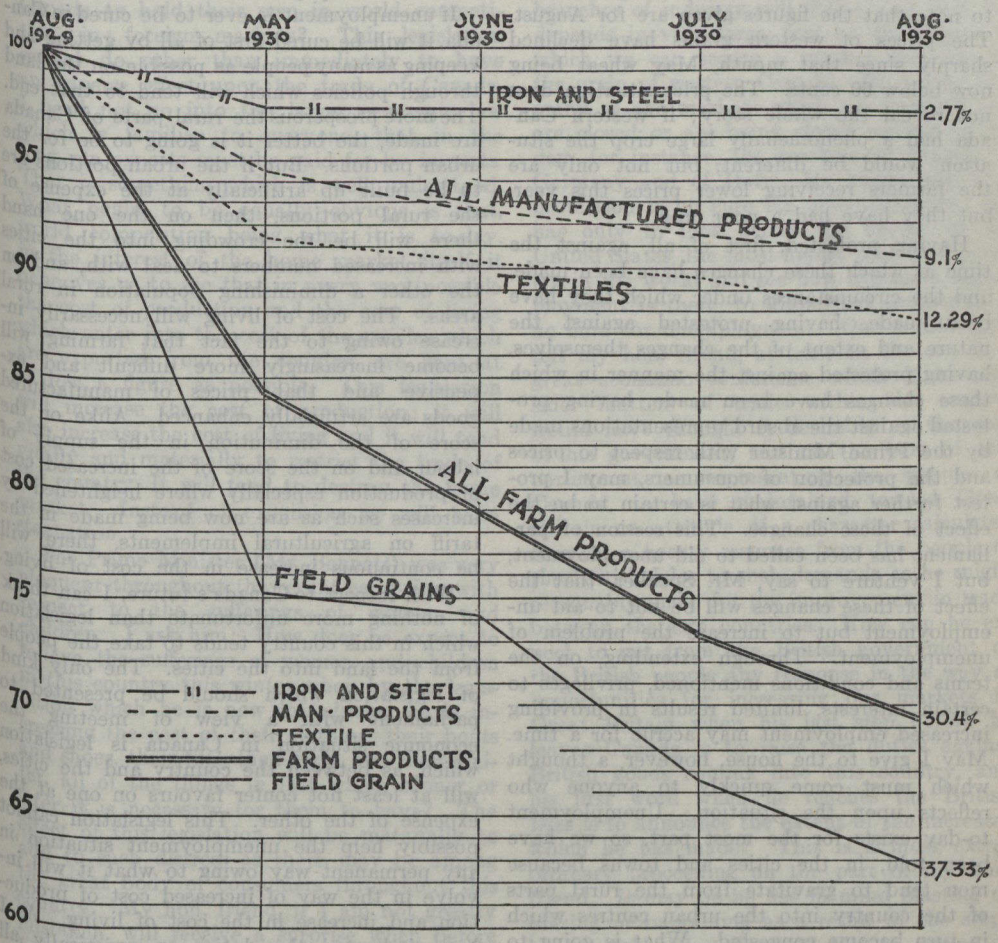
My hon. friend knows very well that no government can control prices; he knows that it has been proven over and over again with respect to the many expedients which have been attempted that no government at any time or at any place has been able to maintain prices at a certain level. As is the case with much else, prices are the result of world conditions. What affects the cost of materials and the supply of labour in other parts of the world has its effect upon the prices and conditions in Canada, no matter what any government may do. Any attempt to fix prices artificially has always resulted in failure, and it is the sheerest humbug to pretend that there is anything of value to be attached to assurances given by manufacturers who are receiving special favours that they will maintain prices at a certain level, more especially at a time when prices in the very nature of things are declining. It is foolish to say that maintaining prices contrary to their natural economic trend is going to be of help to persons adversely affected in a time of great need such as this government says exists at the present time.

I have here a chart which indicates the present position of prices of commodities in this country. It discloses in a graphic way the great injustice of the action attempted by my hon. friend, particularly towards those engaged in the great industry of agriculture. As the house is aware, the Department of Trade and Commerce publishes from time to time through its internal trade branch of the Bureau of Statistics important figures with respect to wholesale and retail prices. The chart which I have has been prepared on the basis of the figures which appeared in the statement issued by the department on September 10, and the figures are those of the summary of the tables of index numbers as appearing on page 5. The index numbers have been adjusted to a common level as at August 1929. What do these figures show? First of all, taking the number 100 as the index number for August 1929, they show that prices have declined to the extent of 2.77 per cent with reference to iron and steel products; a decline of 9.1 per cent is shown with respect to all manufactured products; and a decline of 12.29 per cent with respect to textiles. The decline in the price of all farm products amounts to 30.4 per cent, and in the price of field grain to 37.33 per cent.

Mr. STEVENS: As compared to what?

Mr. MACKENZIE KING: August, 1930, as compared with August, 1929. If the house will permit me, I should like to place this chart on Hansard as illustrative of what I am pointing out. It is as follows:

CHART SHOWING TREND OF PRICES (WHOLESALE) OF MANUFACTURED PRODUCTS AND AGRICULTURAL COMMODITIES, AUGUST, 1929, TO AUGUST, 1930



As I have said, this chart represents in a graphic form the decline in prices which has taken place. What is obvious with respect to these declines? While there has been a decline in the price of iron and steel, all manufactured goods and textiles, there has been a greater decline in the prices of all farm products and field grains. The tariff amendments introduced by the Prime Minister are all for the purpose of assisting, not the agricultural industry but these other industries of iron and steel, manufacturing and textiles. In other words, it is now suggested that the prices of the commodities which the farmer has to buy are to be maintained at a certain level and in addition certain favours are to be given to the manufacturers, but the prices of farm commodities are to be allowed to continue to fall. The commodities which the farmer has to sell have to be sold at prices determined in world markets. Protection on the commodities he produces and exports means nothing to him; he has to take his chances with world competition, but with respect to the commodities which he has to buy, he is not to be permitted the benefits of world competition, he will have to pay fixed prices so arranged by the present administration with special interests further assisted by special favours. I might point out that this chart does not tell the whole story. The farmer sells at wholesale prices but he buys at retail and very much so at that. Wholesale prices have gone down much more sharply than have retail prices, hence the position of the farmer is even worse than

the chart indicates. An interesting factor is the ever-widening spread, which is likely to become still wider. Perhaps it might be well to note that the figures given are for August. The prices of western grains have declined sharply since that month, May wheat being now below 90 cents. The price situation does not reveal the whole story; if western Canada had a phenomenally large crop the situation would be different, but not only are the farmers receiving lower prices this year, but they have had a poor crop.

Having protested, first of all, against the time at which these changes have been made, and the circumstances under which they have been made, having protested against the nature and extent of the changes themselves, having protested against the manner in which these changes have been made, having protested against the absurd representations made by the Prime Minister with respect to prices and the protection of consumers, may I protest further against what is certain to be the effect of these changes. This session of parliament has been called to aid unemployment, but I venture to say, Mr. Speaker, that the effect of these changes will be not to aid unemployment but to increase the problem of unemployment. Through extending, on the terms and conditions mentioned, privileges to certain interests, limited results in providing increased employment may accrue for a time. May I give to the house, however, a thought which must come quickly to anyone who reflects upon the situation. Unemployment to-day exists for the most part, so we have been told, in the cities and towns because men tend to gravitate from the rural parts of the country into the urban centres which in turn become congested. What is going to follow this legislation? From one end of Canada to the other it will be known, it is already known, that special favours have been conferred not upon those who are in the agricultural portions of the country but upon those who are engaged in manufacturing in the cities and towns. The country is being told that the manufacturers are to be secured in continuous employment, and that the prices of their commodities are not to be allowed in any way to decrease. The inevitable result will be an intensified drift from all the rural parts of Canada into the urban centres of population. As the centres of population, already crowded, become still more crowded, the unemployment situation will become worse and worse. There is no doubt about that. That is only the temporary effect, but what is likely to be the permanent effect? The permanent effect will be to exaggerate in this country the difference already too great between the urban and the rural populations.

If unemployment is ever to be cured in Canada, it will be cured first of all by getting and keeping as many people as possible on the land through policies which will tend to that end. The more prosperous the rural parts of Canada are made, the better it is going to be for the urban portions. But if the urban portions are to be built up artificially at the expense of the rural portions, then on the one hand there will be the crowding into the cities with increased numbers to deal with, and on the other a diminishing population in rural areas. The cost of living will necessarily increase owing to the fact that farming will become increasingly more difficult and expensive and that prices of manufactured goods are artificially enhanced. Alike on the score of the diminution in the supply of labour and on the score of the increased cost of production especially where heightened by increases such as are now being made in the tariff on agricultural implements, there will be continuous increase in the cost of living.

With respect to Canada's future, I can think of nothing more unfortunate than legislation which in this country tends to take the people from the land into the cities. The only kind of legislation which should be presented to parliament with a view of meeting the economic situation in Canada is legislation which, as between the country and the cities, will at least not confer favours on one at the expense of the other. This legislation cannot possibly help the unemployment situation in any permanent way owing to what it will involve in the way of increased cost of production and increase in the cost of living. As I have indicated the duties on practically all agricultural implements are being enhanced many per cent, running up as high as 100, 200 and 300 per cent. As the cost of production of the articles on the farm is increased, it is going to be more and more difficult to keep down the cost of living in the cities.

What is most serious of all is the effect which this legislation is likely to have upon the trade of Canada. Hon. gentlemen opposite speak of the home market as if the home market meant a locality instead of a fund of purchasing power, which it is. The home market is the fund of purchasing power in the country where purchases are made, and as every hon. member well knows, purchasing power is derived first of all from the products that are raised and sold within the country and then from the surplus of production which is sold abroad. If the cost of production and

the cost of living are to be increased, as they certainly will be under this legislation, how are those engaged in the primary industries of Canada to hold their own in world competition in foreign markets? This legislation cannot do other than immediately to have an adverse effect upon the trade of Canada. I need not go into the larger economic law which is familiar to everyone, that in the long run exports must be paid for by imports. That is something which is well understood. What ought to be equally obvious is that, world competition being what it is to-day, in the interest of the home market itself it behooves us to see that in every way possible the cost of production and the cost of living which enter into the cost of the articles which are exported from the country, are kept at as low a figure as possible. This legislation will increase the cost of production; it will also increase the cost of living and it will tend vitally and materially to restrict the trade of the country. It will tend to destroy the home market. Instead of expansion we will have stagnation.

The Prime Minister (Mr. Bennett) was very eloquent throughout the recent campaign with respect to the sufferings of women and children. I ask him: How does he expect to relieve the sufferings of women and children in this country this winter when by the legislation which he is now introducing he is increasing the cost of their clothing, their boots and shoes, their fuel, their food, and their shelter, all of the things in fact which sooner or later it is necessary for them to have? The effect of this legislation will be materially to add to such distress as there may be among the great body of consumers throughout this country. My hon. friend, if I am not greatly mistaken, will receive a surprise when before long the housewives of Canada begin to estimate the effect of his tariff changes on their household budgets. When they find everything that comprises the purchases being made for the household being increased in the artificial manner in which my hon. friend's legislation is calculated to increase them, and when to this he adds the feeling of those who are on salaries or receive wages, he will discover in this country an extent of protest the like of which he has never contemplated.

I have only one further word, and that is to repeat with emphasis what I said a moment ago about this legislation being introduced on the eve of the imperial conference. The Prime Minister well knows that there is no problem quite so serious for Canada at the present time as that of the marketing of our western grain and of surplus farm products generally. He knows that the purchasing power of the middle west, in the last analysis, will determine the exent to which other branches of industry will thrive, and that this depends in very large part on the degree to which we can secure a market overseas for the grain of western Canada. He knows that many of the markets which we formerly had are closed or are being closed against us to-day, for instance, the markets of France, of Germany and of Italy. He knows also that protection is no cure for unemployment. He has only to look across the border in the United States, the most highly protected country in the world and see how extensive unemployment is there, to know that protection is no cure for unemployment. One would have felt my hon. friend, at least on the eve of a great economic conference which is to consider matters of trade within the empire, would have thought it desirable on the part of his government, and on the part of this parliament as representing the people of Canada, to have maintained toward Great Britain an attitude of a character calculated to meet a hearty response from the people of the British Isles to such demands as he might reasonably make for the improvement in trade between the two countries. How can he expect to get from the British government or the British people any response in the way of opportunities for increasing our markets in Great Britain when his last step before he leaves Canada is to raise the duties against British goods coming into this country, and his first word when he reaches the British Isles is to announce the extent of the increases which he has made? This is a most extraordinary proceeding on the part of my hon. friend. It may be he has in mind blasting or blazing or bargaining as a result of the steps he has taken, but I would like to repeat to him what I said before that I think he will find those particular methods are of very little avail within the British Empire itself, and that only through voluntary cooperation and an attitude of friendship and good will are we likely to achieve much in the way of permanent development of inter-imperial trade.

Mr. LAVERGNE: What response did the right hon. gentleman ever get?

Mr. MACKENZIE KING: Great Britain takes very much more from Canada than we begin to take from her, and that trade has reached the proportions it has in view of the attitude which we have taken toward Great Britain. May I say this. We heard in a previous election a good deal with respect to "the parting of the ways". We heard some-

thing of it in the last election. It was my hope that, as a result of the attitude which the government previously in office took, we would so far as the different parts of the British Empire are concerned discover ourselves at the meeting of the ways, in the matter of inter-imperial trade, when the imperial conference is held in London, and that Canada's example would be an example which would be followed by all other parts of the British Empire. But I am afraid that the stand which my hon. friend has taken to-day has put us, so far as inter-imperial trade is concerned, not at the meeting of the ways, but I greatly regret to say very much at the parting of the ways so far as the further development of trade within the empire is concerned. In these circumstances I beg to move as respects the resolution now before the house:

That all the words after the word "that" be struck out and the following substituted therefor:

This house regrets that the government has seen fit at a special session called to deal only with unemployment to propose great increases in customs taxation on a wide range of commodities under circumstances which prevent this house and the country from securing adequate information regarding the proposals and prevent proper parliamentary discussion of them.

In the opinion of this house the tremendous increases in taxation proposed will not end unemployment, but will inevitably increase the cost of living and will also increase the cost of production in the primary industries, agriculture, fishing, mining and lumbering, thus making it more difficult for Canadian producers in these industries to meet world competition in marketing their products.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, those of us who have had the pleasure of the acquaintance of the right hon. leader of the opposition for a great many years will recognize in the speaker who has just taken his seat one who graced the house prior to 1922, but will also note a singular absence of the opinions and attitude of the right hon. gentleman who led the government in this country from 1922 to 1930. The right hon. gentleman is running true to form. We have heard from his lips a dissertation on economics and fiscal policies, into which there sprang the old phrases of the cost of living, the cost of the instruments of production, phrases which were continuously on his tongue in those days prior to 1921, when in opposition before, but which were singularly absent during the years he was in power.

I would like to point out to the right hon. gentleman at this stage that I think he has not done himself or the cause of his party any credit, nor has he done credit to the house, when he again introduces the old practice of putting industrialist against agriculturist. There is no question in any one's mind but what there is a differentiation between the daily interests of an industrialist and the daily interests of an agriculturist. There is no question about it. The economics of it are clear to any thinking person. But it is the duty of parliament and of the government to try and hold the balance reasonably fair between these two classes. Unquestionably on occasion there will arise the necessity of presenting to parliament and to the country measures which deal with one phase of commercial or industrial activity, and on other occasions measures which deal with other phases of commercial and industrial activity, but it does not follow that because we are dealing only with certain phases now we are ignoring others. True, we are amending the tariff. What are we amending the tariff for? We are amending the tariff for the purpose of trying to reengage in the industries of Canada tens of thousands of honest Canadian citizens and workmen who have been thrown out of their occupations through the inundation of this country by goods from other countries under unfair trading conditions. Surely there is not an hon. gentleman in this house who will seriously say that measures which may achieve this end should not receive the most earnest and most favourable consideration by this house.

Our purpose at the moment is to invite the attention of parliament to the consideration of measures mainly, I will admit, along that line. But even in regard to the point I mentioned a moment ago of a possible difference of opinion on occasion between different branches of activity, I would point out that in this tariff very effective measures are taken to assist the agriculturist and a branch of agriculture which I think merits every consideration. I ask hon. gentlemen, particularly some of my friends from western Canada who are more interested perhaps in the production of wheat, to pause and consider for a moment this question: What branch of agriculture is there where there is more arduous and constant toil than falls to the lot of the dairy farmer? Seven days a week, in season and out of season, he must be at his job. Then take the fruit grower and the vegetable grower. Is there a more arduous task to which the human hand can be placed than that of the hoe crop? I think we will all admit that at once. Now in this tariff we take measures that will very, very mate-

rially afford relief to that branch of agriculture. In a few moments I shall have occasion to refer to the question of cereal production in western Canada.

Mr. VALLANCE: Why not do it now and have it all together?

Mr. STEVENS: I will do it now; there is no reason why I should not. It may be that there is no specific in this tariff which will protect Canadian wheat against falling prices.

Mr. VALLANCE: Why?

Mr. STEVENS: I am not going into any long dissertation on the question of wheat production and wheat marketing at the moment because I hope later on to deal with that question at length in the regular session that is to follow this.

Mr. VALLANCE: Will the hon. minister permit a question?

Mr. STEVENS: Will my hon. friend permit me to finish the sentence in my mind?

Mr. VALLANCE: Will the minister permit an interrogation? If not, let him say so.

Some hon. MEMBERS: Sit down.

Mr. STEVENS: Perhaps my hon. friend will permit me to finish the sentence that is in my mind. I always like to give way to a courteous request. I do not intend, Mr. Speaker, to enter into a lengthy discussion of the questioning of the marketing of our grain; we will do that at some future time when there is better opportunity for the purpose. But I want to say this: This government immediately upon assuming office took up the question of the marketing of the western grain. A condition had arisen which was very, very serious, and is serious to-day. To analyze it fully would take at least an hour, possibly two hours, but I will say this to my hon. friends. This government is not only not neglecting it, but I may tell them that within half an hour after entering office we took steps to assist in the marketing of and the extension of the markets for western grain, and we have achieved some encouraging results. We are in the midst of a campaign now in every corner of the world to broaden the markets for our grain, the results of which, I hope, will be more fully realized in years to come, and will at the same time secure some measure of improvement in the immediate future.

Mr. YOUNG: What does the hon. minister propose to take in exchange for our wheat?

An hon. MEMBER: Money.

Mr. STEVENS: My hon. friend is getting into his theoretical line again. The right hon. gentleman referred to the imperial economic conference. He said common courtesy demanded that these increases in tariff be left alone until after the conference. Common courtesy! I do not agree with the right hon. gentleman at all. With the idea in mind that at the regular session of parliament a general revision of the tariff will be undertaken, we believe that it is a matter of common courtesy, of decency, of fair play, to disclose our hands to the empire before we sit in at that conference. We do not believe in negotiating a treaty with Australia, for instance, and giving them a certain preference for their butter, as the right hon. gentleman and his minister did, and then when the first shipment of butter arrives in this country under that preference immediately to clamp on a six cent dumping duty. Was that fair? Was that equitable? From the moment that that was done Canada largely destroyed the goodwill and the confidence of Australia in her fairmindedness and equitable dealing. Nor do we intend, Mr. Speaker, to go to the imperial conference and offer to the British cotton spinners a preference in our market, and then insert in the tariff, as my right hon. friend and his government did, a provision that it is impossible for them to comply with. We are going to the imperial conference with a clear cut statement of our position on these matters, and we purpose in this tariff to remove the iniquitous and onerous provision that was inserted in the cotton schedules, a provision with which it was impossible for the Lancashire spinners to comply, namely, the 50 per cent proportion of empire cotton—a provision which he knows, and his late minister, whom we all respected, knew also, as did others of his government, was utterly impossible of realization. No, Mr. Speaker, we are going there to meet the governments of New Zealand, Australia, South Africa, and the motherland with our cards on the table, and they will know exactly where we stand in regard to the matter.

But we are going there also in a spirit of goodwill; we are going there prepared to open negotiations with our sister dominions and the mother country for the most friendly co-operation in order to bring about an increase of trade between them and us. Last session, while this matter of the Australian treaty and its extension to New Zealand by order in council was under discussion in this house, I pointed out a long list of goods that we might profitably buy from those dominions, which we were not buying, and which were not adequately provided for in the treaty negotiated by my right hon. friend and his

former government. We pointed out these things to them, but they took no action. Now it is our purpose to bend every effort possible to include in such arrangements as we may make with these sister dominions articles, the exchange of which will be a benefit to them and will not injure Canadian industry and Canadian agriculture.

Now, the right hon. gentleman says also that this session was not called to deal with tariff amendments. He made a very strong point of it. Virtually he charged my hon. leader almost with deception in introducing this measure to the house at this time. He said parliament was not called for that purpose. He went further, he said that my hon. leader in his speeches throughout the country never made any reference to bringing in a tariff during this session; he even said my hon. leader was invited to say if he would do so, and refused to answer. Well, the other day in a two-and-a-half-hour speech the right hon. gentleman read copious extracts from speeches of my hon. leader during the recent campaign. Let me read one of these extracts as it appears on page 27 of Hansard. Taking the Mail and Empire of July 23, the right hon. gentleman quoted the following:

> He (Mr. Bennett) pledged himself anew to the enactment of tariff laws at the first session of the new parliament.

My hon. leader went through the country and told the people that he would call a session of parliament to deal with two main things: to deal with unemployment—the industrial crisis—and the tariff. There is not any doubt about that. The one thing that disappoints hon. gentlemen opposite, and particularly the right hon. leader of the opposition, is that they have before them a government with a leader who in the early days of its life is seeking to implement its promises. This is a new doctrine to the right hon. gentleman; it carries him into a realm that his mind cannot explore. Last night when these schedules were published there was aroused throughout the country a feeling that this government is not only implementing its pledge to cope with the question of unemployment—and it is a ghastly question hanging over us—but it is using its first opportunity to give to Canadians a chance to share in the vast wealth of rich resources of this Dominion, to achieve something out of the opportunities at their door.

The right hon. gentleman also said that there has been no opportunity for public opinion to shape itself. Well, if he refers—and he has a very subtle method of speech—if he refers to public opinion in the sense of every individual, or even the average individual, mastering all the technicalities of the tariff, he is perfectly right; but he knows quite well that there is not one man in a hundred thousand, yes, two hundred thousand, who understands the technicalities of the tariff. There is not one business man out of fifty who understands the ramifications of the tariff. He knows that, and if he waits until public opinion can scan these details and fully master them, he will wait a long time. Public opinion is seized of this: that the hon. gentleman who is Prime Minister of this country to-day stands for a policy which has not had a trial in Canada for thirty-five years, a policy for the protection of Canadian industry. There has not been an opportunity up to the present time to give effect to that policy.

Miss MACPHAIL: I thought the Dunning budget did that.

Mr. STEVENS: No, it did not. My charming friend from Southeast Grey will search my remarks in vain to find any such tribute to the Dunning budget. I considered the Dunning budget—well, I will not express my thoughts in regard to it; the less said about it the better. I did not consider it a very serious attempt to give any effect to protection or any expression to an honest cooperative spirit with the mother country in the matter of imperial preference; neither the one nor the other.

The tariff was removed from politics by my right hon. friend (Mr. Mackenzie King). Is he sincere in that claim? The tariff removed from politics by the setting up of a tariff advisory board which was never allowed to make a single finding—not one—in the whole five years of its existence? The right hon. gentleman cannot, nor can anyone beside him or behind him, produce on the table of the house a single finding by the tariff board. Oh, yes; they were in session from time to time and invited all and sundry from all corners of the country to come and present their grievances or their views.

Mr. YOUNG: They found the facts.

Mr. STEVENS: They found tons of theory.

Mr. YOUNG: And facts.

Mr. STEVENS: They found tons of theory from representatives of the three tailors of Tooley street. They had a mere handful of facts here and there scattered

through the proceedings, and the whole thing was bundled up and shipped to the Finance department. And the right hon. gentleman asks my leader why he did not read them.

Mr. MACKENZIE KING: He said he did.

Mr. STEVENS: No, he did not; he said nothing of the kind. He said he read that portion which was worth reading, and I have no doubt he did; for if there is any mind capable of getting the kernel out of the chaff more readily than my leader I should like to know it. No, Mr. Speaker; there was a mass of chaff but no responsibility for findings, none whatever. But there were copious hearings—and why? Because the government of the day, the government presided over by the right hon. gentleman, did not dare to have a tariff board which would make a finding for fear that they would have to carry out that finding. On the other hand, the right hon. gentleman wanted to have something to say to his friends over there on his left and those whom they represent in the so-called free trade sections of this country. He wanted to have some excuse to offer them why he did not act, and so the eternal answer to all their appeals was this: Oh, this matter has been referred to the tariff board. And there it was buried and never resurrected, never brought into this house for purposes of action.

The right hon. gentleman says that the consumers will suffer. I will tell him and those around him what will happen. When these measures, which are now in existence, if they are not defeated—and they certainly will not be—are in full effect, they will provide work for some 30,000 to 50,000 industrialists in this country.

Mr. MACKENZIE KING: They are in effect now, are they not?

Mr. STEVENS: Surely my hon. friend is not so innocent as to expect that in twenty-four hours they can produce results.

Mr. MACKENZIE KING: They are in effect now.

Mr. STEVENS: They are in effect; and unless they are defeated, which I say they will not be, they will provide work in the industrial plants of the country for from 30,000 to 50,000 employees, every one of whom is a consumer. In other words, this legislation will give to thousands of people, consumers in this country, an opportunity to get the wherewithal to purchase the things to consume. That is what we are seeking to do.

We have heard about combines. I mentioned a moment ago that the right hon. gentleman in days gone by used to talk about trusts, mergers and combines. Those words used to ring in our ears. We have heard not a word of them for nine years; but now in his second speech the right hon. gentleman once more resorts to the old shibboleths, the old phraseology. He has resurrected them and now we hear about combines. Have these combines sprung up in the last six weeks? What great combine is there threatening the people of the country? If there is an industrial combine in Canada of the magnitude indicated by the right hon. gentleman who is responsible? Where was his Minister of Labour and where was his Minister of Justice if we have had these trusts, mergers and combines about which he speaks? No, Mr. Speaker; there is no combination between the Prime Minister and trusts and combines, but there is an effort on the part of the Prime Minister to give industry in this country a chance to function and at the same time to protect the consumer against unfair advantage being taken of this legislation.

The right hon. gentleman also suggests that there should be an adjournment; otherwise these measures will be railroaded—these iniquitous measures will be railroaded through by the Prime Minister. Without at the moment discussing the question whether such words are in order or not, I may observe that they are not proper; they are not fitting to the occasion and are not justified. But we will let that pass. There is no effort to railroad these measures through. The right hon. gentleman knows, and his party and the members of this house know perfectly well, that we could in the next three or four days give the most exhaustive study to these schedules. He himself says that there is nothing else before the house. Let us get down to these schedules and study them. My leader has the material to satisfy the reasonable curiosity of anyone. Certainly there is no time for obstruction and for senseless and useless bickering about these things. But having in mind the fact that the right hon. gentleman and his party hold one political view while the Prime Minister and his party hold another, the country has decided which general policy shall prevail. And bearing that in mind, surely the other question of details can be readily and easily disposed of. Why should the right hon. gentleman expect us to introduce here a measure that would suit him? We are not here for that purpose. We are here earnestly trying to give expression to

the policies we believe in and which we have advocated during the past years. We are here now with those policies, the country having decided on the question of protection. My hon. friends opposite, some of whom hold very tenaciously to free trade or almost free trade theories, know perfectly well that right in their own ranks there is very little sympathy with such views. Why, then, should they everlastingly, on every item, argue the principle of free trade? That question has been decided not only by division on the floor of the house but right in their own ranks. I could count by the dozen hon. gentlemen opposite not one of whom would stand for very much reduction in the tariff, nor countenance the theories of some hon. gentlemen in regard to free trade. So why everlastingly bring forward the question of principle as between free trade and protection? That has been decided. We are presenting to this house the results of a study of the tariff from our angle and from the angle of adequate protection for Canadian industry.

The statement was repeatedly made by my right hon. friend that we were seeking to fix prices. We are not seeking to fix prices; there is no suggestion anywhere that we are going to fix prices. What we do say is this: Before suggesting the revision of the major items in this tariff now before us we have secured from the industries affected, and will present to the house, undertakings that they will not increase their prices because of the protection afforded. My hon. friends do not like it; they did not think we would achieve it. It is the answer the country has been asking for in regard to the fear held by a large number of people that the providing of protection would result in advantage being taken of it. We have now procured an answer to that. My hon. friends do not like it. They ought to welcome it. It never has been done before; it never was attempted by my right hon. friend or his government. No effort was made by this tariff advisory board to exact promises or undertakings of that kind. We have them and we are prepared to produce them to the house.

Not only have wo done that, Mr. Speaker, but we have put in the act itself a measure indicating that it is the duty of the government, should it be found that any manufacturer is taking undue advantage of the protection afforded, to reduce the duty. The right hon. gentleman laughs at that and brushes it aside. We say it is the first time that has been attempted; we say it is a cardinal part of our policy and we say we will enforce it. If we do not enforce it we invite the just condemnation of the people of the country, but certainly we will enforce it.

Then my right hon. friend referred to agriculture as not being assisted, and he stated that the way to solve unemployment was to keep men on the land. Well, that is worthy of perhaps considerable attention, but I would draw his attention to a further fact, and I call upon Weyburn, Willow Bunch and a few more of the constituencies in this country to witness the truth of what I am about to say. For many years eastern Canada and the Pacific coast poured twenty or thirty thousand men annually into the western provinces during harvest time. Did any men go west for that purpose this year? The answer is that practically none went.

Mr. VALLANCE: They rode in free.

Mr. STEVENS: Practically none went, and they are riding out free also. Why?

Mr. DONNELLY: Because of the combines.

Mr. STEVENS: Certainly, because of the introduction of modern machinery, combines and new harvesting machinery, which is doing away with the need for extra men. How then, in the face of this economic fact, can that solution mean anything? I would say to the hon. member for Winnipeg North Centre (Mr. Woodsworth), who is not just now in his seat, that I think at some appropriate time the house can very well discuss this problem of the displacement of man power by machinery. Perhaps this is not the time, but it is an economic problem which is challenging the attention of the world, and I want to say now that it must have the attention of this parliament sooner or later. The fact is that machinery is displacing man power on the farms of the west, and whether the right hon. gentleman likes it or not, whether he puts his tariff on a free trade basis or not, these things are happening and will continue to happen and the men will have to go somewhere to get food. Where do they go? Invariably they go to the centres of population, so his palliative, his solution of the unemployment problem by keeping men on the land, is a myth and a dream. There is nothing whatever in it.

Mr. DONNELLY: The farmers are leaving the land and letting it go.

Mr. STEVENS: Quite so; not only is that the case but, as my hon. friend says, there is difficulty in keeping on the land those who actually own farms. These are great economic problems, difficult of solution, but to get up in this house and indicate with a sweeping gesture that the solution for unemployment is to keep men on the land is sheer nonsense unworthy of a moment's consideration. The way to give early relief to unemployment is the measure we have provided, of giving work by the extraordinary method that already has been set forth in two measures which have left this house, and the other way is to give Canadian industry an opportunity to function. This, Mr. Speaker, is what we are trying to do.

Now we have before us the amendment of the right hon. gentleman, which does not mean that this house declares itself against going on with the tariff revision. That is not what the amendment means. It means the destruction of this government, if it carries; it means the end of this attempt to help Canadian industry; it means that the unemployment bill goes by the board; it means that the dumping clause bill goes by the board; it means that the purpose for which this house was called together will be completely annulled and obliterated. The hon. gentleman knows it, but he has no hope of the amendment carrying. I venture to say that if he thought it would carry he would hesitate to introduce it. I venture to say he would not dare face the country after having undone what this parliament has done in the last week. He would not do that, but in order to introduce the fine wedge of difference between one branch of industrial activity and another; in order to arouse suspicion throughout the country that something is wrong; in order to create some kind of distrust in this government early in its life, this amendment was introduced.

Why could not the right hon. gentleman have taken a position somewhat similar to that taken last night by the hon. member for Labelle (Mr. Bourassa), a position which was also taken by Right Hon. Sir Wilfrid Laurier in 1914 when the government came before parliament clothed with power, clothed with a mandate—yes, I use the word without hesitancy—from the people? Why could not the right hon. gentleman have said, "Well, you have your mandate. You will introduce your measures. We will offer reasonable opposition to them where we think opposition is warranted; we will make our fair criticism, but you must take your responsibility." That might have been a fair attitude for him to take, but by this method of subterfuge—

Some hon. MEMBERS: Order.

Mr. STEVENS: I am not very much out of order. There are not very many hon. members of this house who know better than I know how to keep within the bounds of order. By this resolution, which is little more and little better than a subterfuge, the right hon. gentleman seeks as I say to produce discord in the country and perhaps, although I do not think he wishes it, to bring about the defeat of the government. Again I say that his amendment has no other purpose, and that it can serve no useful purpose. What does he say:

. . . . a special session called to deal only with unemployment . . . .

Well, all right; we are dealing with unemployment under this measure, and we are dealing with it in the most effective way. We are dealing with it in a way preferred by the people of this country to any other way. How many times have I heard, and how many times has every member of this house who is in touch with the people heard, "All I want is a chance for a job." We do not say we are going to supply jobs for everyone, but I know that my hon. friend from North Waterloo (Mr. Euler), my hon. friend from North Bruce (Mr. Malcolm), my hon. friend from Quebec East (Mr. Lapointe) and my hon. friend from Sherbrooke (Mr. Howard) will not say that this is not a desirable process, although they will not agree with every item of it. What will my hon. friends from the eastern townships say with regard to the assistance given to the workers in the celanese industry, in the cotton industry and others? They may differ on some points but in the main they are bound to give their approval to the efforts made by this government to supply employment through natural processes, by the development of industry. The right hon. gentleman (Mr. Mackenzie King) says that it will not end unemployment. He always plays with words. Of course, it will not end unemployment—

An hon. MEMBER: The Prime Minister said it would.

Mr. STEVENS: He never said any such thing. We might just as well pause to answer the hon. member's ribald cry. The leader of this government said no such thing. What the hon. gentleman said and what he endeavoured to impress upon the minds of the people

was this: that unemployment as it exists today in its extreme form called for immediate study and an immediate remedy, and he came before parliament with his unemployment measure of relief to bring the unemployment problem back to a normal condition. It is wrong to say that we are to end unemployment for all the people in the country; everyone knows that that is an impossibility.

Mr. YOUNG: Were you misquoted?

Mr. STEVENS: The right hon. gentleman plays on words when he says that it will not end unemployment. No one said that it would end unemployment, but we do say that this particular measure will end unemployment for a good many thousand honest citizens of this country. Instead of quibbling about whether it is going to take the last of the 117,000 unemployed, we say that it will take the first 30,000 or 40,000, and therefore it is a worthy measure which should have the support of this house.

The right hon. gentleman states in his amendment that this measure will increase the cost of production. He was in the habit of using this phrase in days gone by and he never explained it to the country or put into force any remedial measures during his term of office. What did he do in lowering the cost of production? He reduced the duty on certain lines of goods, and I could point out to him factory after factory, some in the city where I lived for so many years and many in eastern Canada, which were forced completely or partially to shut down. What is the use of reducing the cost of production and then inviting 300 workers, as in the case of the glass industry, to go out the door? What is the use of lowering the cost of production on logging machinery and then inviting the tie manufacturing company to replace seventy men with seven? That was the policy followed by the right hon. gentleman during his term of office. Incidentally, I do not know that it reduced by one atom the cost of production; what it did do was to close up Canadian industries. We say that our purpose is to reopen those industries and to give an opportunity to our citizens for employment. We believe that the cost of production will be kept down to its present level or reduced to the extent and by the degree to which production is increased. The cost of production will be lowered by reducing the overhead charges, which is a common sense and economic method.

No useful purpose can be gained by acquiescence in the amendment moved by the right hon. gentleman. This government has attacked a difficult and perplexing problem—a problem which baffled the right hon. gentleman's government prior to July 28—and they have brought in certain measures which they believe will relieve and correct the situation. We ask parliament and we ask the people to give us an opportunity to put these measures into effect. It ill becomes the right hon. gentleman to offer captious criticism at this stage. During the next four years he will no doubt be able to find many political opportunities for petty criticism of the government. In this hour of stress and strain, in this hour when the people are suffering, he quibbles about my hon. leader mentioning human suffering. He has wept over that time and time again, but I say to him now that it would have befitted him much more in this hour of stress and strain to have joined with us in providing some measure of correction for the problem which confronts us.

Mr. C. B. HOWARD (Sherbrooke), (Translation): Mr. Speaker, conforming to my habit, at this first session of the seventeenth parliament, I wish to make my first remarks in the language spoken by the large majority of my constituents, the French language, in order to prove to them how greatly I appreciate the trust they have again placed in me—the third time within five years. Since, however, I wish to be understood by the majority of the members of this house, I shall continue my remarks in English.

Mr. Speaker, in following the hon. member for East Kootenay (Mr. Stevens), I want to be perfectly frank with the house. I voted in favour of the grant of $20,000,000 for the relief of unemployment, but if this new tariff measure is to produce the same results as has the measure with regard to the $20,000,000 for the unemployed, then I am not one bit ashamed of the position I am going to take. Immediately after the vote of $20,000,000 was passed I received a telegram from the mayor of the city of Sherbrooke asking for permission for a delegation to come to Ottawa to inquire as to what works they could proceed with in order to help the unemployment situation in my city. I want to repeat here the answer which I received across the floor of this house. It was that the government had nothing to do with it, that they were handing the money over to the provincial government and we would have to deal with that body—

Some hon. MEMBERS: No, no.

Mr. HOWARD: —that the delegation need not come here, but should interview the provincial government. Remember that the

Quebec legislature is not in session. If this be the fact, the city of Sherbrooke cannot receive any benefit from that money for at least three months, no matter how fast they work. Registrations show that we have about 600 unemployed who are waiting for the fulfilment of the promises they received during the elections and as reported in the newspapers ever since this house has been in session. The city is ready to go ahead with a program which would provide work to the unemployed, and that to my mind is the proper way to handle the situation. A statute of the province of Quebec provides that no expenditure of money can be made by a municipal council without due notice first having been given, and the matter having been then submitted to the ratepayers for their approval. This procedure would take up at least sixty days following the approval of the provincial government. We are now past the middle of September; under these circumstances, the men would be without employment during the months of October and November, and a great deal of this work cannot be carried on during the winter season. Therefore, in spite of the fact that we have voted $20,000,000 for the relief of unemployment, the people in my section of the country will receive very little benefit from that vote and I think it is time they should know the real facts of the case.

In answer to some of the remarks made by the hon. member for East Kootenay, let me say this: I am not opposed to tariffs when applied legitimately and rightly, but a few minutes ago he criticized in very strong language the action of the late government in regard to tariff changes which were made after careful investigation before the late tariff board. I happen to know something of what went on before the tariff board, and I much prefer the old system of having changes made in the tariff after investigation, with all parties interested, the producer, the consumer and the manufacturer, represented, to the present method, that of men who do not know what is involved taking a blank slate and raising items wherever they see fit.

What assurance has the government that more employees will be taken on by the manufacturers? What promises has the government received that the men employed in the industries affected by these tariff changes will be paid at least a decent wage and that the manufacturers will not profit by the plentiful labour market to reduce the present wages? Let me say this to the credit of the manufacturers: In my section—and we have practically 100 manufacturers in Sherbrooke and the county of Sherbrooke—they are in most cases paying very good wages to their employees. But before I pass an opinion and sanction some of the extraordinary changes that have been made under this tariff revision, I think I should be allowed time to consult not only the manufacturers but the consumers and the workers employed in those industries in my constituency.

I object to this legislation being brought in as it has been. I understood this special session was called not only to alleviate but to remedy entirely the unemployment situation in Canada, and when extraordinary tariff measures are brought in, which have become effective already without some of the manufacturers even knowing what has been going on, I object to such a procedure; and I will give some reasons. I have only glanced at the tariff proposals, but there are some items whereby one or two people in Canada will be benefited to the detriment of practically all the Canadian manufacturers and to the very great detriment of the Canadian consumers. Let me take, for instance, the silk stocking industry, which is possibly the largest purchaser of mercerized cotton yarn we have. When you increase the tariff on cotton yarn you increase the cost of the raw material of the silk stocking manufacturers throughout Canada. Further, I wonder whether the Prime Minister has considered what the results will be on the export trade. In two of our factories in Sherbrooke we are employing at the present time 1,600 hands, well paid employees.

Mr. SPEAKER: Without wishing to interrupt the hon. gentleman, may I say that it has been agreed that I call it six o'clock now.

BUSINESS OF THE HOUSE

OPPORTUNITY GIVEN MEMBERS TO MEET THE PRIME MINISTER AND THE ATTORNEY GENERAL OF NEW ZEALAND

Mr. BENNETT: The circumstances under which it is now called six o'clock arise out of the presence in our midst of the right hon. the Prime Minister of New Zealand and the hon. the leader of the government in the legislative council, the Attorney General of that dominion. I think I voice the wish of every member of the house when I say that an opportunity should be afforded to meet them, and the Speaker has been good enough, by calling it six o'clock, to afford all hon. members that opportunity.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HOWARD: When the house rose at six o'clock I was speaking of two factories in Sherbrooke, employing 1,600 hands, well paid employees, and pointing out that 20 per cent or one-fifth of their product is for export business. If this export business is interfered with, it would mean that 320 hands, one-fifth of the present number, might be dropped from these two factories. It is all very well for hon. gentlemen to say that these tariff changes will not affect our export trade, but I read in the 5 o'clock edition of to-night's Ottawa Journal the following headline on the front page:

No hint of "trade war," but New York Times sees international trade affected.

It might be well to devote a few moments' thought to the industries located in Sherbrooke to which I am referring. They use only real silk. They buy their raw product of real silk in Japan, bringing it half way around the globe, manufacturing it in Sherbrooke, using the second highest paid labour in the world, and then railing their product back to Montreal or Quebec and selling 20 per cent of their output in England, France, Australia, New Zealand, India, South Africa and China. So I say that the important thing to be considered is not extra high tariff protection for the industry, which already enjoys a fair measure of protection; the important thing is that we do not want that export trade to be interfered with.

Yesterday we were discussing the dumping legislation. With the provisions of that bill I am in hearty accord except as to the last clause, and to that I object very strongly, as do hon. members on this side of the house and I believe most hon. members on the other side. There has been criticism after criticism of the countervailing duties contained in the Dunning budget, and the main criticism was directed against their instability. I believe that most hon. gentlemen will agree with me that if the countervailing duties, which went up or down according as the rates in other countries moved, were unstable, surely they were not nearly so unstable as rates will be under the dumping clause which gives the minister power to fix values just as he sees fit. I also object very strongly to that clause because it takes away the right that individuals now enjoy of expressing their opinion as to how a change in the duty will affect any particular industry.

The hon. member for East Kootenay, speaking this afternoon, stated that the manufacturers would not increase their prices. I have two documents before me from which I wish to quote. One is a telegram from an automobile dealer in the city of Sherbrooke, of whom we have many, and every one of them has sent the same telegram asking me to endorse strongly the brief of the Canadian Automobile Association, which is against the proposed tariff legislation. The Prime Minister has asserted that under this legislation prices will not be increased. I wish to quote from the second annual report of the Dominion Woollens and Worsteds, Limited, in which over the president's signature I find these words in his review of the year's business:

> It would seem reasonable to assume that the next price movement would be gradually upward, and on this assumption your company will benefit thereby. As a result of the election held on July 28, and in view of the promise of the new government to assist our industry by a tangible increase in the tariff on woollen goods we feel that the future prospects of your company have vastly improved.

I place that on record as the answer to the assertion that prices will not be increased under this legislation.

An hon. MEMBER: What was the date of that?

Mr. HOWARD: The meeting took place on August 28, 1930. The telegram is dated September 11, 1930.

Mr. BENNETT: Automobiles were not touched then.

Mr. HOWARD: Another reason I have for objecting to these tariff changes is that there is no guarantee that a part of the increased profits which the manufacturers will get through these changes will be passed on to their employees. I think it is absolutely essential that that should be done.

Mr. MANION: To what part of the tariff did the automobile people object?

Mr. HOWARD: To the proposed fixing of the valuation for duty purposes in order to increase the protection without showing the public where the increase came in.

As I said before six o'clock, there are some manufacturers who are paying splendid wages, and I hope to see the time when all our manufacturers shall be in that category. We have, however, heard a lot about Chinese competition, and I want to say that there are companies in certain parts of Canada to-day which are paying Chinese wages. I maintain that if through these tariff changes we are to increase the profits of such companies we should have definite assurances from the in-

dustries affected that they will pass on to their employees at least a share of their increased profits.

Let me give a concrete case, and many have come to my attention during the last few weeks. A lady came into my office to ask for assistance for her family on account of her husband being on slack time. I asked her what company he was working with, and she gave me the name of the concern. I asked how many there were in the family, and she said five, her husband, herself and three children, which is a small family in my part of the country. She told me that when her husband was working full time he received only $11 a week. I do not consider that an industry is worth any help unless conditions such as that are remedied, and I shall stand up on the floor of this house again and again to advocate, not only the interests of the consumers, but the interests of working people who are treated that way—working people who are the great factor in contributing to the profits which the manufacturers are enjoying.

I have been looking over these schedules a little, and I am surprised to see the increased tariffs against the farmer. The increases are extraordinary. The percentage increases are so high as to be almost unbelievable. For instance, cultivators and harrows are increased 300 per cent, ploughs 150 per cent, mowing machines, harvesters and reapers 400 per cent, and so on. If the government really wanted to help the dairy industry of Canada, and I am speaking particularly for the dairy industry of Quebec and the eastern provinces, I do not believe that in this proposed tariff they are going in the right direction to accomplish their object. There is a way to remedy the present situation and to give real assistance. No farmer can pay over $40 a ton for concentrated feeds and sell his butter for 26 cents a pound and continue in business. I repeat, there is a way to reduce the cost of concentrated feeds in eastern Quebec, where we have to house our stock for quite a long period, but, so far as I can see, hon. gentlemen opposite do not seem to have thought of it. Let me quote a striking example of what I have in mind. Last Saturday's Financial Post reported—it has already been cited on this side—that three C.W. barley was selling in the west at 5½ cents and one C.W. barley at 10½ cents, and that the same grades of barley were selling in Montreal at 98½ cents. Something is radically wrong if the farmer in the west is getting only 5½ and 10½ cents for his barley and the consumer in the east is paying nearly a dollar for the same product. If the government want to help out the agricultural situation I would suggest that instead of raising they should decrease the price of everything the farmer has to buy and so lower his cost of production.

My next objection to the government's proposals is that they are not designed to help the lumbering industry. This is one of the most impotant industries in the province of Quebec, and it is an industry in which at the present time unemployment is most pronounced. I doubt if hon. members realize the gravity of the situation. To indicate the serious depression in this industry, I may say that an hon. member of this side of the house who ordinarily employs 800 men all winter will not be able to employ any this winter; the companies with which I am concerned ordinarily employ 600 hands during the winter, but this winter they will not be able to employ any; Price Bros., under normal conditions employ 5,000 hands, but this winter they will reduce their force to the minimum; Frasers ordinarily employ 3,500 hands, but this winter I doubt if they will employ very many; another member on this side of the house who ordinarily employs 2,500 men will employ about 300 or 400 this winter. I very much fear that this serious condition of unemployment will not be corrected by this tariff bill. There must be a real effort made to cure unemployment in the lumbering industries and an effort made to assist agriculture. I might add that the hardwood tie industry is also very much depressed at the present time. One man in Sherbrooke last winter employed a considerable number of men making hardwood ties, but the Canadian National and Canadian Pacific railway companies are not purchasing ties just now, and consequently he will not be employing any labour this winter.

Now, on three different occasions on the floor of the house the Prime Minister has reproached me in connection with a certain industry at Sherbrooke. He stated that the Paton woollen industry in Sherbrooke was seriously crippled due to the action of the late government in lowering the tariff. As a matter of fact the late Hon. James Robb when he was finance minister, in order to increase the protection of that industry, placed worsted yarn on the free list. In other words, the manufacturers did not have to pay 12½ per cent on their imported yarns, which was just the same as increasing their tariff; because when the duty on the cloth stood at 27½ per cent Mr. Robb said he did not consider we should charge the people of Quebec more for this commodity, which is so necessary to Cana-

dians in such a cold country. So I submit the late government did not hurt that industry; rather, it helped industry generally more than the present government is ever likely to do by reason of its proposed measures for the relief of unemployment.

It should be borne in mind that increased prices do not always help the manufacturer. It is a well known fact that when times are hard and a certain line of goods is not selling freely, if a new model is put on the market at a lower price it stimulates buying, and therefore is to the direct advantage of the manufacturers themselves. Take, for instance, the record of Henry Ford. One of the main reasons why he was so successful in his merchandizing policy was that he reduced the price of his cars from time to time and thus brought them within the purchasing range of the majority of the people.

I have no objection to protection; in fact I think it is necessary in this country. But when a manufacturer takes advantage of the tariff to the full extent it is time for the government, not to increase his protection, but to lower it. There are manufacturers in Canada, indeed there are several in the city of Sherbrooke, who have a protected product and who are not taking advantage of their protection to the extent of a single cent but are selling their output to the Canadian public at exactly the same price as that at which similar goods are sold in the United States. If that policy were pursued by all manufacturers there would be no danger of the tariff increasing the cost of commodities to the consumer; but unfortunately some of our manufacturers are not wise enough to follow that policy and naturally they have a hard time to keep going—at least they say they have when they come to the government for help.

I think, Mr. Speaker, the reasons I have given justify my stand on the tariff question. The other day the Prime Minister said that these measures were being introduced to provide more facilities for industry. Let me remind him that the greatest asset industry can have is skilled, dependable labour, and the best labour that can be procured is Canadian labour. And I regret that I fail to see anything in these tariff proposals that will benefit Canadian labour or help solve the unemployment problem.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, the hon. Minister of Trade and Commerce (Mr. Stevens) as I understood his statement to this house, said that the principle which was passed upon at the last federal elections, and for which my hon. friends have a mandate, is the principle of high tariff protection. I say to my hon. friend, and I think the records of the campaign will bear me out, that the main factor that swept him and his friends into power was not the principle of high protection, but the desire of the Canadian people to see unemployment ended, relying on the promises which were made by my hon. friends that they had a remedy for the situation. That was the only principle which was really passed on so far as fiscal matters go. The public were not so much concerned with the means which were to be used; it was the end which they desired to see attained. And my hon. friends were none too specific in stating what their remedy would be; the main thing was that they absolutely pledged themselves to cure the patient.

I heard my hon. friend the Minister of Trade and Commerce this afternoon endeavour to minimize the pledge which was made by his leader during the late campaign. I was somewhat surprised to hear the hon. Prime Minister (Mr. Bennett) some days ago plead that what he had promised could not be done in one session or in two. Now, my hon. friend the Minister of Trade and Commerce comes along and says: "There was not really any pledge to end unemployment at all; that would be ridiculous." Evidently he does not know his leader, and certainly he did not hear him down in the maritime provinces, or else he would have no doubt whatever as to the nature of the pledges given down there. I say most emphatically that in the province from which I came I believe it was those pledges which the Prime Minister gave unequivocally, unconditionally and with the utmost assurance which led to the result down there and which placed him and his party in power. So that my hon. friend's mind may be refreshed—I am sorry he is not in his seat but he will be able to read in Hansard to-morrow what I am about to say—I desire to quote a particular statement made by the Prime Minister at his meeting in Moncton as reported in the Halifax Herald of July 11. I do not think this has yet been placed on Hansard. My hon. friend the Prime Minister intimated the other day that there might be some misreporting or misquoting. I have taken the trouble to look up the newspaper and I find in this particular instance that the words I am going to quote are reported by two different gentlemen, two most reputable newspapermen, one of them editor of the Halifax Herald of Nova Scotia and the other a prominent member of the press gallery who

accompanied the hon. gentleman on his tour. And strange as it may seem, in view of the fact that reporters often use their own words and state the effect of what took place, both reports are in identical language. If I mistake not—I have not the papers with me but I can get them; they are in my room—the reports are both in quotation. They are identically the same words quoted in two different places, so that there can be no mistake as to what the Prime Minister said at Moncton on that occasion.

He had recited what the Conservative party had done for labour, and the report goes on:

"These are some of the things the Conservative party has done," stated Hon. Mr. Bennett, "but you are more interested to know what it is going to do now."

The word "now" is there.

It is going to find work for all who are willing to work, or perish in the attempt. It is merely to call parliament at the earliest possible date after July 28, and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole. Mr. King promises you conferences. I promise you action. He promises consideration of the problems of unemployment. I promise to end unemployment. Which plan do you like the best?

That is reported by Mr. Rankin. The following is as reported by Mr. Green:

These, Mr. Bennett said, were some of the things his party had done. "But," he proceeded, "you are more interested to know what it is going to do now. It is going to find work for all who are willing to work, or perish in the attempt. It is going to call parliament at the earliest possible date after July 28th and take such steps as will end this tragic condition of unemployment, and bring prosperity to the country as a whole. Mr. King promises you conferences. I promise you action. He promises consideration of the problem of unemployment. I promise to end unemployment. Which plan do you like the best?

I submit, in reference to that statement, which is similar to statements my hon. friend made in other places in the maritime provinces, that time is of the very essence of the contract, to use a legal phrase. It is not much use talking about ending unemployment in a year or two after conditions have improved. My hon. friend was talking to men and women who, he suggested, were hungry and had no work at the time; men and women who were facing a hard winter. These were the people whom he was going to benefit and before whom he held out the promise to end unemployment, not in one or two sessions, but "now", immediately. Action was to be taken at once. I wish the Minister of Trade and Commerce (Mr. Stevens) to understand, therefore, that the people of the maritime provinces are looking to the hon. gentleman to carry out the pledge he made at that time. The promissory note given on that occasion is due now. It is at this session of parliament that this is to be done, not next year. Anyone can take advantage of world conditions, and when things get better, have unemployment cease. But it is the radical remedy which my hon. friend was going to prescribe, and by means of which he was going to bring about a new heaven and a new earth for the people of Nova Scotia and the maritime provinces, which the people in that part of the country are now expecting.

My hon. friend mentioned the tariff advisory board. So far as the measure before us now is concerned, neither the tariff advisory board nor any other board seems to have been in session during the last three or four weeks. All that has been done has been that my hon. friends have received representations from certain people, and I am bound to say that those people were apparently not the representatives of the consumers. He received those who wished to make representations. The Minister of Trade and Commerce said that the proposals before us were the result of a study "from our angle". I have no doubt they are the result of a study from their angle and the angle of their friends. My hon. friend, according to the newspaper reports, was going to revive the idea of an advisory board proposed in 1912 or 1913, and I observed that some commercial papers urged him to do so; they suggested that the tariff was a thing which should not be tinkered with before taking the advice of someone who knew something about the matter and had had an opportunity to give consideration to it apart from the regular routine of political life. It was suggested that some such advisory board would be formed. I had been under the impression that at this time, with a new government in office, with unemployment facing the country, and with the necessity for radical and immediate action being taken on that subject my hon. friend would have said: So far as the tariff is concerned, we will appoint a tariff board and give them orders to go into the tariff in its various aspects, "from our angle", as the Minister of Trade and Commerce says, and next spring we will ask for a report. But, as the Leader of the Opposition (Mr. Mackenzie King) pointed out this afternoon, we are called together at this time, under the whip, under the lash of having to see to it that the Prime Minister shall get away, not only to put through an unemployment measure but to put the rubber stamp of

approval on a tariff which contains more radical increases than any one tariff ever brought down in this house.

I therefore submit to my hon. friend, if I may advise him as he attempted to advise the opposition this afternoon, that he might well take a leaf out of the book of the last government and appoint a board of some sort before whom there could be some publicity regarding the changes proposed. Every interest could appear before that board and give evidence, the public would know just what the situation was and the board could tender recommendations subsequently or at least report the facts so that the public might know whether or not the tariff was being revised in accordance with the principle which my hon. friends profess to practise but which is rather absent from this tariff, namely, the principle of seeing justice and fairness meted out to all classes.

The problem, after all, is the problem of unemployment. That is the reason we are here; it is the reason my hon. friend has called this session. That is set out in the pledge to which I have referred. My hon. friend has not called the session to make a revision of the tariff but to relieve unemployment, and any changes in the tariff, any readjustments, any fiscal arrangements, are solely incidental to the greater desire and intent of helping to relieve the unemployment situation. But the hon. gentleman has seized this opportunity to pass a bill giving the government of the country the power to spend $20,000,000. There is to be no limit as to its objects; the money may be voted to a town council or to the trustees of a church to build a cemetery fence or anything they like. There is no limit to the persons to whom it may be given. There is to be no control by parliament after the money is voted. There is to be no control even by this government after it has been handed over. There is to be no audit of the expenditures and no return except a return to the effect that the money has been spent for relief of unemployment. That is the first measure passed. The second measure passed in the name of unemployment is the amendment to the Customs Act giving to the minister, under the authorization of the governor in council, arbitrary power to fix values. And from this time on the test which will determine the value for duty purposes—I want my hon. friends to note this—as I understand the Minister of National Revenue (Mr. Ryckman), is to be the cost of production in Canada. It does not make any difference that we might not be in a position to manufacture the article concerned in a commercial way; it does not matter that there may be some other country which can supply our consumers more cheaply, and leave us to do something else. The test which my hon. friend can apply when he is exercising the czar-like powers which he will have under that act will be the test of what will be the cost of production in Canada, and there is no restriction of any kind. Under the old dumping act there was a provision that the tax imposed, though it might be the difference in price between the selling price in the country of origin and the selling price here, in no case could be greater than 15 per cent. There is no such limit here. To use the phrase which my hon. friend the Prime Minister used yesterday, the amount which can be fixed as the value of goods coming into this country is left "in the cloudland of conjecture and doubt."

An hon. MEMBER: B-r-r-r.

Mr. RALSTON: I thought my hon. friends would feel that way about that phrase; it almost sent shivers down our spines on this side when we heard it yesterday. It is left in the cloudland of conjecture and doubt. I do not think anything could better describe the position we will be in so far as customs tariff and fiscal matters are concerned if the minister uses the power under this extraordinary statute. Not only that, but the powers are to be exercised without any publicity except that, by reason of an amendment proposed by the Secretary of State (Mr. Cahan) but coming from this side, there is to be publicity after the thing is done. There can be constant fluctuation, notwithstanding the pledge of the Prime Minister at Winnipeg to the effect that he would see to it that economic conditions were stabilized and that there would be no "manipulation" of home or foreign tariffs.

The third proposal is that we are going to adjust the dumping clause, also in the name of unemployment. The resolution on which we are going to go into committee of ways and means is a resolution which provides that we are going to adjust the dumping clause in order that the difference which has to be paid by consumers in this country is not to be the difference between the invoice price into this country and the price—if higher—at which the goods are sold in the country of origin, but mark you, the difference is to be this: The government are going to take the price at which the goods are sold in the country of origin; they are going to have my hon. friend the Minister of National Revenue fix an arbitrary price as a fair market value here, and then the importer is going to be

charged the difference between the price at which the goods are sold in the country of origin and the arbitrary price which my hon. friend is going to set under the powers given him by this act. That is to be the dumping duty and that is what is to be paid by the consumers of this country.

I want to give my hon. friend an example which just came to me to-day, a very simple example in connection with a very common household article. I want to see everything manufactured in Canada that possibly can be manufactured here, but we must face the situation as it is and realize that there are some people who, if I may put it this way, are neither producers nor manufacturers. There are for instance clerks and people who are what we call the middle class, living in our towns and cities with fixed incomes. There are also producers who get no benefit from tariff. They all have at least some rights which should be considered. Let me give an example. Take a simple common household article, a washtub. I find that a No. 2 galvanized iron Canadian made tub is sold in Canada at the jobbing price of $17.60 per dozen. That same tub, or a tub of practically the same quality, is manufactured in the United States and can be sold here not at $17.60 but at $12.60. Under this new regulation the house-wife will be faced with this situation: My hon. friend the Minister of National Revenue can fix the arbitrary market value of that tub at $17.60 a dozen, and can charge as dumping duty the difference between the American price and the arbitrary price of $17.60 and thus raise the price to the housewife. I say to my hon. friend that this is going a long distance, but that is exactly what can be done. Then take a common garden variety of coal hod, a 17-inch hod. The jobbing price for a Canadian made hod is $10.60 a dozen while the jobbing price in Canada for an American made hod is $7.60, or a difference of $3. Is that the sort of case in connection with which my hon friend is going to say there is unfair competition and that therefore the consumer is to be deprived of the benefit of that competition? Judging by the answer he gave me last night, that is to be so. I say to my hon. friend that he must pause and think this thing over, in the interests of the masses of people in this country.

That was the third thing which has been done, and now we come to the fourth. These schedules are now before us, schedules which contain increases in duty of from 50 per cent to 200 per cent. The motion by my hon. friend the Prime Minister is that this house go into committee of ways and means, and as we know the committee of ways and means is generally established and constituted for the purpose of raising revenue. I submit that when this house gets into committee of ways and means on these resolutions it will be really in committee for the purpose of raising prices. Revenue is not what my hon. friend is thinking about; he is thinking about another situation altogether, and I am afraid it is not unemployment. I know what my hon. friend will answer. He will say, as the Minister of Trade and Commerce said this afternoon, "Well, there is going to be no increase in price at all. We have assurances from these different gentlemen that there is to be no increase in price." The principle is apparently going to be, Mr. Speaker, the higher the duty the lower the price. That will be the suggestion made in this country very soon. I want to suggest to my hon. friend that we might be pardoned if we take that answer with just a grain of salt. Why, if my hon. friend has these assurances, and if he relies upon them, does he have section 18 in the resolution at all? Why does he bother with that section; why does he not take the assurances of these gentlemen? I think the only answer is that my hon. friend does not quite depend upon these assurances which have been given to him, and when I look at section 18 of the resolution I am afraid that the consumer is none to well protected by the provision contained therein. Section 18 says:

> In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

Now, does my hon. friend think he is going to be able to prove that any producer in Canada has increased prices in "consequence of the imposition of any duty?" Are there not going to be enough commercial reasons given, reasons including the fluctuations of trade, the differences in the supply of raw material, world conditions, the characteristic ebb and flow of commerce? All these things are going to be suggested as the real reasons why prices have been increased. Of course everyone will say it was not on account of the imposition of duty that the prices were increased but that it was done on account of these conditions which are quite beside the matter of tariff revision. I say to my hon. friend that the clause, as my leader I think very aptly described it, is a bit of window dressing in order that this protective measure may get through this house.

What does my hon. friend say to this? The only provision in section 18 is in the case of a producer "increasing" prices, but supposing

a producer should have reduced prices but kept them up to the same level? He does not come under section 18 at all. There is no chance for the governor in council to take off the duty, but the producer has done the same thing, namely, neglected to reduce the price when the condition of the market or falling prices generally required such a reduction. We do not take any too much stock in the suggestion that real protection is to be afforded to the consumer, or in the efficacy of section 18 in affording such protection.

This measure is supposed to be for the benefit of the unemployed. I quite understand that one should not be sectional—a lecture was read to us this afternoon about setting one class in the country against another—and I have no desire to set any portion of this Dominion over against another. But hon. members come here with some idea of the needs of the particular places from which they come. I have been looking over this schedule in an attempt to see what has been done and how the changes proposed will affect the unemployed in that portion of the country which I have the honour to represent. The suggestion has been made from this side of the house and concurred in by the Prime Minister that even though the farmer may have some occupation on his farm, should market, weather or crop conditions be bad and he be unable to get along he would be eligible for assistance under the act passed a day or so ago appropriating $20,000,000 for the relief of unemployment. I have a right to assume that the same principle would be applied to the fishermen in the province of Nova Scotia, as well as to the miners and farmers or any other class of citizens who find that on account of conditions beyond their control they are now unemployed—my hon. friend stated that he did not want to designate them as anything else than unemployed, but that perhaps some other word might more accurately be used. I would like him to put himself in the position of those of us who come from the eastern portion of this Dominion and who will have to go back and meet the fishermen who are unemployed or who, on account of weather conditions, scarcity of catch, or other causes beyond their control, feel themselves to be in need of some assistance. They will want us to tell them what we have done at this special session of parliament which was called for the purpose of relieving unemployment. Should this resolution pass, the first thing I would have to tell them is that the duty on the fabrics which go to make up the clothes they wear has been increased about 20 per cent, and that in addition a specific duty of 25 to 35 cents per pound has to be paid on that same cloth used in the garments they wear. That is the first "relief for unemployment" which I would have to mention to the fishermen.

Mr. MALONEY: Do I understand my hon. friend to say that if the duty on textiles is increased by 10 or 15 per cent you must pay 25 per cent additional on the finished product?

Mr. STEWART (Edmonton): You will have to pay more than that.

Mr. RALSTON: I am giving the house the exact figures. There is a 25 per cent increase in the ad valorem duty on woollen fabrics, and in addition to that—I do not think my hon. friend has read the schedule—there is from 25 to 35 cents per pound specific duty. On the finished garment there is an increase of 15 per cent in the ad valorem duty, and an addition of from 25 to 35 cents per pound on the finished article.

Mr. MALONEY: Do you suggest—

Mr. DEPUTY SPEAKER: The hon. member can put a question only when the speaker consents.

Mr. RALSTON: Certainly.

Mr. MALONEY: Does the hon. member state that if there is a duty on the finished fabric, that adds an additional 25 or 30 per cent to the clothing as a finished product?

Mr. RALSTON: It adds an additional percentage to the proportion of the garment which was made up of the material.

Mr. MALONEY: Suppose we admit that there is an advance—

Some hon. MEMBERS: Order, order.

Mr. MALONEY: I am coming to the question; I would ask my hon. friend how many pounds of this finished fabric constitutes a suit of clothes.

Mr. RALSTON: I am not a tailor.

Mr. MALONEY: The hon. member has made the statement that if we increase this duty the price of a suit of clothes will be increased by 35 per cent.

Mr. RALSTON: I have not said anything of the kind. I have stated that the portion of the clothing which is made up of the fabric will be increased by 25 to 35 cents per pound, but I went further and pointed out that in

the case of finished clothing the whole article, that is the value of the labour and everything, is increased by 15 per cent, and in addition to that a specific duty of 25 to 35 cents per pound is added. I will also have to tell the fishermen that the duty on socks and stockings of all kinds has been increased in the case of the British preference by from 10 to 20 per cent. In addition to that they will have to pay from 8 to 13 cents per pair more, whether they be woollen, sik or any other material. In the case of heavy boots and shoes, the duty has been increased 10 per cent under the intermediate tariff, and 40 per cent under the general tariff. In the case of the finer boots and shoes, the increase is 50 per cent under the British preferential, 25 per cent under the intermediate and 33 per cent under the general tariff—all this in the name of unemployment. In the case of gloves and mitts there is an increase in the British preference of all the way from 10 to 66⅔ per cent. A somewhat different classification was used in the old tariff. There is strangely enough a reduction of 16 per cent in the intermediate tariff on gloves. I do not understand how that came about. In the general tariff the increase amounts to 25 per cent. I will have to tell them also that in the case of blankets and, as has been suggested by my hon. leader, in the case of articles of food, substantial increases have been made. But that does not end it; I will have to tell the fishermen that a duty of 2½ cents per gallon has been imposed on gasoline, which is one of the most important commodities used by the fishermen in the carrying out of their vocation. Of course I will tell the fishermen that assurances have been given that somebody is not going to raise the price, but they would rather know that at the time the invoice comes in, or when they purchase at the pump.

Mr. MANION: Would my hon. friend have any objection to raising the tariff on gasoline if it does turn out that there is no increase in the price?

Mr. RALSTON: I am not going into a hypothetical question of that kind.

Mr. STEWART (Edmonton): Go down and see what the price is at the gas stations in Ottawa.

Mr. RALSTON: My imagination does not stretch that for.

Mr. LAPOINTE: You cannot run cars on imagination.

Mr. RALSTON: I will have to tell them that in the name of unemployment a specific duty of 3 to 4 cents a pound has been put on sail canvas, and that waterproofed clothing has to bear an increase of 25 per cent in the ad valorem duty as well as a specific duty of 50 cents per garment. Fishermen's rope has been coming in free, but under the new dumping provision the Minister of National Revenue (Mr. Ryckman) will have the right to say that this rope is being manufactured in the United States cheaper than it is being manufactured here and that he is going to make the value for dumping purposes the value at which the rope is manufactured in this country. Then he would have the opportunity of applying the dumping clause and charging the fishermen, in the name of unemployment, a dumping duty on rope.

Mr. CANTLEY: He is going to protect the consumer as well.

An hon. MEMBER: Give him lots of rope.

Mr. RALSTON: There is just one provision in the whole tariff schedule which appears to be of benefit to the fisherman, and that is that sardines and pickled herrings are going to have an additional duty imposed against their entry. That is not going to afford much benefit at least to the fishermen in my constituency or give much extra employment or compensation to make up sufficiently for him to pay for all the additional impost he will have to pay under this new tariff.

Let me suggest something that might be done for the fisherman, so that I shall not be regarded as being absolutely critical without making any constructive suggestion. My hon. friend will find in the Customs Act a provision which he has not repealed—perhaps he missed it—to the effect that when the president of the United States reduces tariffs in connection with natural products—and fish is mentioned in particular—we ourselves have the right to make some corresponding reductions in the tariff. I will suggest further that if he makes himself familiar as Minister of External Affairs with negotiations he will find that negotiations have been carried on for conferences between this country and the United States, particularly with regard to the duties on fish. Those conferences were halted while the halibut treaty was being discussed, and if my memory serves me aright the record is open for the renewal of those conferences in order to get if we can a better entry into the United States market for our fish. If

that were done, that would benefit the fishing industry infinitely more than raising the duty on the various items I have mentioned and the different things the fisherman uses in carrying on his avocation.

If my hon. friend will carry out effectively and enforce the regulations with regard to trawling operations on the Atlantic coast, he will be assisting the fishermen. I understand it has been suggested that the trawling regulations have not sufficient statutory authority behind them. I think this parliament could well be engaged in seeing to it that if any further parliamentary sanction is necessary it should be given in order that the trawling regulations may be made absolutely effective and carried out for the benefit of the shore fishermen of the maritime provinces. These are one or two suggestions I throw out to him as to how employment can be given to the fishermen rather than in this left-handed way proposed in the resolution.

I have already mentioned the articles in connection with the cost of living respecting which the farmer may have to pay more. My right hon. leader this afternoon mentioned practically all the items of farm implements on which the duty has been substantially increased, and I will not take up the time of the house to go into them. Suffice it to say that the general statement which my leader has made is correct, and there will be found an increase in the duty running as high as 150 to 200 per cent in the schedule with regard to agricultural implements and including fertilizers, spraying materials and other agricultural articles. That is what we shall have to tell the farmers of Nova Scotia and of the other maritime provinces in regard to my hon. friend's measures for unemployment relief.

The miners will also learn with mixed feelings that to help their unemployment they have to pay these additional duties in connection with all these goods which I have mentioned, namely food and clothing; goods which enter into the cost of living. What has been done for the miner? I suppose my hon. friend proposes under this very mysterious clause by which he has given the governor in council power to impose an embargo, to put an embargo on coal coming in from Russia. Last year some 115,000 or 117,000 tons of coal came in from Russia, but it was anthracite coal and anthracite coal was put on the free list by my hon. friends opposite in the days when they were in power. While 117,000 tons of coal is something of course, the question is whether it could be replaced by bituminous coal and if it could it does not cure the situation referred to by my hon. friend when he was in Cape Breton and when he deplored the fact that $50,000,000 a year was going to the United States for coal. I suggest that a good deal better remedy would be to put into force and extend and improve if he can, regulations which provide for the use of Nova Scotia coal in central Canada, for instance by contributing to the freight rate as the former government did. If he can he should get the Minister of Railways to take up with the board of directors of the Canadian National Railways the question of having more Nova Scotia coal used on the government railways.

Mr. MANION: That has already been done.

Mr. RALSTON: There is nothing new about this. I only want to point out that my hon. friend will find a letter written by me a year or more ago indicating the whole situation and contending that a very large part of the solution would be found if in some way we could get a million tons more coal used in connection with the Canadian railways. If my hon. friend can have this brought about, so much the better, because the people in the maritimes will appreciate it.

Mr. MANION: It has already been spoken of, as my hon. friend suggested.

Mr. RALSTON: It has been spoken of a good many times.

Mr. MANION: But I mean I discussed the matter myself with the officers of the company.

Mr. RALSTON: That has been done by me too, and by the former Minister of Railways.

Mr. MANION: Why did the hon. gentleman not do it while he was in power?

Mr. RALSTON: I am talking about getting the Canadian National Railways to do something of that kind rather than putting imposts on the clothing and food of the miners in Cape Breton. I understand there has been considerable publicity in Nova Scotia over the great benefit which is going to accrue to the Nova Scotia coal industry if British Empire coke is substituted for anthracite coal in the Department of National Defence at Halifax. I hope that the equipment can be so adjusted as to do this but the suggestion that this will provide any substantial alleviation of unemployment falls rather flat

when it is known that it would affect less than 800 tons. During the election the 28,000 additional tons of Canadian coal used under the late government's coking legislation was spoken of as a mere trifle and my hon. friend paid no attention to the improved situation on account of our having made it possible for over 800,000 tons of Nova Scotia coal to move from the east to the west under the assistance to coal freight rates, but continued talking about the large amount of money going to the United States and throwing out the suggestion that this would all be changed when my hon. friends came into power.

Let me close in a word.

Mr. DEPUTY SPEAKER: I am sorry, but the hon. gentleman has spoken for forty minutes.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, being a new member I had not intended to speak during this special session, having the assurance that the older members could very well discuss affairs without my assistance. But since the hon. member for Sherbrooke (Mr. Howard) has given to the house to-night his views with respect to some of the general conditions prevailing in the city of Sherbrooke and surrounding district, I deem it my duty to put on record a few sentences from a letter which I have just received on behalf of a firm doing business in that city. I do not know whether or not the hon. member for Sherbrooke has received a copy of this letter; if he has, I think he should have read it to the house, as he has read some other extracts. With your permission, sir, I should like to read from this letter which is written on behalf of the Canadian Sturdy Chain Company, Limited, of Sherbrooke.

Mr. DEPUTY SPEAKER: The other day I ruled against the hon. member for Quebec East reading newspaper comment pertaining to the debate. I am sorry, but—

Some hon. MEMBERS: Let him read it.

Mr. DEPUTY SPEAKER: If it is the wish of the house.

Mr. GOBEIL: This letter states:

> The present tariff provides for a custom duty of thirty-five per cent on all imported goods. This rate is fixed by the items 362, 578, 647 and 651 of the Canadian tariff. We make a request for an increase of this duty to forty-five per cent, being absolutely necessary to permit the manufacturers to continue their business and compete with the importations from the United States of America, Switzerland, Czechoslovakia and Germany.
>
> Our clients normally employed approximately two hundred and eighty hands, but have had to reduce their employment to the actual number of ninety-two hands owing to the unfair competition received through the importations from other countries. Other manufacturers have had to either close their doors or go in the jobbing business in order to maintain their business. Locally, we had at one time several factories here, even as much as five, four of which have had to close their doors, namely: Peerless Jewelry Company, Limited; McCrea-Stowe Company, Limited; Star Jewelry Company, Limited, and Sherbrooke Jewelry Company, Limited. H. & A. Saunders, Limited, of Toronto, who at one time were one of the largest manufacturers in Canada, have now, we understand, reduced their employment for manufacturing purposes to less than ten hands and have gone into the jobbing business. Saunders & Laurie, Limited, also of Toronto, have also gone into the jobbing business.
>
> Our clients are manufacturers of general jewelry ware, specializing in watch cases, chains and bracelets, and they can guarantee that if the duty is raised to forty-five per cent, that their prices to the trade will not be increased. In fact, they have already circularized the trade giving information to this effect.

That will show you the conditions, Mr. Speaker, in the city of Sherbrooke. My hon. friend from Sherbrooke and other hon. gentlemen opposite have stated that they have no faith in the remedies offered by this government. May I be allowed to remind the house that the present situation developed during the time of the Liberal administration? The citizens of this country have been taking Liberal remedies of various kinds during the past nine years, and finally when they had the opportunity to choose a new government the citizens of Canada decided without any hesitation, judging by the composition of the present house, that they would change their doctor and for some years to come try a different kind of medicine. I think that the citizens of Canada have made up their minds to give a chance to this government and are well prepared to take the kind of medicine which it will prescribe to help this country in her troubles.

Mr. A. A. HEAPS (North Winnipeg): I have neither the desire nor the time to enter into a detailed discussion of the tariff changes submitted to the house yesterday, but I wish to take this opportunity of dealing in a more or less general way with the question of unemployment from the labour viewpoint.

During the few years that I have had the privilege of being a member of this house I have at every session directed the attention of the house to the unemployment situation. Unemployment is nothing new; it has been with us for a great many years. We have had it every year in this country since the war, in more or less aggravated form. At no

time in all the period from 1919 right down to 1930 has there been freedom from unemployment conditions in Canada. In fact, the situation as we have it in the year 1930 reminds me very much of the conditions that prevailed in 1920. In 1920 we had a Conservative administration in power; in 1930 we had a Liberal administration in power, and in both years we have had to face a similar unemployment problem.

To me there is no greater tragedy in life than the position of the man or woman who happens to be out of work. I believe that every member of the house irrespective of party is anxious to alleviate in some way distress and involuntary poverty. No hon. member wants to see distress prevailing in this country. Every one of us is anxious to alleviate it whether he happens to be rich or poor, Conservative, Liberal, Labour, or a member of any other party. Parliament at this time has a great responsibility. Everyone admits that the present unemployment problem is a very serious one. There was a time, not many months ago, when parliament refused to face the situation. I was very sorry indeed that in the months of March and April of this year the government refused to accept responsibility of dealing with this serious problem. I am glad that the present government have not shirked the responsibility and are prepared to face the issue of unemployment, believing at least that they have the remedy for the evil.

The whole question of unemployment is a challenge to parliament, a challenge not only to the policies that we advocate but to our very fitness to be here as the governing body in this Dominion. If we are not fit or willing to face the unemployment situation, we have no right to be here. We have no right to attempt to shift that responsibility to the municipalities and the provinces. The present government claim, and I think this has been contended generally by the Conservative party during the past few years, that the unemployment situation in this Dominion in the past has been due to the fiscal policies adopted by the previous government. Now, if the fiscal policies of the government are responsible for an unemployment situation, then those whose duty it is to look after the fiscal policies of this Dominion are responsible for the unemployed. Consequently I claim that it was a mistake on the part of the government to say, when we were voting the $20,000,000 appropriation the other day, that unemployment is primarily a problem for our municipalities and provincial governments to deal with. I entirely disagree with this statement contained in the preamble of the bill appropriating $20,000,000 for the relief of unemployment.

The Conservative party, as I say, have accepted the challenge. The Conservative party in this house claim that they were victorious in the last election. I am not going to admit for one moment that they were. I will admit that they won the election; there is no doubt about that, but the Conservative party will rightly be able to claim a victory only when they have provided a remedy for unemployment and abolished it from our midst. I say that so long as we have unemployment the Conservative party can not lay claim to victory. In my own constituency in the city of Winnipeg and the adjoining constituencies my opponents and the other Conservative candidates came out boldly and claimed that if they were returned to office they would end unemployment. I told my constituents I could not compete with my opponent's pre-election promises, I could not pledge myself to end unemployment, that I alone had not a remedy for it. Therefore, Mr. Speaker, I say the Conservative party as yet has not achieved victory; that still remains to be achieved.

I now come to the other question, how our opponents are going to end this menace of unemployment. They say they can do it by a mere adjustment of the fiscal policy of this country. That statement was somewhat qualified just prior to recess. However, I think it is beyond any chance of successful contradiction that statements were made that if the present government were returned to power they would end unemployment. Now they come along with their proposals that by simply readjusting the tariff, unemployment will be ended. I wish I could have as much faith in their remedy as they have, but somehow I cannot. Therefore I intend for a short time to deal with the remedy for unemployment from the labour point of view.

If by tariff increases unemployment could be cured, then to-day there would be no unemployment in the United States; if by the upward adjustment of tariffs unemployment could be cured, there would be no unemployment in Australia; if by a similar process unemployment could be cured there would be no unemployment in Germany, there would be none in Japan. Conversely, if a low tariff or a free trade policy could cure unemployment, there would be no unemployment in Great Britain. But we have unemployment in various parts of the world irrespective of

the particular fiscal policy of any country. Consequently there must be some other cause that creates unemployment, and we of the Labour party claim that in order to deal with this problem we must recognize that it is due not to the fiscal policy of any country but rather to economic causes which lie deeper than any matter of fiscal policy. Therefore we have to get down to the underlying economic causes and deal with the problem from that aspect. I would ask this question of hon. members; Why is there unemployment; why does it exist?

Mr. DEPUTY SPEAKER: Order. I think the hon. gentleman is getting away from the question before the house.

Mr. HEAPS: Mr. Speaker, this session is called to deal with unemployment.

Mr. DEPUTY SPEAKER: An amendment has been moved to the motion to go into committee of ways and means; but we are not now dealing with unemployment, we are dealing with the tariff.

Some hon. MEMBERS: Oh, oh.

Mr. DEPUTY SPEAKER: That is my ruling. If hon. members are not satisfied they can appeal from my ruling to the house.

Mr. HEAPS: Ever since I have been in this house, Mr. Speaker, I have never seen the Chair deal so discourteously with hon. members.

Some hon. MEMBERS: Order, withdraw.

Mr. DEPUTY SPEAKER: The hon. member must keep to the question before the house. I am not concerned with his opinion about myself.

Mr. NEILL: Rising to the point of order, Mr. Speaker. I think it is important that this matter should be settled now. I appeal to the leader of the government (Mr. Bennett) whether it is not a well known fact that from time immemorial on this motion before us we can talk on any subject—even the raising of radishes.

Mr. DEPUTY SPEAKER: Hon. members should confine themselves to the amendment.

Mr. HEAPS: Mr. Speaker, before you were in the chair, prior to six o'clock, the Minister of Trade and Commerce (Mr. Stevens) was dealing with the question in exactly the same way as I am dealing with it now, and I expect from the Chair the same courtesy that was extended to the hon. minister.

Mr. DEPUTY SPEAKER: I was not in the chair at that time.

Mr. HEAPS: The Chair goes on irrespective of who is in it, and I do not expect a ruling from one Speaker different from that made by the other. Might I also point out, Mr. Speaker, that there is an amendment before the house dealing with this question, and certainly that amendment has something to do with unemployment.

Some hon. MEMBERS: Go ahead.

Mr. HEAPS: Consequently when I ask, why is there unemployment, I think I am putting a very fair question to the house, especially when the motion to go into committee of ways and means deals specifically with the cure for unemployment.

Mr. BENNETT: Technically, the hon. gentleman must confine his remarks to the amendment. The rule is clear. That is the reason why the Chair decided last night that members might speak twice. The question is not on the amendment, that is all.

Mr. HEAPS: I want, Mr. Speaker, to give one or two facts to show some of the reasons why there is unemployment, and to show also that no amount of fiscal changes will in any way alter the situation. There has been submitted to the house in the past few days a memorandum by the Canadian Automobile Importers' Association. On the first page of their submissions, dealing with unemployment, they show the Canadian production of auto vehicles for 1928 and 1929. In 1928 there were produced 242,050 auto vehicles; in 1929, 262,621—an increase for the year of 20,571 vehicles. In 1928 there were employed 16,749 workers, and in 1929, 16,435—a reduction of 314. In that same year they show that wages had decreased by $2,655,017. In other words, while production had increased by a large ratio there had been a tremendous decrease in the amount of wages paid. Now, what happened in the automobile industry in 1928 and 1929 is symptomatic of what has been taking place in many of the other industries in this Dominion. That matter was alluded to this evening by the Minister of Trade and Commerce, and I claim, Mr. Speaker, that if there has been a reduction in the number of men employed in industry on account of new machinery and equipment being introduced, no amount of tinkering with the tariff will be able to absorb that number of people into industry. I claim it will require some other remedy to deal with this problem outside of tariff.

Now, this increase in production means that men and machinery have become more efficient, it means we are able to produce

more to-day in a given time than we were able to produce twenty years ago. It has been claimed by those in a position to know that in the past twenty years production has about doubled. But in the same period the relative position of labour has been about the same; the purchasing power of the worker is no greater to-day than it was twenty years ago. Indeed, in many respects the position of the worker to-day is relatively worse than it was twenty years ago for the reason that, there being fewer jobs available, there are more men and women out of work; and with the increasing use of machinery men are more liable to be thrown out of employment to-day than they were previously, when labour was engaged to a greater ratio than at present.

I claim that one of the reasons for the present unemployment situation is to be found, not in the fiscal policy of any country but in the newer methods adopted by industry, and industry must adjust itself to the newer condition and bring about the changes which to-day labour is insisting upon. What are those changes? First of all we claim that there should be a shorter work day in industry. I say that men and women to-day should not be asked to work ten hours a day. In the present schedules brought down by the government we find a tremendous increase in the steel duties in the Dominion. It is not many months ago that this house was debating increases in steel duties, and at that time it was shown that the men employed in the steel industry in Canada were working from 72 to 102 hours a week. Those are the present hours of labour in the steel industry in Nova Scotia and in other parts of Canada. Now to-day we are granting a further increase in protection to that industry, which did not deserve the protection it received from this house in the month of May last. We claim that these men, instead of working 102 hours a week, should be working 40 hours a week and that two men should be working where one is now engaged. That is one way to absorb some of the surplus labour which is to be found in all parts of the Dominion.

What are we suffering from at this moment? Are we suffering from the fact that there is a scarcity of commodities in Canada? The reason we are suffering to-day; the reason there is want in Canada; the reason why we have unemployment is that we have too much of everything. There is want in our midst just because we have plenty of everything and labour can no longer be gainfully employed. It is a most absurd situation that there should be men and women suffering because we have too much of everything, and an increase in the tariff is not going to change matters. The fact that you increase the tariff 10, 15, or even 125 per cent, as is being done now in some cases, will not in any way relieve such a situation.

Increasing the tariff in favour of industry seems to me like giving a drug to a sick man. An increase in tariff is equivalent to giving a drug to an industry; the moment it gets over the effect of the drug it will come back and ask for some more. Thus we see that notwithstanding that in the month of May we gave increased tariff protection to the steel industry, they have come back in the month of September and asked for more. In my opinion, therefore, these increases in the tariff are not going to solve the problems we have in the Dominion to-day. Why do I say that? One of the problems we have to face is the fact that western Canada is not in a position to market its wheat; and no man on the opposite side of the house can tell me how these increases in the tariff will help the farmer to market one bushel of wheat. Indeed, in my opinion the reduction in the British preference will have exactly the opposite effect. It seems to me poor policy that on the eve of the Prime Minister's departure for the imperial economic conference, with the idea of blasting his way into the markets of the empire, and when we wish to sell Canadian wheat, he is intimating to the people of Great Britain that he has increased the duties on British commodities to the extent of 125 per cent. We have to bear in mind that we have to sell our wheat in Great Britain, which after all is the best customer of this country, and if we are not prepared to accept goods in return Great Britain will not be prepared to receive the surplus wheat of this Dominion.

I have listened in this house to the Prime Minister when he has made the statement, from his place as leader of the opposition, that Canada must become economically independent. He has not used that term in the last few days. There is no such thing, however, as economic independence; it does not exist. It is economically impossible to be economically independent, and the country that strives for economic independence will become economically stagnant and never be able to show any progress. Consequently the idea to-day of increasing tariffs, when we are attempting to find markets for our surplus wheat, could not do a greater disservice to western Canada at the present time. So that instead of improving the condition, not of one particular industry, but of Canada as a whole, increased tariffs will likely have the very opposite effect.

We have industries in Canada, and I do not think that anyone wishes to do anything but what is right and proper by them. But for what purpose does industry exist? For the purpose of exploiting the public? Or rather should industry exist for the purpose of supplying the goods which are required by the people or the community? I believe the latter is the purpose for which industry should exist. But to-day industry does not operate with that object in view; the primary purpose is to make profits, irrespective of the conditions under which the workers happen to find themselves. In these proposed schedules we are making certain considerable concessions to some of the key industries in the Dominion. We are told by hon. gentlemen opposite in all seriousness that they are going to control the prices which will obtain. I have not had much experience of price control in Canada but on one occasion I did gain a little knowledge of the matter, and it might be worth while to relate that experience to this house. It goes back to the year 1918 when the government of that day, of which the present Prime Minister was a member, had a food control board for the purpose of regulating prices. The federal government instituted an inquiry in the city of Winnipeg into the price of milk. Milk is a very important factor in the everyday life of the community, something which every family requires. The city council of Winnipeg on that occasion asked me to represent them on the royal commission which inquired into the high price of milk in that city. We delved into prices and submitted to the government at Ottawa a unanimous report showing that the price of milk in Winnipeg ought to be reduced. What happened? The then president of the largest creamery in Winnipeg, together with a lawyer representing the corporation, came to Ottawa to discuss the report of the commission which had been appointed by the government of that day, of which, as I say, the present Prime Minister was a member; and the result was that our report, asking for a reduction in the price of milk, was thrown into the wastepaper basket, and the price of milk remained where it had been before. That was my only experience, Mr. Speaker, with price control here in Canada, which occurred at the time the present Prime Minister was a member of the government.

Another industry to which we intend to give a certain amount of additional protection is the cotton industry. A great many crocodile tears have been shed in this house about the ruination of the textile industries in Canada. What do I find? First of all I will take one or two figures from the Canada Year Book. I find on page 391 that the number of employees in the textile industry was increased from 76,379 in 1921 to 113,724 in 1928, the last year for which the complete figures are available. This is the industry that is dying and requires more protection. On the same page of the year book I see the value of their products for the same period, and I find that in 1922 the net value of the output was $155,493,510, and by gradual stages, in spite of one or two decreases, the net value increased to $191,671,848 in 1928. That is a dying industry; that is an industry to which we intend now to give greatly increased protection.

Now I will go for a moment, Mr. Speaker, to the report of the Dominion Textile Company as shown in the Annual Financial Review for the year 1930. I will take some of the figures of that corporation, figures which I suppose they have themselves submitted to this journal. I find figures here from 1925 down to 1930 inclusive. In 1925 there is shown a manufacturing profit of $1,684,909, while in 1930, in spite of the acute depression that has manifested itself since the fall of 1929, they still were able to show a surplus of $1,518,322. Then I find that the dividends paid out on their common shares amounted to $1,035,842 in 1925 and that in 1930, when the company were going around crying and begging for increased protection in order to help them out of the ruin in which they found themselves, they show dividends paid amounting to $1,349,804, representing a considerable increase over the year 1925. During the same period, from 1925 to 1930, this same poor, downtrodden textile corporation was able to show a surplus which increased from $5,665,017 in 1925 to $7,498,035 in this year of the blue ruin for the corporation. These are the corporations which are crying blue ruin, but when you get their financial statements they show a completely different result.

Now I want to give one or two more figures in connection with the textile industries. We are told that our industries here pay such high wages that it is impossible for them to compete with the cheap labour in these other countries. I only wish that was a statement of fact instead of being pure fiction. I have

before me figures which were submitted before the tariff advisory board in December, 1927. It was shown then that in the state of Massachusetts the average wage per worker was $954 per year. In South Carolina, among all the negroes and other low-paid workers, the average wage amounted to $631 per year, in addition to which they received other concessions which might have been added to their annual payroll. In the province of Quebec, which we are sometimes told has such highly paid labour, the average annual wage was $592 per year. Now may I go a little further than that, while I am dealing with the Dominion Textile Company. I was so happy when our Prime Minister said in this house yesterday that we find the manufacturer and the labourer walking hand in hand, or words to that effect. I can very well imagine that the directors of this corporation, Sir Charles Gordon or Sir Herbert Holt, might walk hand in hand down St. James street with someone earning $11 per week, the man earning $11 per week thinking he was a bloated capitalist. What do we find about this corporation? According to the same statement made before the tariff advisory board, in 1905 they paid $500,000 for stock having a par value of $5,000,000. The total amount of money that has been put into the Dominion Textile Company is approximately $3,500,000. That is the amount of actual cash capital put into the concern, and yet for the fiscal year 1930, in spite of the hard times, they were able to show a profit of over $1,500,000.

I see my hon. friend from Hochelaga (Mr. St-Père) here to-night. Before the industrial relations committee the hon. gentleman stated that upon investigation he found that the average wage of the men employed in that industry was $660 per year. It was also stated by Mr. Pierre Beaulé, president of the Catholic union of Quebec, that the average wage of the girls employed in that concern was approximately $8 per week. Recently a minimum wage law was passed in the province of Quebec with regard to the textile industry. I am sorry I have not that law before me, but it provides that for the first six months a girl must be paid not less than $7 per week, assuming she works a full week. That does not mean a full week of forty-four hours, according to the Quebec law; the girl has to work a full week of fifty-five hours, and if she works fifty-five hours a week the Dominion Textiie Company will give her $7.

[Mr. Heaps.]

What does that mean? It means that a girl works there for 12½ cents per hour, while that corporation paid on its actual capitalization a dividend of about 50 per cent. I claim, Mr. Speaker, that the proper way to deal with a situation of that kind would be for the company to take a large part of its surplus profits, put on more men and more women on a 44-hour week and so give some of this surplus profit to the men and women who at the present time are out of work.

What applies to the textile industry applies to many others in the province of Quebec as well. Someone was talking blue ruin with regard to the boot and shoe industry. When I heard that statement made to-night I again looked up this Annual Financial Review for 1930 and found the same story. The Agnew-Surpass Shoe Stores, Limited, was the first concern I came across. They show a very large profit for the last financial year. For instance, I find the following:

> Combined sales for the present period under review totalled $2,533,509.42, resulting in gross earnings of $197,258.98 which, after depreciation and provision for income taxes, left a net profit available for preferred stock dividends and surplus of $159,407.87, against dividend requirements of $70,000.

Similar key industries are being run to-day by control from abroad, and the girls employed in those industries are treated in the same way as those who are employed by the Dominion Textile Company.

Since I came to this house a little over a week ago I have heard the cry: Give Canada a chance. Those of us who sit here in this corner of the house are just as anxious as anybody to give Canada a chance, but who is Canada? Is Canada the financier or the industrialist who lives in New York, Chicago, Philadelphia, London, Paris or Berlin, as so many do who happen to own the key industries of this country? They are not Canada. Canada consists of the men who till the soil in this country; Canada consists of the men who go down into the mines and risk their lives to bring out the coal and other mineral deposits, which make it possible for us to live in this Dominion; Canada consists of the men who work in our factories and our workshops and who make transportation within our borders possible. I am raising my voice to-night for that real Canada, the men and women who work in this Dominion, the men and women who have their homes in this

Dominion and the men and women who make life possible here. It is on behalf of those people I am raising my voice this evening. I am raising my voice for the men and women in the textile industry; I am raising my voice for the men and women in the boot and shoe industry who receive a wage which makes it impossible for a Canadian to live in anything approaching decency and comfort; I am raising my voice for those Canadians who work in the steel factories and in the forges, for those men who work seven thirteen-hour shifts per week. These are the people whom I represent here, and the tariff schedules which have been brought forward do not contain one thing which will alleviate the conditions of the men and women who to-day find it impossible to live here in Canada. Many of them are forced to leave the country not because of any fiscal policy but because of the intolerable conditions under which they are forced to live by people whose only interest in our industries is the profits to be extracted therefrom.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, this afternoon the Minister of Trade and Commerce (Mr. Stevens), speaking on this amendment asked why some members on this side of the house were everlastingly—I think that was the word he used—advancing their free or freer trade theories. In reply I might say that that is our right; it is our duty to advance our theories in this house. We were elected because we held certain opinions; we were elected to come down here and advance those opinions and to advance them on every possible and legitimate occasion. Besides that, we have a very good precedent. The hon. leader of the government (Mr. Bennett) when he was leader of the opposition held certain theories in regard to protection. Not one of those theories could stand five minutes' examination, there was nothing sound about them, but he advanced them in this house and out of this house, in season and out of season, and all his supporters harped on them until they finally persuaded the majority of the people of this country that there was something in them, and they were actually voted into power to try them out.

Some hon. MEMBERS: One hundred and forty of them.

Mr. YOUNG: We hold opposite views, and it is our duty and our privilege to advance our theories as ably and as often as we can in order that some day we may enlighten the people so that the people will take a sounder view—

An hon. MEMBER: You might fool them.

Mr. YOUNG: —than they exhibited during the last elections. In the field of nature the unenlightened mind believes that the world is flat and that the sun goes around it. That is because that mind has not been trained to think.

An hon. MEMBER: What do you think about it?

Mr. YOUNG: I hope I am a little more enlightened than my hon. friend. I say that the unenlightened mind believes that the world is flat and that the sun goes around it; one who has not been trained to think and who judges everything by the little bit which he sees is apt to think in that way. It takes a person capable of reasoning to understand that the world is not flat and that the sun does not go around it. In the realm of economics the unenlightened mind is naturally and spontaneously protectionist; he takes that very narrow view of things and judges the whole by the little bit he sees, but it takes a person capable of thinking and doing a little reasoning on his own account to understand that these protectionist theories are not sound and that you cannot increase the wealth of a country or the employment in a country by any protective measures. I do not like that word "protection", because it is a misnomer. The object of the gentlemen opposite is not to protect industry, but to restrict trade. The proper word would be "restriction", and my hon. friends opposite are not protectionists—they are restrictionists. I think we will have to take that word and apply it to them.

The hon. minister stated that one cause of unemployment was the displacement of labour by modern inventions. I do not subscribe to that theory. It is generally believed that modern inventions and improved methods of manufacturing are responsible for the displacement of labour. Perhaps I could better explain what I have in mind by taking a concrete example, such as a manufacturer of hats. Let us suppose that such manufacturer employed men in making hats and let us suppose—

An hon. MEMBER: Seventy cent hats?

Mr. YOUNG: No, they are not seventy cent hats; we will say that they are worth $5 apiece. That manufacturer employs one hundred men in making those hats and somebody invents a machine which he installs in his factory and which enables him to produce the same number of hats by employing only fifty men. What does that manufacturer do? He probably lays off fifty men and continues to make the same number of hats and continues to endeavour to sell them at the same price. When he laid off those fifty men he put that number of individuals out of the market for hats; those fifty unemployed men will not buy new hats this year, they will wear their old ones. All the other hat manufacturers follow his example, install new machinery and begin lay off half their men—

An hon. MEMBER: Are you wearing your old hat?

Mr. YOUNG: Yes, I am wearing my old hat. The other manufacturers lay off men in their attempt to pay excess profits on that new invention. With what result? They place a great many men out of the market for hats but the same number of hats are being manufactured. What is the result? Presently they find that they cannot sell their hats and they deem it necessary to lay off still more men. But it was not necessary for that manufacturer or any of those manufacturers to lay off so many men. They might have done this: the manufacturer might have said: Instead of laying off these men, I will keep them employed. I will continue to make the same number of hats and to sell them at the same price, but I will keep those fifty men employed in putting improvements on those hats so that I will be able to sell a better hat for the same price. In that way they would not have put any men out of work. The net result, of such a policy if carried out by all the manufacturers, would be that the consumers would get better hats for the same money and nobody would be out of employment.

There was still another course open to the manufacturer. He might have gone into the streets and said: There are many men on the streets who would buy hats if they were a little cheaper. He might have said: I will make the same hat, but I will sell it at a little lower price and in doing so I will bring enough new buyers into the market to enable me to keep my men employed.

These three courses were open to the manufacturer. In the one case he might attempt to put into his pocket all the excess profits which would accrue from the modernization of his plant and the introduction of new machinery. Where he attempted to do that he threw men out of employment and in the end spoiled his own market. In the other two cases he attempted to pass the benefits of those new inventions on to the consumer with the result that he did not have to put any men out of employment, the consumer got better value for his money and the manufacturer did not find his market disappearing from him. That, I think, explains the displacement of labour by modern methods and inventions. It is not the case that these inventions are a detriment to humanity; they are a benefit. The detriment to humanity is the attempt of selfish men who happen to be in a position to do so, to keep for themselves all the benefits of these new inventions and modern methods instead of passing them on to the consumer.

I have said in this house frequently that all these economic questions should be studied from the consumer's standpoint, because the consumer's interests are those of the human race. Wherever you find the benefit of these things being passed on to the consumer, that benefit seeps through all strata of society; but where any class of people try to keep to themselves all the benefits of these modern inventions, trouble is sure to arise. We should not object to the introduction of new machinery and methods, but what we should object to is the selfish people keeping to themselves the entire benefits of these modern inventions. I do not think all our economic problems will be solved until men realize that every man's interest is not antagonistic to those of his fellows, but that the highest interest of everyone is identical with the highest interests of us all.

The Minister of Trade and Commerce also referred to the inundation of Canada by goods shipped from other countries and all the legislation that has been introduced this week, with the exception of the $20,000,000 priming bill, to prime the pump of industry, although the pump has really never lost its prime, has been aimed at preventing goods from coming into this country. I do not know what objection hon. gentlemen opposite have to goods coming into this country; I really do not know what they are afraid of. What is wealth? It is not figures on a ledger. Wealth consists of commodities, goods, cheap and abundant for everybody, food, clothing, shelter, books, cars, everything the people have, everything they want. These

are the things that constitute wealth and the more of them we have in the country, the better off we shall be. I cannot understand the mentality of the man who says: We must keep goods out of the country if we are to increase our wealth. Mathematically it might be stated this way. Our hon. friends opposite believe that by creating a scarcity of a given article or certain classes of articles in a country, they can increase the wealth of that country. They believe that by creating a scarcity of certain forms of wealth in a country, they can increase the total wealth of that country. They also believe other countries, by creating an artificial scarcity of other forms of wealth, can increase the total wealth of their countries. Ultimately, they believe all countries can increase their wealth by creating artificial scarcity. Adding up both sides of the equation you arrive at this amazing result; that by decreasing the total amount of wealth in the world, you increase the total wealth of the world. That is the logical conclusion the hon. gentlemen's theory would drive one to.

If they object to goods coming into this country, how are we going to be paid for our wheat? Exports are paid for by imports. We export wheat. We export other things, but at the present time wheat is our chief export. What do we take in exchange for our wheat? I put this question to the Minister of Trade and Commerce to-day. What answer did he make? He told us that the first thing he did when he got into office was to instruct his agents throughout the world to try to sell wheat. I asked him: What do you propose to take in exchange for our wheat? He replied: My hon. friend is talking theories. I have a theory in regard to selling wheat, and I think it is sound. It is this: When a farmer sells a bushel of wheat he is entitled to something in exchange for it. I asked the Minister of Trade and Commerce: What do you propose to take in exchange for our wheat? for every bit of legislation that hon. gentlemen opposite have brought in this session and apparently have in mind, contemplates keeping goods out of the country. We do not bring in money in exchange for our exports. The theory that we take money in exchange for goods was exploded long ago, but hon. gentlemen opposite keep repeating it because they do not stop to think. We send hundreds of millions of dollars worth of goods to England. Did you ever see an English sovereign or a five pound note here? We send millions of dollars worth to China; do you ever see any Chinese money in this country? Do we ever see United States, German money or Italian money here? No, we do not bring money into the country. What do we take in exchange for our wheat? We take goods or we take nothing. We are trying to sell our wheat. Hon. gentlemen opposite say: We will not allow you to take goods in exchange. Then I ask: What are we going to take in exchange for our wheat? How are we going to sell our wheat if you do not allow us to take goods in exchange? They cannot answer, and yet when we try to sell our wheat, when the farmers are at the point where they can hardly get anything for their wheat, the Minister of Trade and Commerce and the Prime Minister say: We will stop you from bringing in the things that are offered you for your wheat.

Mr. BELL (St. Antoine): Why did you not sell your wheat when you were in power?

Mr. YOUNG: We did not bring in any such budget as this.

Mr. BELL (St. Antoine): Why did you not sell your wheat?

Mr. YOUNG: We did sell our wheat. I know what my hon. friend is referring to. He is referring to a story circulated by his friends in the west during the campaign that the late government was offered a certain price for our wheat by the British government. The statement was not correct. The British government never made any such offer, and, furthermore, if they had made such an offer, the Canadian government had no power to accept it, because they did not own the wheat. That is simple enough.

I come back to the question: If you do not allow us to take goods in exchange for our wheat, how are we going to sell our wheat? What is this tariff going to do for the farmer? Looking over these schedules, sizing up the articles which the farmers buy, I would say that the increases would at the very least average 10 per cent of the value of the goods. Every dollar of the farmer's income is spent on something. He does not save any money, and everything that he buys is affected by this new tariff. As I say, the price of everything that he buys is increased by this new tariff 10 per cent at the very least. What does that mean? It means that what he used to give ten bushels for he now has to give eleven bushels for; that what

he used to give ten pounds of meat for he now has to give eleven pounds for. He comes to the Prime Minister and says: I am in distress; I cannot sell my goods; I cannot buy the things I need; what can you do for me? What answer does the Prime Minister make? He says: "My father truly did chastise you with whips, but I will chastise you with scorpions." You have been made to pay plenty in the past, but I will make you pay more in the future. In addition to all you have paid in the past I will take from you by this tariff every tenth bushel of wheat that you grow, every tenth steer that you raise, every tenth hog that you fatten, every tenth sheep that you shear, every tenth egg that your hens lay, every tenth pound of butter that your wife makes. To the fruit farmers and vegetable growers, to the tobacco and bean growers, who have been coming to the government of recent years asking for higher prices on their particular products, what does this tariff say? It says: We will take from you every tenth basket of fruit, every tenth basket of vegetables, every tenth pound of tobacco, every tenth bushel of beans, every tenth bushel of potatoes. In a word it says: We will take one tenth of the farmer's entire income.

Mr. BAKER: What evidence has the hon. member that this tariff will cost the farmer what he says? He does not know anything about the effect of this tariff until it is in operation.

Mr. YOUNG: Surely we can judge a little by experience. History ought to teach us some lessons. Surely we know that tariffs are made to raise prices.

Mr. MANION: No, they are not.

Mr. YOUNG: When the fruit growers asked for increased tariffs, we said to them: "What do you want?" They replied, "We want higher prices. We cannot live at these prices." Does any man believe for a moment that the textile manufacturers will not increase their prices when these rates take effect?

Some hon. MEMBERS: No.

Mr. YOUNG: Of course, you don't. Prices will inevitably go up. The price is always the highest price you can get in the market. When you shut competitors out and they are not there to force prices down, the price goes up. It is only human nature, and you cannot change human nature by introducing this bill. The price will go up; that is the experience of all history.

Mr. BELL (Hamilton): What about the price of wheat? Will it go up?

Mr. YOUNG: Is wheat sold in a protected market?

An hon. MEMBER: Yes.

Mr. YOUNG: Where?

Mr. STEWART (Leeds): In Canada.

Mr. YOUNG: Oh yes, they did put 30 cents duty on wheat. I wonder if he thinks the farmers are going to benefit by that. I wonder if he thinks the farmers can even be made to think they are going to benefit. If he does, he does not give us credit for very much intelligence.

Coming back to the question as to what effect these tariff changes will have on industry, will these excessive prices that you are going to take out of the farmers' pockets result in the employment of more men in Canada?

Some hon. MEMBERS: Yes.

Mr. YOUNG: I say they will not. When the full effect of these tariff changes is felt, it will be found that we have more unemployment instead of less. Why? Because your factories are idle and your men are unemployed for the reason that people are not buying goods. Do you think that the farmer will buy more goods when you make him pay more for everything he buys? Will he buy more clothes if you charge him an extra five bushels of wheat for a suit? The remedy for unemployment is to get prices down.

The Minister of National Revenue (Mr. Ryckman) brought down a measure the other day to stop dumping. I tell you, Mr. Speaker, that the remedy for unemployment in this country is dumping. If we could encourage dumping, the bringing of goods into this country no matter where from until prices are forced down to the point where people start buying, our own manufacturers would be forced to adjust themselves to the conditions where they could produce at a price at which the common people could buy, and when the people start buying employment disappears. Every measure passed by this house in the last ten years has been well calculated to create more unemployment and make the unemployment situation ten times worse, and I

say, Mr. Speaker, that if these tariff changes before the house are carried through you will find that the last condition in this country will be worse than the first.

Mr. J. L. BROWN (Lisgar): If this were an ordinary session there are many things that I might wish to say in a debate upon the budget that has been brought before the house, but I shall try to confine my remarks to the particular situation that confronts us. I do wish however to express in the strongest language of which I am capable my entire disapproval of the budget as it has been submitted.

I am not going to raise any question of mandate, because I am quite prepared to admit that hon. gentlemen opposite have a mandate. During the campaign I called attention to certain words that the then leader of the opposition used in his Winnipeg speech. In discussing the possibility of raising the tariff he said something to this effect: I am going to ask you to make a sacrifice, and I know that you will not hesitate. He recognized that by reason of the duties he was going to propose certain members of the community would have to make a sacrifice, and he said: I know you will not hesitate. I urged upon the people of my constituency that there were very good reasons why they should hesitate to make such a sacrifice, and for my part I do not propose to make the sacrifice that was suggested.

I repeat, I am not going to raise any question of mandate, although I do regret that a mandate was given to the Prime Minister to represent Canada at the imperial conference. We have had it urged in the past by hon. gentlemen opposite that it was to the discredit of the late government that while all other governments in the world were increasing their tariffs Canada alone was decreasing hers. I felt that that was one reason why I could give to the late government the measure of support that I extended, because it was making an effort to reduce to a considerable extent the tariff. I had hoped that those whom we would send to the imperial conference would go with a mandate from the people of Canada to urge upon the empire a reduction rather than an increase of tariffs. It is this problem of tariffs that is giving the League of Nations perhaps its greatest anxiety to-day—this continual war of tariffs. I had hoped that Canada would be able to give a lead to the empire at that conference and that the British Empire would be able to give a lead to the world in the direction of a reduction of tariffs; for, Mr. Speaker, there is to my mind no greater possible source of another armed conflict than this continued tariff war. There is nothing that has in it to a greater degree the possibility of another outbreak of hostilities between nations than the continual war of trade. However, the mandate was given. But I have been given a mandate also. I shall make no extreme claims in regard to my mandate, but I had a mandate from, we will say, a small majority of the people in my constituency to protest against legislation of this kind. I made it as clear as possible to the people whom I addressed during the campaign that one of the results of the coming into power of hon. gentlemen opposite would be the raising of the tariff. So they cannot complain they were misled, they cannot complain that in any way they were deceived. While I have a small majority to support my views on the matter, the others have a right to expect that the policies of hon gentlemen opposite will prevail and they will have to take the consequences of those policies as I shall endeavour to point out.

This afternoon the Minister of Trade and Commerce (Mr. Stevens) undertook to poke ridicule at the right hon. leader of the opposition (Mr. Mackenzie King) because he was again using the words, "reduction in the duties on the implements of production in the primary industries." Now, those words, as I see it, have never been absent from the vocabulary of the right hon. leader of the opposition, because it seems to me the principle on which the late government acted, not as far as some of us wanted at times, but at least the various budgets brought down gave expression to the principle that the tariff on the implements of production in the primary industries should be reduced. During the campaign I took occasion to point out to the electors that the tariff on many lines of farm implements had been reduced, some from 12 to 6 per cent, others from 15 to 7½ per cent and still others from 20 per cent down to 12 or 10 per cent. Now I find that in this budget the duty on the same articles are raised to 25 per cent. In view of arguments that I have placed before my constituents and the mandate which I consider I have, I protest most emphatically against this increase in the duties on the implements of production which are used in the chief primary industry of Canada to-day—agriculture. I urged upon the people, and I urge it here, that we can do little, if anything, to increase the price of our products in foreign markets. A trifle may be accomplished to this end, but after all it is only a trifle; we are

absolutely under the influence of the law of supply and demand. Therefore the only relief that the agricultural industry can look for is in the direction of reducing the cost of production.

The hon. Minister of Trade and Commerce taunted the right hon. leader of the opposition and said that the right hon. gentleman would not want to go out and fight an election just at the present time. And he waxed quite indignant because we on this side of the house were exercising our privileges at this time, instead of helping the government to carry through the legislation which they thought was for the relief of unemployment. Now, we are only exercising our proper privileges, and so far as fighting an election in the immediate future is concerned, I venture to say that none of the rural members of the Conservative party from Saskatchewan or Manitoba would want at the present time to go out and fight an election in their constituencies on this budget. They would have a great deal of explaining to do as to why the duties on agricultural implements should be raised in some cases from 6 to 25 per cent. So not only do we in the west suffer equally with the fishermen of the maritimes from the increase in duties mentioned by the hon. member for Shelburne-Yarmouth (Mr. Ralston)—he went over a long list—but in addition we are compelled to buy large quantities of agricultural machinery that no other portion of Canada has to use to the same extent.

A great deal has been said about protecting the consumer, and we have heard something about the guarantees given by certain individuals. Their names have not been furnished to us yet; we are asked to take those guarantees on faith. It is a case of:

> Open your mouth and shut your eyes,
> And I'll give you something to make you wise.

I do not know who may have given those guarantees and I really do not care very much, for I have very little confidence in them, no matter who has given them. We have had some experience of such guarantees up to date. There were certain guarantees given two or three years ago by the automobile manufacturers in regard to taking advantage of the excise tax, and we have fairly strong suspicion that it was pretty well proven by the member for Macleod (Mr. Coote) that those guarantees had not been observed.

[Mr. Brown.]

Mr. CHAPLIN: To whom were those guarantees given?

Mr. BROWN: It does not matter. I presume the hon. minister would suggest that guarantees given to hon. gentlemen opposite would be more effective than guarantees given to us on this side. I repeat, guarantees given by manufacturers would mean nothing to me. Why? Because who is going to enforce them? All sorts of excuses can be advanced for raising prices. Then who is going to hold the successors of those gentlemen to those promises? To my mind the thing is an absurdity. I have no faith in hon. gentlemen opposite protecting the consumer, not because I think they might not act in good faith, but because of the very opinions that they express. They say in season and out of season that goods imported into Canada are a detriment to our people. Since they hold so strongly to those views, I cannot conceive of their allowing their interest in the consumer to override views which they assert so emphatically. So that necessarily holding the views they do, their whole thought will be given to the interest, not of those who are the consuming public, but of those who are engaged in the production of the various commodities that are used in this country. In this connection let me call the attention of the house to one item. On page 6 of the budget we find item 409m, internal combustion traction engines for farm purposes, valued at not more than $1,400. Each of the tariff columns is marked "free." That, of course, is the old tariff; we know that for a number of years these engines have been on the free list. But when we find this added:

> The governor in council may by order in council direct that there be substituted for tariff item 409m in schedule A of the customs tariff, 1907, and the several rates of duties of customs set opposite said item in schedule A, the following:

Then follows the definition, which I need not read. It continues:

> From and after the publication of such order in council in the Canada Gazette, tariff item 409m as it appears in said schedule at the time of the passing of this act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.

And then the last paragraph:

> The governor in council shall not direct that such provisions be substituted as aforesaid

unless and until the governor in council is satisfied that internal combustion traction engines for farm purposes, valued at not more than $1,400 each, and traction attachments such as are described in the aforesaid tariff item 409m, are being manufactured in substantial quantities in Canada.

What is the situation which is likely to confront us, and how is the consumer going to be protected? What right have hon. gentlemen opposite, what right has the government to assume that present prices are proper prices? What right have they to assume because prices do not go up they should not go down? We believe we have a right to look for a reduction in prices rather than a rise in prices, and it is quite possible, not as a result of this tariff but simply as a result of other conditions, that for a time prices may go down, as they should do. I believe that many of the agricultural implement dealers have on hand large stocks of machinery which they must sell. I was in a warehouse in my own town shortly before coming away and I was amazed to see the stock of machinery on hand. If the dealers are going to sell at all they have to sell at reduced prices. Now I am inclined to think that they will not be able to sell much at any price because of the limited buying power of the farmers at the present time.

However, to return to farm tractors, I understand that none of these farm tractors are manufactured in Canada to-day. But suppose that under the encouragement which may be afforded in these schedules some factory begins to manufacture a tractor, and suppose it is decided that this tractor is being manufactured in substantial quantities. This particular company may be manufacturing a tractor which may or may not be suitable to the purposes of the western farmer, and under this legislation a duty will be clapped on and we shall either have to buy the Canadian tractor, which may not suit us at all, or pay the higher price for the American tractor —a price made higher because of the duty. That seems to me to be the situation which is likely to confront us when this legislation works out to its ultimate conclusion.

Now, Mr. Speaker, I said I would not speak long on this matter—

Some hon. MEMBERS: Hear, hear.

Mr. BROWN: No, we do not propose to waste the time of the house.

Some hon. MEMBERS: Hear, hear.

Mr. BROWN: But we do propose to state as emphatically as we can our entire disapproval of the proposals here submitted, especially—and I want to speak more particularly for that section of the country I represent—the increased duties on those implements of production which are necessary, which we must buy in large quantities, and which we are scarcely able to buy now because of the high price of these implements and the low price of farm products. How can a man buy a binder for $300, a tractor sold at $1,000, or a gang-plough at $150, when 5 or 10 cents per bushel may be the net amount received by farmers for some grades of barley? It is not a question of how much you have; the situation is almost this, that the more you have the worse off you are. That is the condition in which the farmers find themselves to-day. So clearly was that recognized by the present premier of Manitoba that he issued not long ago an appeal to creditors not to be unduly harsh in pressing for payment of debts during the coming season. It was suggested to me as I was coming down to Ottawa that a moratorium ought to be established. Hon. gentlemen in this house ought, I think, to realize, when the premier of Manitoba finds it necessary to issue such an appeal, and when the people in some of the provinces are talking about a moratorium, that conditions are serious indeed. Yet just at this moment the government of Canada undertakes to raise the tariff on all these implements which we use. I feel certain that when the matter is brought clearly before the people of western Canada the government will receive protests. The Minister of National Revenue says that he has received no protests in regard to certain matters. Let me say that if this legislation is persisted in the government will receive protests of a kind which will perhaps bring about their destruction sooner than they may think just now.

I will go no further. I want to express emphatically my dissent from the provisions of this budget, imposing as they do increased burdens on the consuming public of this country.

Mr. MICHAEL LUCHKOVICH (Vegreville): I rise to take part in this discussion for the reason that to date I have received,

and this house has received, no assurance from the government as to the stand they take on the agricultural question. I fail to see in these tariff proposals anything that will help agriculture. It has been said by the Prime Minister (Mr. Bennett) and by others in this house that agriculture is the basic industry of Canada; yet as the basic industry of Canada it has not received any consideration in these proposals.

I was interested in a remark made by an hon. gentleman on the opposite side with respect to the position of this small group in this corner in relation to the two parties in this house, and I gathered from the remark he made that in the back of his mind was the idea that this little group was like the Irishman—always against the government. For the information of that hon. member let me say that so far as this group is concerned we are willing to support any party in this house, even the government, if a good legislative program is presented. And the question we ask either a Conservative or a Liberal government is not, what party do you represent? but, what is your legislative program?

As it happens, the present tariff proposals involve a higher tax on the necessaries of life and the implements of production and in my opinion this is bound to increase the already too onerous burden which the poor people of this country have to bear. And I certainly include amongst the poor people the farmers of Canada, especially in the West. Under the circumstances it would be difficult for us to agree with the government on these proposals. Possibly it would be a great pleasure to the Prime Minister if we were to support these tariff changes. But if we did we should be in a position somewhat analogous to that of the historic gentlemen of ancient Rome who, having gone to battle for a principle which they did not relish and knowing they would perish in the attempt, spoke to their emperor in these words: "Hail, Caesar, we who are about to die salute thee." Now, we have a mandate, at least I have a mandate from my people to do what I can for agriculture, otherwise I also shall perish prematurely. Agriculture, as already has been admitted by the Prime Minister of Canada, is the basic industry of this country, and being the basic industry we should do everything in our power to see that it is put on a business-like basis comparable to the basis on which every other industry in this country has been placed.

Coming from a district whose main and in fact sole industry is agriculture, I am naturally interested in the bearing these tariff proposals of the present government are likely to have not only on the labour situation but also on the present deplorable condition in which the farmers now find themselves. According to the words of His Excellency the Governor General in the speech from the throne, measures were to be submitted for the consideration of this house including amendments to the Customs Act and the customs tariff which it was anticipated would do much to meet the unusual conditions which now prevail. Well, Mr. Speaker, judging from these remarks I conclude that the government intend to apply the principle of protection in order successfully to meet these unusual conditions. Therefore the question which presents itself to hon. members of this house is whether it is possible or desirable, by means of a restriction of imports, to find work for the workless and to make this country more nearly self-supporting, and also to save ourselves the degradation of having on our hands a huge army of men and women in idleness. The price to be paid for all this would arise directly from the presumably less efficient and more costly manufacture at home of goods which were formerly imported.

If this is so, then one thing or the other must be true: Either the protective policy of the government as contained in the budget this year does give better opportunity to labour, or it does not. If it does, I see no reason why every member of this house, farmer, labour and others, should not unite not only in sustaining the policy of the government but in demanding an extension of that policy. If it does not give that better opportunity, then I contend that the quicker the fallacies of this doctrine are exposed the better it will be not only for labour but for the country as a whole. Whatever improves the condition of the lowest and broadest social stratum must also improve the interests of all.

I have before me an article which I read during the speech made this afternoon by the Minister of Trade and Commerce (Mr. Stevens). In the course of that speech the

minister referred to something that had been said in this house with respect to the relative position of industries in Canada. I believe he said, or the purport of his speech was, that there is too much setting of one industry against another in the debates which take place here, and he looked towards gentlemen to my right, and out of the corner of his right eye he looked a little suspiciously also towards this corner. I intend to deal with the relative position of the industries in Canada a little later on, but before I do that I would like to read an article from one of our western papers. I do not know what the political leanings of this paper may be, and I care less. The article suits my fancy and I believe it hits the nail on the head and expresses the situation in Canada about as well as any article I have read. It reads as follows:

Tariffs and Prosperity

During the election campaign Mr. Bennett declared emphatically for increases in the protective tariff, though, of course, there were plenty of other planks in his platform. Now that he has been returned to power with a large majority, however, the Montreal Gazette and other high protectionist journals are taking it for granted that the people of Canada have given a clear mandate for sweeping increases in the tariff duties. They are pointing out that even the rural vote, which was largely Conservative, is equally in favour of all round increases in the tariff.

It is not possible to say just what animated each individual voter in casting his ballot in the recent election. But to assume, for instance, that the western farmers who voted for the Conservative party were all in favour of increases in the protective tariff would be, undoubtedly, very wide of the mark. One of the most potent factors in the recent election in many rural constituencies was the heavy importation of New Zealand butter due to the low tariff on that commodity brought about as a sideline of the Australian treaty. This was a very ill-advised piece of treaty making on the part of the King government and undoubtedly was a factor, and a big factor, in influencing the rural vote in many parts of Canada. Hard times, business depression, and many other factors entered into the election results and it would be a great mistake, in fact a national blunder, if Mr. Bennett should assume and act upon the assumption that all of those who supported his party are anxious to see a large increase in the customs tariff.

Let us make particular reference to the prairie provinces, where grain growing is the major industry as it has been for several decades and will continue to be for several decades to come. The biggest single factor in Canada's foreign trade and Canada's prosperity in the past ten years has been the wheat crop harvested on these prairies. No intelligent Canadian will dispute that statement. We enjoyed a series of good crop years during which the wheat was marketed at profitable prices and business generally throughout Canada flourished. Then came, in 1929, a short crop, low prices and unprecedented difficulty in finding a market at any price. The chief domestic cause of hard times in Canada to-day is the fact that the 1929 wheat crop was small, the price low, and even despite low prices, the crop has not yet all been marketed. If, in this year of 1930, the wheat crop in these prairie provinces had been 500,000,000 bushels and there was a good demand for it, and it could be marketed readily, at a price of $1.10 per bushel or even at a price of $1 per bushel, there would be an immediate revival of trade from coast to coast. But again we have a short crop, prices are moving to lower levels and the export demand is weak, consequently there is no general improvement in business conditions throughout Canada.

The prospect for the future is that lower prices for farm products of all kinds, including wheat, will prevail throughout the world. But our rich prairie soil is still here. The farmers with their modern mechanical equipment are as capable as ever and in the very first season during which we have favourable weather conditions we shall have another large crop of wheat, which must be exported from Canada in order to find a market. And just as soon as it is marketed it restores prosperity to our railways and, if the price is favourable, brings about a revival in trade which has a favourable influence upon our manufacturing and commercial institutions from the Atlantic to the Pacific.

We point out these facts that are within the knowledge of every intelligent Canadian simply in order to show the danger even to the manufacturing industries themselves (not to mention the farmers) of making general tariff increases with the hope of bringing in a period of prosperity. Every single increase in the tariff which increases the cost of implements, clothing and other things that enter into the cost of living and the cost of production, will cut down the benefits of a large wheat crop. It is the purchasing power of the wheat grower derived from a large wheat crop, marketed at profitable prices, which makes for prosperity throughout Canada. If, by tariff increases, the cost of living and cost of production is increased, it becomes that much more difficult for the prairie wheat grower to produce and market his crop in competition with the wheat growers in other parts of the world, and consequently his purchasing power is reduced to that extent. The policy of wisdom on the part of commercial, industrial and political interests in Canada, no matter how much they may believe in high protection, is to assist the western wheat grower in lowering the costs of production. This is a matter which should have the very gravest consideration by Mr. Bennett and his government and all of those who have the general welfare of Canada at heart.

Aside from the specific case of the prairie wheat growers Australia and the United States afford first rate evidence that high tariffs do not necessarily mean prosperity. Australia has boosted tariffs until to-day that dominion is very nearly on the verge of bankruptcy. The United States has just raised the highest tariff in its history if not in the world, and business has grown steadily worse since the Tariff Act passed congress.

There is no doubt that the present government has received a mandate from the people of Canada to implement their promises, and among other things the Prime Minister of Canada said that if he were returned to power he would make a general increase in the tariff items. The other day this house had the pleasure of listening to a very able speech delivered by the hon. member for Acadia (Mr. Gardiner), and among other things he contrasted the relative position with respect to the labour situation as, between free trade Great Britain and protectionist United States. He pointed out that the former country with a population of about 45,000,000 had an unemployment list of about 2,000,000 people, and that the latter country, with a population of about 120,000,000, had an unemployment list of between five and six million. Figured out on a percentage basis, the unemployment problem is relatively the same in both countries, and thus any appeal to a purely theoretical economic reasoning as to whether a restriction on the freedom to import will in any degree and at any price help us to overcome the problem of unemployment and all the secondary social problems that may arise therefrom must be justified by the practical needs of the time and the success its application may have attained in any given country. I have taken the United States as one example showing where the application of the doctrine of protection has proven a failure, and notwithstanding this the Prime Minister of Canada wishes to make the same application of the same doctrine to this country in order to end unemployment. He said very emphatically that he shall do this or else he shall perish in the attempt.

It is not my purpose this evening to quarrel with the government for their very laudatory promptness in calling this short session, nor do I intend to quarrel with them for the appropriation which they asked us to vote only a few days ago. However, I do take exception to the proposition put forth that protection will solve the unemployment problem of Canada. I agree with what was said, I think by the hon. member for Labelle (Mr. Bourassa), that we have come here not to deal with a theory but to deal with a condition. But is not the government applying a theory to eradicate this condition? Nevertheless, I cannot but think that our discussions on this matter are a bit curtailed and that our inquiries are not allowed to go far enough. It is quite true that remedies have been offered in the way of palliatives but there has been no indication of a desire on the part of the government to go beyond the question as ordinarily debated in this house and get down to the root of the trouble.

I contend that the root of the trouble lies to a great measure in the failure of Canada to get rid of the huge exportable surplus of grain. I think that is one of the causes for so much unemployment in Canada at the present time. My conclusion with respect to the present situation is that our industries are not properly balanced and that any distress that prevails emanates from that condition. Until such time as we develop a social system under which all industries will be working together harmoniously and systematically for the welfare of everybody in this country, until such time we shall be doomed to the conditions which are prevalent the whole world over. I believe that with a proper relationship of industries we would obtain a proper relationship of prices. Take the case of wheat, for instance. The reason the farmers have been asking for higher prices is because the prices which they have been receiving for their products have not enabled them to pay the prices charged for everything they need in order to maintain a standard of living equal to that enjoyed by others who make no greater contribution to society than they do. It is not so much a case of obtaining any set price per bushel; one dollar per bushel might be enough while two dollars per bushel might not be enough. I shall put it in another way. There is nothing wrong with wheat at 75 cents per bushel if shoes are down to $2 and suits are down to $18, but there is everything wrong with wheat at 75 cents per bushel if shoes are up to $20 and suits are up to $300.

An hon. MEMBER: Tut, tut.

Mr. LUCHKOVICH: The hon. member will understand that this is a hypothetical case. It may sound a little exaggerated, but I am trying to prove that there is a great discrepancy between the prices the farmer has to pay for the other fellow's products and the prices the other fellow pays for the farmer's products.

All that the farmer asks is the same right that other Canadian industries now enjoy through their superior organization to name a price in the first instance, and to acquire an organization which will give power to maintain that price. I contend that the maintenance and regulation of prices is not only necessary to the permanent welfare of the different industrial classes but it is essential

to industrial efficiency and solidarity. Appreciation of this fact has found expression in the United States in a grant of $500,000,000 to the various farmers' associations, and I see no reason why the Prime Minister of Canada should not do something along these lines for agriculture in this country. Many different industries have been mentioned, and I would like to state frankly that my desire is to see all the industries of Canada in a prosperous and successful condition because I believe that each industry depends upon the other. However, I claim that agriculture is not getting its just rights. We are not out to ask for special privileges, we are out merely to accomplish an equalization of opportunity. We are out to obtain such prices for our products as will enable us to maintain a standard of living comparable to that enjoyed by men employed in other industries. We are endeavouring to do that by education and by organization, and I ask the Prime Minister to help us by instituting better facilities for organization, because the future of this country is bound up in the future of agriculture.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, in rising to offer my contribution to this debate upon the budget at this season of the year, I want to say first that it was my feeling that when this session of the house was called it would be for the special purpose of dealing with the problem of unemployment, and we might as well begin at the beginning. In the first place I would like to call your attention to the 114 quotations which my right hon. leader (Mr. Mackenzie King) made from speeches delivered by the present leader of the government (Mr. Bennett) during the late campaign.

Mr. SPENCE: Why bring that up again?

Mr. McMILLAN (Huron): It cannot be brought up too often, nor can the criticisms made by the leader of the government respecting the action of the public press throughout the length and breadth of Canada. The press of Canada has a perfect right to make its reply, and I find in yesterday's Toronto Globe the folowing editorial:

It was inevitable that Hon. R. B. Bennett's sweeping charges of misquotation by Canadian newspapers should have inspired scathing replies. The new Prime Minister made grave accusations of inefficiency, or worse, against Canadian newspapers as a whole. The refutations of such charges, naturally, come from journals of all political outlook. The most scathing rebuke delivered to date is by the Ottawa Journal, the most frequently quoted Conservative newspaper in Canada.

This is what the Ottawa Journal had to say:

Newspapers and newspapermen have been long familiar with the type of politician who, called to reckoning for some platform pledge or utterance, reveals the quality of his character and courage by taking refuge in the plea of misquotation.

The Journal would be sorry to attribute any such moral cowardice (if that term be strong enough to denounce what we have in mind) to Mr. R. B. Bennett. We have stated times without number, and still believe, that Mr. Bennett represents something finer and higher in our public life; that he is a politician of intellectual integrity, possessing too much of respect for the meaning of representative government to make promises with intent to evade them.

But, believing this, we must regard as all the more extraordinary some portions of a speech which Mr. Bennett delivered in the Commons on Tuesday, in the course of which he offered little less than gratuitous insult to the entire newspaper press of Canada.

I want hon. members to pay close attention to the following sentence in the Globe editorial:

The Journal declares that it has checked carefully the 114 quotations from Mr. Bennett's speeches read by Mr. King and can find not a single instance of misreporting.

Almost equally pointed are the remarks of the Winnipeg Tribune, another staunch Conservative paper. It says:

"And as for the reporting of his speeches, for the one case he can cite of his speech suffering at the hands of the reporter a dozen cases could be mentioned in which the published report was an improvement on the spoken word."

The Ottawa Citizen, Liberal, concludes its moderately worded rebuke as follows:

"In the last election campaign one of the ablest reporters in the service of the Canadian Press, representing the co-operative agency of the daily newspapers throughout Canada, traversed the Dominion from coast to coast with the Conservative leader. The newspapers faithfully reported Mr. Bennett's speeches. He has responded at the first opportunity in the house by accusing the press of 'garbling accounts of what transpired.'"

Every experienced newspaper reporter knows that Mr. Bennett is addicted to the habit of extravagent eloquence. It is generally regarded with amusement. As Prime Minister of Canada, however, speaking on the floor of the house, he cannot be allowed, without challenge, to cast unwarranted slurs on the newspapers of Canada.

The Independent Kingston Whig-Standard's comment includes the following:

"We would remind the Prime Minister that the large majority of Canadian newspapers have just as high a sense of honour as he has himself, and we doubt very much indeed if any responsible newspaper would deliberately garble

or misrepresent the report of any political speech. We do not like to hear men to whom the newspapers have been as kind as they have been to Mr. Bennett speak disparagingly of the press. It almost savours of ingratitude."

I am sorry indeed that my good friend the leader of the government should commence his record of administration with such expressions as he has used towards the public press of Canada. But when we consider this question of unemployment, we must consider further that we certainly have a most wonderful Minister of Labour, the spokesman and chief executive officer of this government on the burning question of unemployment, for the solution of which presumably this special session of parliament has been called. Speaking at the recent Employment Service Conference, he said:

> The late government had reduced the tariff on agricultural implements. Following this 500,000 Canadians had left the country. As a result, while in 1924, 30 per cent of the implements sold in Canada were imported, in 1929, 70 per cent were imported, and the price of implements was slightly higher than before.

And mark you, Mr. Speaker, this was a conference called not to discuss party politics from an extremely partisan standpoint, but to discuss a great economic problem with the view of trying to find a solution.

Mr. SPEAKER: It is eleven o'clock.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: Mr. Speaker, before you leave the chair, by permission of the house, may I make one request of my hon. friend? As he knows, we are very much pressed for time and when we get into committee of ways and means we shall wish to make comparisons between the tariff as it was prior to the introduction of the resolutions and the tariff as it is now. Would he instruct the officers of his department to prepare a statement that will give in parallel columns the two sets of figures so that the committee may have for their use a statement in that form, and would he have the statement presented to the house if possible to-morrow afternoon and embodied in the votes and proceedings? I think it is reasonable to make that request. It will certainly facilitate discussion and it is the least that can be asked for under the circumstances.

[Mr. McMillan.]

Mr. GARDINER: May I make a further request of the Prime Minister; that when we come to discuss the various items that appear in the schedules he will supply some information as to the importations of various commodities which will come under the different headings in order that we may be able to determine what the new items mean?

Mr. BENNETT: With respect to the request made by the right hon. leader of the opposition, it is rather late to expect to have that done. The reason why a separate sheet showing the rates was prepared was the difficulty of doing it otherwise, having regard to the necessity of the consideration of many of these items in the light of knowledge that had to be obtained and the universal practice of not permitting a copy of the resolutions to be left even in the office or with the printers until they had been presented to the house. That has been the custom followed by this house; it is the practice followed in England, and I think it is a sound practice. Yesterday afternoon, when the resolutions were presented, in order to meet the situation I asked that the tariff items be reprinted, but to place them in parallel columns would involve a tremendous amount of effort, as perhaps the right hon. gentleman understands. A great deal of care has to be exercised with relation to them. Having yesterday prepared a list of the old items and the Hansard of to-day showing the new items, I thought that that was a very convenient way of giving the information. However, I will see what can be done, but I think it is not an easy thing to do at this late hour.

So far as the question asked by the hon. member for Acadia is concerned, there is a considerable number of items and every effort will be made to satisfy the reasonable curiosity of the committee in that regard. I shall endeavour as far as possible to supply the hon. member with the information he asks for. I realize that it is a very difficult undertaking, and I have equipped myself reasonably well to do it. I am not able to answer all the questions. I will see what can be done, but I can give no assurance.

Mr. MACKENZIE KING: I thank my hon. friend. May I point out that when the former Minister of Finance presented his

resolutions to the house he was able to present them in the form of parallel columns on the day the budget was brought down. I feel quite sure that if my hon. friend gives instructions to that effect they can be carried out. If by any chance that should not be so, I would ask that he give instructions that the tariff items as they stood prior to the introduction of the resolutions be embodied in Hansard and in the votes and proceedings. My hon. friend has told us that later we are to have another session on the tariff and it is most desirable that we should have on Hansard for convenient reference a statement showing the tariff as it was prior to the introduction of the resolutions.

Mr. BENNETT: I did try to make it clear that we proposed a revision of the tariff in its entirety at the session of 1931, so that in a few months there will be full opportunity for discussion of the tariff as a whole. However, if it is possible I will see that the old tariff items are printed, as my right hon. friend suggests in to-day's Hansard as an appendix. I will make inquiries to-night to find out if that can be done. With respect to the other matter, it could not be done until the clerks come to the offices in the morning.

Mr. MACKENZIE KING: Thank you.

The rates under the old and new tariffs are as follows:

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
4	Horses, over one year old, valued at $100 or less per head.....each	$10·00	$12.50	$25.00
5	Animals, living, n.o.p.:			
	(a) Cattle.....per pound	Free	2 cts.	3 cts.
	(b) Sheep, lambs and goats.....per head	Free	$2.00	$3.00
	(c) n.o.p.....	Free	20 p.c.	25 p.c.
6	Live hogs.....per pound	Free	1¼ cts.	2 cts.
7	Meats, fresh, n.o.p.:			
	(a) Beef and veal.....per pound	2 cts.	2½ cts.	6 cts.
	(b) Lamb and mutton.....per pound	2 cts.	2½ cts.	6 cts.
	(c) Pork.....per pound	2 cts.	2½ cts.	3 cts.
	(d) n.o.p.....per pound	2 cts.	2½ cts.	6 cts.
10	Meats, prepared or preserved, other than canned:—			
	(a) Bacon, hams, shoulders and other pork.....per pound	Free	1¾ cts.	3¼ cts.
	(b) n.o.p.....per pound	Free	3 cts.	6 cts.
16	Eggs in the shell.....per dozen	2 cts.	2½ cts.	10 cts.
16a	Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added.....per pound	5 cts.	10 cts.	11 cts.
18	Butter.....per pound	8 cts.	12 cts.	14 cts.
18a	Peanut Butter.....per pound	4 cts.	6 cts.	7 cts.
35	Hops.....per pound	12 cts.	20 cts.	24 cts.
56	Oats.....per bushel	Free	9 cts.	16 cts.
57	Oatmeal and rolled oats.....per one hundred pounds	Free	50 cts.	80 cts.
58	Rye.....per bushel	Free	9 cts.	15 cts.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
4	Horses over one year old, valued at $50 or less per head.....each	$10.00	$12.50	$12.50
5	Animals, living, n.o.p..... Provided that, if any country imposes upon such animals produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such animals entering Canada from such country.	Free	22½ p.c.	25 p.c.
6	Live hogs.....per pound Provided that, if any country imposes upon live hogs produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such hogs entering Canada from such country.	Free	1¼ cents	1½ cts.
7	Meats, fresh, n.o.p.....per pound Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.	2 cts.	2½ cts.	3½ cts.
10	Meats, n.o.p.....per pound Provided that the weight of a barrel of pork for duty purposes shall not be less than two hundred pounds; provided, also, that if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.	Free	1¾ cts.	2 cts.
16	Eggs in the shell.....per dozen Provided that, if any country imposes upon eggs in the shell, produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon such commodities entering Canada from such country.	2 cts.	2½ cts.	3 cts.
16a	Eggs, whole, egg volk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added.....	10 p.c.	25 p.c.	30 p.c.
18	Butter.....per pound Provided that, if any country imposes upon butter produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon butter entering Canada from such country.	4 cts.	6 cts.	7 cts.
35	Hops.....per pound	4 cts.	6 cts.	7 cts.
56	Oats, per bushel..... Provided that, if any country imposes upon oats produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oats entering Canada from such country.....	Free	9 cts.	10 cts.
57	Oatmeal, and rolled oats, per one hundred pounds.... Provided that, if any country imposes upon oatmeal or rolled oats produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon oatmeal or rolled oats entering Canada from such country.	Free	50 cts.	60 cts.
58	Rye, per bushel..... Provided that, if any country imposes upon rye produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon rye entering Canada from such country.	Free	9 cts.	10 cts.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
60	Wheat.....per bushel	Free	12 cts.	30 cts
61	Wheat flour and semolina.....per barrel	Free	50 cts.	$1.35
79b	Flowers and foliage, natural, cut, whether in designs or boquets, or not.....	Free	Free	40 p.c.
83	Potatoes, including sweet potatoes:—			
	(a) In their natural state..per one hundred pounds	Free	Free	75 cts.
	(b) Dried, desiccated, or dehydrated..per pound	Free	Free	2¾ cts.
91	Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.....	15 p.c.	25 p.c.	35 p.c.
99a	Figs, dried; plums, prunes and dates, dried, unpitted .....per pound	Free	⅜ ct.	⅜ ct.
99d	Dates, n.o.p.....per pound	1 ct.	1¾ cts.	2½ cts.
113	Cocoanut, desiccated, sweetened or not.....per pound	5 cts.	6 cts.	6 cts.
120	Anchovies, sardines, sprats, pilchard and herring, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:			
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	5 cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	4 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	3 cts.	3½ cts.
	(d) When weighing eight ounces each or less.per box	1¼ cts.	2 cts.	2½ cts.
178	Advertising and printed matter, viz:— Advertising pamphlets, advertising show cards, illustrated advertising periodicals; price books, catalogues and price lists; advertising almanacs and calendars; patent medicine or other advertising circulars, fly sheets or pamphlets; advertising chromos, chromo-types, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p.....per pound	10 cts.	12½ cts.	15 cts.
	Provided, that when imported under the General Tariff rate, the duty shall be not less than.....	.....	.....	35 p.c.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
60	Wheat, per bushel.....	Free	12 cts.	12 cts.
	Provided that, if any country imposes upon wheat produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat entering Canada from such country.			
61	Wheat flour and semolina, per barrel.....	Free	50 cts.	50 cts.
	Provided that, if any country imposes upon wheat flour or semolina produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed upon wheat flour or semolina entering Canada from such country.			
79b	Flowers, natural, cut, whether in designs or bouquets, or not.....	Free	Free	25 p.c.
	Provided that, if any country imposes on such goods, produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.			
83	Potatoes, including sweet potatoes:			
	(a) In their natural state.....	Free	Free	Free
	(b) Dried, desiccated or dehydrated.....	Free	Free	Free
	Provided that, if any country imposes a duty on potatoes grown or processed in and imported from Canada, an equal duty shall be imposed on potatoes coming into Canada from such country.			
91	Soups, soup rolls, tablets, cubes or other soup preparations, n.o.p.....	15 p.c.	25 p.c.	27½ p.c.
	Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.			
99a	Dates and figs, dried: plums and prunes, dried, unpitted.....per pound	Free	⅔ ct.	⅔ ct.
99b	Fruits, dried, desiccated, evaporated or dehydrated, n.o.p.....	Free	22½ p.c.	25 p.c.
112	Cocoanut, desiccated, n.o.p.....per pound	5 cts.	6 cts.	6 cts.
113	Cocoanut, desiccated, unsweetened.....per pound	2 cts.	3 cts.	3 cts.
120	Anchovies, sardines, sprats and other fish, packed in oil or otherwise, in tin boxes, the weight of the tin box to be included in the weight for duty:—			
	(a) When weighing over twenty ounces and not over thirty-six ounces each.....per box	3½ cts.	5 cts.	6 cts.
	(b) When weighing over twelve ounces and not over twenty ounces each.....per box	2½ cts.	4 cts.	4½ cts.
	(c) When weighing over eight ounces and not over twelve ounces each.....per box	2 cts.	3 cts.	3½ cts.
	(d) When weighing eight ounces each or less.per box	1¼ cts.	2 cts.	2½ cts.
178	Advertising and printed matter, viz.:—Advertising pamphlets, advertising show cards, illustrated advertising periodicals; price books, catalogues and price lists; advertising almanacs and calendars; patent medicine or other advertising circulars, fly sheets or panphlets; advertising chromos, chromotypes, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p., per pound.....	10 cts.	15 cts.	15 cts.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
178a	Provided, that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by customs revenue stamps, under regulations by the Minister, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be each	1 cent	1 cent	1 cent
	Provided, further, that on and after first day of October, 1930, the duty under this item shall be.....each	2 cts.	2 cts.	2 cts.
192	Strawboard, millboard, cardboard and boards manufactured from other vegetable fibre, not pasted nor coated; tarred paper, felt board, sand paper, glass or flintpaper and emery paper, or emery cloth	15 p.c.	22½ p.c.	25 p.c.
193	Paper sacks or bags of all kinds, printed or not	20 p.c.	30 p.c.	35 p.c.
197b	Wrapping paper of all kinds, not pasted, coated or embossed	20 p.c.	30 p.c.	35 p.c.
199b	Paper containers of all kinds, fibre or corrugated per pound	1 cent	1¼ cts.	1½ cts.
210	Peroxide of soda: silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre; sal soda; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda	Free	Free	Free
210d	Sodium, sulphate of, crude, or salt cake....per pound	½ cent	½ cent	⅜ cent
232	Glue, liquid, powdered or sheet, and mucilage, gelatine, casein, adhesive paste and isinglass	17½ p.c.	25 p.c.	27½ p.c.
	and.....per pound	2 cts.	2½ cts.	3 cts.
271	Distilled, refined and purified petroleum oils, coal and kerosene, gasoline, engine distillate, naphtha and products of petroleum, n.o.p., lighter than ·8235 specific gravity at 60 degrees temperature.....per gallon	2 cts.	2¼ cts.	2½ cts.
272	Natural casing head, compression or absorption gasoline, lighter than ·6690 specific gravity at 60 degrees temperature, when imported by distillers of petroleum for blending with other gasolines distilled in Canada	Free	Free	Free
286	Earthenware and stoneware, viz.: Demi-johns, churns or crocks	25 p.c.	30 p.c.	35 p.c.
288	Earthenware and stoneware, brown or coloured and Rockingham ware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware, n.o.p	25 p.c.	30 p.c.	35 p.c.
296b	Magnesite, caustic, calcined, or plastic magnesia	20 p.c.	25 p.c.	25 p.c.
296c	Magnesite, dead burned or sintered	20 p.c.	25 p.c.	25 p.c.
318	Common and colourless window glass:			
	(a) in sheets not exceeding 80 square inches in area.....per pound	1¼ cts.	1¾ cts.	1¾ cts.
	(b) in sheets exceeding 80 square inches but not exceeding 120 square inches in area.....per pound	2¼ cts.	3 cts.	3 cts.
	(c) in sheets exceeding 120 square inches in area.....per pound	3¼ cts.	4½ cts.	4½ cts.
357	Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p	25 p.c.	35 p.c.	40 p.c.
362	Articles consisting wholly or in part of sterling or other silverware, nickel-plated ware, gilt or electroplated ware, n.o.p.; manufactures of gold and silver, n.o.p	30 p.c.	37½ p.c.	45 p.c.
367	Watch cases, and parts thereof, finished or unfinished	20 p.c.	45 p.c.	45 p.c.
377	Ingots of iron or steel, n.o.p.....per ton	$1.50	$3.00	$3.00
377a	Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p..... per ton	$2.50	$4.50	$4.50

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
178*a*	Provided that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by customs revenue stamps, under regulations by the Minister, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be each	1 cent	1 cent	1 cent
192	Strawboard, millboard and cardboard, not pasted or coated; tarred paper, feltboard, sandpaper, glass or flintpaper and emery paper, or emery cloth	15 p.c.	22½ p.c.	25 p.c.
193	Paper sacks or bags of all kinds, printed or not	15 p.c.	25 p.c.	27½ p.c.
197	Paper of all kinds, n.o.p.	15 p.c.	22½ p.c.	25 p.c.
199	Papeteries, envelopes, and all manufactures of paper, n.o.p.	22½ p.c.	32½ p.c.	35 p.c.
210	Peroxide of soda; soda, sulphate of, crude, known as salt cake; silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre; sal soda; sulphide of sodium; nitrite of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda	Free	Free	Free
232	Glue, liquid, powdered or sheet, and mucilage, gelatine, casein, adhesive paste and isinglass	17½ p.c.	25 p.c.	27½ p.c.
271	Oils, coal and kerosene, distilled, purified or refined petroleum, and products of petroleum, n.o.p., per gallon	1½ cts.	2¼ cts.	2½ cts.
272	Gasoline under ·725 specific gravity at 60 degrees temperature	Free	Free	Free
272*a*	Gasoline ·725 specific gravity and heavier but not heavier than ·770 specific gravity at 60 degrees temperature; oils, coal and kerosene, distilled, known as "engine distillate," ·725 specific gravity and heavier but not heavier than ·770 specific gravity at 60 degrees temperature, per gallon	½ ct.	¾ ct.	1 ct.
286	Earthenware and stoneware, viz.:—Demijohns, churns or crocks	20 p.c.	27½ p.c.	30 p.c.
288	Earthenware and stoneware, brown or coloured and Rockingham ware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
296*b*	Magnesite, caustic, calcined, or plastic magnesia	Free	20 p.c.	25 p.c.
296*c*	Magnesite, dead burned or sintered	Free	10 p.c.	17½ p.c.
318	Common and colourless window glass	7½ p.c.	12½ p.c.	12½ p.c.
357	Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p.	17½ p.c.	27½ p.c.	30 p.c.
362	Articles consisting wholly or in part of sterling or other silverware, nickel-plated ware, gilt or electroplated ware, n.o.p.; manufactures of gold and silver, n.o.p.	22½ p.c.	30 p.c.	35 p.c.
367	Watch cases, and parts thereof, finished or unfinished	20 p.c.	27½ p.c.	30 p.c.
377	Ingots, of iron or steel, n.o.p., per ton	$1.50	$2.50	$3.00
377*a*	Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton	$2.50	$4.00	$4.50

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
378	Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard:— *(a)* Not further processed than hot rolled, n.o.p., per ton	$4.25	$7.00	$7.00
379	Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined under regulations prescribed by the Minister:— *(d)* Rods, in the coil, not over ·375 inch in diameter when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories.....per ton	$2.25	$5.00	$5.00
380	Plates, of iron or steel, hot or cold rolled:— *(a)* Not more than 40 inches in width, n.o.p., per ton	$4.25	$6.00	$7.00
388a	Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, viz.: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, per ton	$4.00	$6.00	$6.00
388b	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p.....per ton	$4.25	$7.00	$7.00
388d	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.....	25 p.c.	35 p.c.	40 p.c.
396	Pipe, cast, of iron or steel, valued at not more than five cents per pound.....per ton	$7.00	$12.00	$14.00
409a	Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; complete parts of all the foregoing.....	Free	10 p.c.	10 p.c.
409b	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing..	Free	15 p.c.	25 p.c.
409c	Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing.....	Free	15 p.c.	25 p.c.
409d	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, arvesters in combination ith threshing machine separators, including the motive power incorporated therein, and complete parts of all the foregoing.....	Free	15 p.c.	25 p.c.
409e	Spraying and dusting machines and attachments therefor, including hand spravers; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing.....	Free	15 p.c.	25 p.c.
409f	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing.....	Free	15 p.c.	25 p.c.
409g	Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing.	Free	15 p.c.	25 p.c.
409h	Hay presses and complete parts thereof.....	Free	15 p.c.	25 p.c.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
378	Bars and rods, of iron or steel; billets, of iron or steel, weighing less than 60 pounds per lineal yard:—			
	(a) Not further processed than hot rolled, n.o.p., per ton	$4.25	$6.00	$7.00
379	Bars or rods of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined, under regulations prescribed by the Minister:—			
	(d) Rods, in the coil, not over ·375 inch in diameter, when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories.....per ton	$2.25	$4.50	$5.00
380	Plates, of iron or steel, hot or cold rolled:—			
	(a) Not more than 40 inches in width, n.o.p. per ton	$2.00	$4.00	$6.00
388*a*	Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled, weighing not less than 35 pounds per lineal yard, viz.: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, per ton	$4.00	$5.50	$6.00
388*b*	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p.....per ton	$4.25	$6.00	$7.00
388*d*	Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.....	15 p.c.	30 p.c.	35 p.c.
396	Pipe, cast, of iron or steel, valued at not more than five cents per pound.....per ton	$5.00	$9.00	$10.00
	Provided that, if any country imposes upon such goods produced in, and imported from, Canada rates of duty higher than are enumerated in this item, equivalent rates of duty shall be imposed on such goods entering Canada from such country.			
409*a*	Milking machines and attachments therefor; centrifugal machines for testing butter fat, milk or cream; pasteurizers for dairying purposes: complete parts of all the foregoing.....	Free	10 p.c.	10 p.c.
409*b*	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing...	Free	7½ p.c.	7½ p.c.
409*c*	Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing.....	Free	10 p.c.	10 p.c.
409*d*	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators including the motive power incorporated therein, and complete parts of all the foregoing....	Free	6 p.c.	6 p.c.
409*e*	Spraying and dusting machines and attachments therefor, including hand sprayers, for farm purposes only; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing.....	Free	10 p.c.	10 p.c.
409*f*	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing.....	Free	10 p.c.	10 p.c.
409*g*	Incubators for hatching eggs, brooders for rearing young fowl, and complete parts of all the foregoing.	Free	10 p.c.	10 p.c.
409*h*	Hay presses and complete parts thereof.....	Free	10 p.c.	15 p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
409i	Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.	Free	15 p.c.	25 p.c.
409j	Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409k	Windmills and complete parts thereof, not including shafting	Free	15 p.c.	25 p.c.
409m	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	Free	Free	Free
	The Governor in Council may by Order-in-Council direct that there be substituted for tariff item 409m in Schedule A of the Customs Tariff, 1907, and the several rates of duties of Customs set opposite said item in Schedule A, the following:			
	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	10 p.c.	15 p.c.	25 p.c.
	From and after the publication of such Order-in-Council in the Canada Gazette, tariff item 409m as it appears in said Schedule at the time of the passing of this Act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor.			
	The Governor in Council shall not direct that such provisions be substituted as aforesaid unless and until the Governor in Council is satisfied that internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each and traction attachments such as are described in the aforesaid tariff item 409m are being manufactured in substantial quantities in Canada.			
409n	Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing	Free	15 p.c.	25 p.c.
409p	Pasteurizers for dairying purposes and complete parts thereof	Free	15 p.c.	25 p.c.
415a	Refrigerators, domestic or store, of all kinds, completely equipped or not	20 p.c.	27½ p.c.	30 p.c.
415b	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines	15 p.c.	25 p.c.	35 p.c.
415c	Clothes wringers, domestic, and complete parts of metal thereof	20 p.c.	30 p.c.	35 p.c.
424	Fire engines and other fire extinguishing machines; hand fire extinguishers; sprinkler heads for automatic sprinkler systems for fire protection	22½ p.c.	30 p.c.	35 p.c.
425	Lawn mowers	20 p.c.	30 p.c.	32½ p.c.
428	Traction engines and complete parts thereof, n.o.p.	Free	15 p.c.	25 p.c.
432	Hollow-ware, of iron or steel, coated or not, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
432a	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated	20 p.c.	27½ p.c.	30 p.c.
432b	Hollow-ware, of iron or steel, coated with vitreous enamel	22½ p.c.	32½ p.c.	35 p.c.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff
409*i*	Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.	Free	15 p.c.	20 p.c.
409*j*	Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing	Free	10 p.c.	10 p.c.
409*k*	Windmills and complete parts thereof, not including shafting	Free	17½ p.c.	17½ p.c.
409*m*	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	Free	Free	Free
409*n*	Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing	Free	10 p.c.	15 p.c.
415*a*	Refrigerators, domestic or store, of all kinds, completely equipped or not	12½ p.c.	20 p.c.	25 p.c.
415*b*	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines	Free	15 p.c.	25 p.c.
415*c*	Clothes wringers, domestic, and complete parts of metal thereof	10 p.c.	15 p.c.	25 p.c.
424	Fire engines and other fire entinghishing machines; hand fire extinguishers; sprinkler heads for automatic sprinkler systems for fire protection; complete parts of all the foregoing, n.o.p.	Free	15 p.c.	25 p.c.
425	Lawn mowers and complete parts thereof	15 p.c.	25 p.c.	30 p.c.
427	All machinery composed wholly or in part of iron or steel, of a class or kind not made in Canada, n.o.p., and complete parts thereof	Free	15 p.c.	20 p.c.
428	Traction engines and complete parts thereof, n.o.p.	Free	10 p.c.	15 p.c.
428*b*	Engines or boilers, of a class or kind not made in Canada, and complete parts thereof, n.o.p.	Free	15 p.c.	20 p.c.
432	Hollow-ware, of iron or steel, coated or not, n.o.p.	10 p.c.	27½ p.c.	30 p.c.
432*a*	Kitchen and dairy hollow-ware of iron or steel, coated with tin, including cans for shipping milk or cream, not painted, japanned or decorated	10 p.c.	17½ p.c.	20 p.c.
432*b*	Hollow-ware, of iron or steel, coated with vitreous enamel	10 p.c.	27½ p.c.	35 p.c

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
432d	Manufactures of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
439c	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	Free	15 p.c.	25 p.c.
439f	Children's carriages, sleds and other vehicles; complete parts of all the foregoing	22½ p.c.	30 p.c.	35 p.c.
442a	Notwithstanding the provisions of tariff item 442, materials or commodities as hereunder defined or described, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j, 409o, 409p and 439c, under regulations prescribed by the Minister:—			
	(1) Pig Iron.....per ton	75 cts.	$1.25	$1.25
	(2) Bars or rods, of iron or steel, hot rolled.per ton	$2.12½	$3.50	$3.50
443	Apparatus designed for cooking or for heating buildings:—			
	(1) For coal or wood	15 p.c.	25 p.c.	30 p.c.
	(2) For gas	15 p.c.	25 p.c.	30 p.c.
	(3) For electricity	15 p.c.	25 p.c.	30 p.c.
	(4) For oil	15 p.c.	25 p.c.	30 p.c.
	(5) n.o.p.	15 p.c.	25 p.c.	30 p.c.
445	Electric light fixtures and appliances, n.o.p., and complete parts thereof	20 p.c.	30 p.c.	30 p.c.
445a	Electric head, side and tail lights; electric torches or flashlights	20 p.c.	30 p.c.	30 p.c.
445b	Electric arc lamps and incandescent electric light lamps, n.o.p.	20 p.c.	30 p.c.	30 p.c.
445f	Electric dynamos or generators and transformers, n.o.p., and complete parts thereof	25 p.c.	33⅓ p.c.	37½ p.c.
445g	Electric motors, n.o.p., and complete parts thereof	25 p.c.	33⅓ p.c.	37½ p.c.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff
432*c*	Containers manufactured from tin-plate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under regulations prescribed by the Minister	10 p.c.	22½ p.c.	25 p.c.
432*d*	Manufacturers of tinplate, painted, japanned, decorated or not, and manufactures of tin, n.o.p.	15 p.c.	22½ p.c.	25 p.c.
439*c*	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	Free	10 p.c.	10 p.c.
439*f*	Children's carriages, sleds and other vehicles; complete parts of all the foregoing	10 p.c.	25 p.c.	30 p.c.
442*a*	Pig iron or hot rolled iron or steel, when imported by manufacturers for use exclusively in the manufacture, in their own factories, of the goods enumerated in tariff items 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409j. 409o, and 439c, under regulations prescribed by the Minister	Free	Free	Free
443	Apparatus designed for cooking or for heating buildings:			
	(1) For coal or wood	Free	22½ p.c.	25 p.c.
	(2) For gas	Free	22½ p.c.	30 p.c.
	(3) For electricity	Free	22½ p.c.	25 p.c.
	(4) For oil	Free	22½ p.c.	25 p.c.
	(5) N.o.p.	Free	22½ p.c.	25 p.c.
443*a*	Electric tumbler and rotary switches and electric relay switches for automatic oven control, when imported by manufacturers of electric apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of electric apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	7½ p.c.	20 p.c.	25 p.c.
443*b*	Parts, when imported by manufacturers of electric switches for use exclusively in the manufacture of electric tumbler and rotary switches and electric relay switches for automatic oven control, for use on electric apparatus designed for cooking or for heating buildings	Free	12½ p.c.	17½ p.c.
443*c*	Compensating thermometers or mercury thermometers, of a class or kind not made in Canada, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	Free	15 p.c.	20 p.c.
443*d*	Stove urns, of metal, and dovetails, chaplets and hinge tubes of tin, when imported by manufacturers of apparatus designed for cooking or for heating buildings, for use exclusively in the manufacture of apparatus designed for cooking or for heating buildings, in their own factories, under regulations prescribed by the Minister	Free	7½ p.c.	10 p.c.
445	Electric light fixtures and appliances, n.o.p., and complete parts thereof	15 p.c.	27½ p.c.	30 p.c.
445*a*	Electric head, side and tail lights; electric torches or flashlights	15 p.c.	27½ p.c.	30 p.c.
445*b*	Electric arc lamps and incandescent electric light lamps, n.o.p.	15 p.c.	27½ p.c.	30 p.c.
445*f*	Electric dynamos or generators and transformers, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.
445*g*	Electric motors, n.o.p., and complete parts thereof	15 p.c.	25 p.c.	27½ p.c.
445*j*	Electric apparatus, of a class or kind not made in Canada, n.o.p., and complete parts thereof	Free	15 p.c.	20 p.c.
446	Manufactures, articles or wares, of iron or steel or of which iron or steel or both are the component materials of chief value, of a class or kind not made in Canada, n.o.p.	Free	15 p.c.	20 p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
464a	Steel dies, of a class or kind not made in Canada, for use exclusively in the manufacture of radiators for motor cars and motor trucks, until 31st March, 1932	5 p.c.	10 p.c.	10 p.c.
	Provided that such dies shall be exported from Canada under Customs supervision within three months from the date of import entry.			
476b	Surgical suction apparatus including motive power; prepared surgical catgut; ethyl chloride; canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the Minister	Free	Free	Free
476c	Chloroform for anaesthetic purposes	Free	Free	Free
522	Rovings, yarns and warps wholly of cotton, not more advanced than singles, n.o.p.,	12½ p.c.	15 p.c.	22½ p.c.
	and per pound	3 cts.	3½ cents.	4 cts.
522a	Rovings, yarns and warps wholly of cotton, not more advanced than singles, when imported by manufacturers of knitted goods, to be used in their own factories in the manufacture of knitted goods	12½ p.c.	15 p.c.	22½ p.c.
522c	Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns, wholly or partially covered with metallic strip, generally known as tinsel thread	15 p.c.	22½ p.c.	25 p.c.
	and per pound	3 cts.	3½ cts.	4 cts.
522e	Cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons	7½ p.c.	15 p.c.	20 p.c.
523	Woven fabrics wholly of cotton, not bleached, mercerized, nor coloured, n.o.p., and cotton seamless bags	17½ p.c.	20 p.c.	25 p.c.
	and per pound	3 cts.	3½ cts.	4 cts.
523a	Woven fabrics wholly of cotton, bleached or mercerized, not coloured, n.o.p	20 p.c.	22½ p.c.	27½ p.c
	and per pound	3 cts.	3½ cts.	4 cts.
523b	Woven fabrics wholly of cotton, printed, dyed or coloured, n.o.p	22½ p.c.	27½ p.c.	32½ p.c.
	and per pound	3 cts.	3½ cts.	4 cts

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
457	Tubs of metal, coated or not; copper sheets, plated or not; zinc sheets, plated; ball-bearings; gasoline engines and electric motors of less than one horsepower; all the foregoing when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the Minister	Free	7½ p.c.	10 p.c.
457*a*	Materials or articles of metal, of a class or kind not made in Canada, when imported by manufacturers of washing machines or wringers for use exclusively in the manufacture of washing machines or wringers, in their own factories, under regulations prescribed by the Minister	Free	5 p.c.	7½ p.c.
476*b*	Surgical suction apparatus including motive power; prepared surgical catgut; chloroform; ethyl chloride; canopy or pedestal operating room lights designed to minimize shadow, not including bulbs; all the foregoing of a class or kind not made in Canada, and complete parts thereof, for the use of any public hospital, under regulations prescribed by the Minister	Free	Free	Free
522	Rovings, yarns and warps wholly of cotton not exceeding number twenty, not more advanced than singles	10 p.c.	15 p.c.	20 p.c.
522*a*	Yarns and warps wholly of cotton exceeding number twenty, but not exceeding number forty, not more advanced than singles, n.o.p	12½ p.c.	15 p.c.	22½ p.c.
522*b*	Yarns and warps wholly of cotton exceeding number forty, not more advanced than singles	Free	10 p.c.	15 p.c.
522*c*	Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p.; cotton yarns not more advanced than singles, wholly or partially covered with metallic strip, generally known as tinsel thread	15 p.c.	22½ p.c.	25 p.c.
522*e*	Yarns wholly of cotton, exceeding number twenty, and not exceeding number forty, not more advanced than singles; cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, composed of two strands or more; all yarns specified in this item when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons	7½ p.c.	15 p.c.	20 p.c.
522*f*	Yarns and warps wholly of cotton imported by manufacturers of tapes, braids, webbings and woven labels for use exclusively in the manufacture of such articles in their own factories: Provided that yarns and warps which are entitled to free entry or to lower rates than are mentioned in this item shall not be entered at the rates specified in this item	7½ p.c.	12½ p.c.	15 p.c.
523	Woven fabrics wholly of cotton, not bleached, mercerized, nor coloured, n.o.p	12½ p.c.	20 p.c.	22½ p.c.
523*a*	Woven fabrics wholly of cotton, bleached or mercerized, not coloured, n.o.p	15 p.c.	22½ p.c.	25 p.c.
523*b*	Woven fabrics wholly of cotton, n.o.p	20 p.c.	25 p.c.	27½ p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
523e	Woven fabrics wholly of cotton with cut pile, n.o.p..	22½ p.c.	27½ p.c.	32½ p.c.
	and.....per pound	3 cts.	3½ cts.	4 cts.
529	Embroideries, lace, nets, nettings, bobinet, n.o.p., fringes and tassels, wholly of cotton.....	20 p.c.	27½ p.c.	30 p.c.
	and.....per pound	3 cts.	3½ cts.	4 cts.
532	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.....	25 p.c.	30 p.c.	35 p.c.
	and.....per pound	3 cts.	3½ cts.	4 cts.
533	Sails for boats and ships.....	15 p.c.	22½ p.c.	25 p.c.
	and.....per pound	3 cts.	3½ cts.	4 cts.
541	Woven fabrics, wholly of jute, not bleached nor coloured, n.o.p.....	Free	5 p.c.	15 p.c.
542	Woven fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, artificial silk, nor wool.....	20 p.c.	27½ p.c.	30 p.c.
542a	Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool..	25 p.c.	27½ p.c.	35 p.c.
542b	Linen fire-hose, lined or unlined.....	30 p.c.	32½ p.c.	35 p.c.
547	Bags or sacks of hemp, linen or jute bags in which cement or lime mentioned in Tariff item 290 is imported.....	15 p.c.	17½ p.c.	20 p.c.
548	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p. fabrics coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.....	25 p.c.	30 p.c.	35 p.c.
	and.....per pound	3 cts.	3½ cts.	4 cts.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
523*c*	Woven fabrics wholly of cotton manufactured from yarns of more than one colour, n.o.p.	20 p.c.	25 p.c.	30 p.c.
523*d*	Woven fabrics wholly of cotton, imported by manufacturers of corsets, for use exclusively in the manufacture of such articles in their own factories	12½ p.c.	17½ p.c.	20 p.c.
523*e*	Woven fabrics wholly of cotton with cut pile, n.o.p.	17½ p.c.	25 p.c.	30 p.c.
525	Sheets, pillow cases, diapers, tray cloths, quilts, counterpanes, towels, bath mats, wash cloths, tablecloths napkins, dresser scarves, curtains, consisting of woven fabrics wholly of cotton, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented.	15 p.c.	25 p.c.	27½ p.c.
526	Household blankets wholly of cotton, not to include horse blankets, automobile or steamer rugs not similar articles	15 p.c.	22½ p.c.	27½ p.c.
526*a*	Horse blankets or horse clothing of any material	15 p.c.	22½ p.c.	27½ p.c.
527	Boot, shoe, shirt and stay laces of cotton	15 p.c.	25 p.c.	30 p.c.
529	Embroideries, lace, braids, nets, nettings, bobinet, n.o.p., fringes and tassels; manufactures of lace, nets, nettings, and embroideries; handkerchiefs and pillow shams; curtains, n.o.p.: all articles specified in this item to be wholly of cotton	20 p.c.	27½ p.c.	30 p.c.
530	Socks and stockings wholly or in part of vegetable fibres, but not containing silk, artificial silk nor wool	20 p.c.	27½ p.c.	30 p.c.
532	Clothing, wearing apparel and articles made from woven fabrics and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.	22½ p.c.	25 p.c.	30 p.c.
532*a*	Shirts, not knitted, collars and cuffs, wholly of cotton	20 p.c.	30 p.c.	32½ p.c.
533	Sails for boats and ships	15 p.c.	22½ p.c.	25 p.c.
540*b*	Woven or braided fabrics wholly of flax, hemp or cotton, or of flax, hemp and cotton, generally known as tapes or webbing, not exceeding twelve inches in width, with cut pile or not	20 p.c.	27½ p.c.	30 p.c.
541	Woven fabrics, wholly of jute, not bleached nor coloured, n.o.p.	Free	5 p.c.	10 p.c.
542	Woven or knitted fabrics, wholly or in part of vegetable fibres, and all such fabrics with cut pile, n.o.p., not containing silk, artificial silk, nor wool.	20 p.c.	27½ p.c.	30 p.c.
542*a*	Woven or braided fabrics not exceeding twelve inches in width, wholly or in part of vegetable fibres, n.o.p., not to contain silk, artificial silk nor wool.	20 p.c.	27½ p.c.	30 p.c.
544	Sheets, pillow-cases, diapers, tray-cloths, quilts, counter-panes, towels, bath mats, wash cloths, tablecloths, napkins, dresser scarves, consisting of woven fabrics wholly of vegetable fibres, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
544*a*	Handkerchiefs, consisting of woven fabrics wholly of flax, or of hemp, or of flax, hemp and cotton, not further manufactured than hemmed or hemstitched, not coloured, not embroidered nor otherwise ornamented	20 p.c.	30 p.c.	32½ p.c.
544*b*	Handkerchiefs composed of flax, or of hemp, or of flax, hemp and cotton, n.o.p.	22½ p.c.	32½ p.c.	35 p.c.
547	Bags or sacks of hemp, linen or jute, and cotton seamless bags; bags in which cement or lime mentioned in Tariff Item 290 is imported	15 p.c.	17½ p.c.	20 p.c.
548	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partilaly manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.; fabrics coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.	22½ p.c.	30 p.c.	35 p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
551	Yarns, composed wholly or in part of wool or hair, but not containing silk nor artificial silk, n.o.p....	15 p.c.	20 p.c.	22½ p.c.
	and.....per pound	15 cts.	20 cts.	22½ cts.
551a	Yarns and warps composed wholly or in part of wool or hair, imported by manufacturers for use exclusively in their own factories.....	10 p.c.	17½ p.c.	20 p.c.
	and.....per pound	10 cts.	15 cts.	17½ cts.
552	Felt, pressed, of all kinds in the web, not consisting of or in combination with any woven, knitted or other fabric or material.....	15 p.c.	22½ p.c.	25 p.c.
	and.....per pound	10 cts.	17½ cts.	20 cts.
553	Blankets of any material, not to include automobile rugs, steamer rugs nor similar articles.....	22½ p.c.	30 p.c.	35 p.c.
	and.....per pound	20 cts.	25 cts.	30 cts.
554	Woven fabrics, composed wholly or in chief part by weight, of yarns of wool or hair, not exceeding in weight six ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada.....	20 p.c.	25 p.c.	30 p.c.
	and.....per pound.	12½ cts.	17½ cts.	20 cts.
554b	Woven fabrics, composed wholly or in part of yarns of wool or hair, n.o.p.....	27½ p.c.	35 p.c.	40 p.c.
	and.....per pound.	25 cts.	30 cts.	35 cts.
555	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of yarns of wool or hair, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.....	30 p.c.	40 p.c.	40 p.c.
	and.....per pound.	25 cts.	32½ cts.	35 cts.
558b	Rovings, yarns and warps wholly of artificial silk, or similar synthetic fibres, produced by chemical processes, not more advanced than singles, not coloured.....	25 p.c.	30 p.c.	35 p.c.
	provided that, in no case, shall the duty, under any tariff, be less than.....per pound.	28 cts.	28 cts.	28 cts.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
548*a*	Clothing and hats made from oiled fabric of cotton or flax, or both	15 p.c.	25 p.c.	30 p.c.
548*b*	Collars and cuffs wholly of flax, or of hemp, or of flax, hemp and cotton	20 p.c.	30 p.c.	35 p.c.
551	Yarns, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.	20 p.c.	22½ p.c.	25 p.c.
551*a*	Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories	12½ p.c.	17½ p.c.	20 p.c.
551*b*	Yarns and warps composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, imported by manufacturers for use exclusively in their own factories, in the weaving of woollen or worsted fabrics (but not including carpets nor floor rugs)	Free	10 p.c.	12½ p.c.
551*c*	Yarns composed wholly or in chief value of merino wool, not more advanced than singles, dry spun on the French or Belgian systems, but not containing silk nor artificial silk, imported by manufacturers of knitted goods for use exlcusively in the manufacture of such goods in their own factories	10 p.c.	17½ p.c.	20 p.c.
552	Felt, pressed, of all kinds in the web, not consisting of or in combination with any woven, knitted or other fabric or material	15 p.c.	22½ p.c.	25 p.c.
553	Household blankets, n.o.p., not to include horse blankets, automobile rugs, steamer rugs nor similar articles	22½ p.c.	30 p.c.	35 p.c.
554	Woven fabrics, composed wholly or in chief part by weight, of wool, the hair of the camel, alpaca, goat or other like animal, not exceeding in weight six ounces to the square yard, when imported in the gray or unfinished condition, for the purpose of being dyed or finished in Canada	10 p.c.	17½ p.c.	25 p.c.
554*b*	Woven or knitted fabrics, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, not exceeding in weight five ounces to the square yard, n.o.p.	22½ p.c.	30 p.c.	35 p.c.
554*c*	Woven or knitted fabrics, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, n.o.p.	27½ p.c.	35 p.c.	35 p.c.
554*e*	Woven fabrics, with cut pile, wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, n.o.p.	22½ p.c.	32½ p.c.	35 p.c.
555	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly partially manufactured, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics, coated or impregnated, composed wholly or in part of wool, the hair of the camel, alpaca, goat or other like animal, but not containing silk nor artificial silk, n.o.p.	27½ p.c.	35 p.c.	35 p.c.
556	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, valued at more than $1.50 per pound	27½ p.c.	32½ p.c.	35 p.c.
556*a*	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, valued at more than 90 cents per pound, but not exceeding $1.50 per pound	25 p.c.	32½ p.c.	35 p.c.
556*b*	Socks and stockings, wholly or in part of wool, but not containing silk nor artificial silk, n.o.p.	20 p.c.	27½ p.c.	30 p.c.
558*b*	Rovings, yarns and warps wholly of artificial silk, or similar synthetic fibres, produced by chemical processes, not more advanced than singles, not coloured	12½ p.c.	17½ p.c.	20 p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
558d	Rovings, yarns and warps wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk	25 p.c.	30 p.c.	35 p.c.
	provided that, in no case, shall the duty, under any tariff, be less than.....per pound.	28 cts.	28 cts.	28 cts.
560	Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than twenty inches in width, weighing not more than seven pounds for each hundred yards thereof, imported for the purpose of being degummed, dyed and finished in Canada	17½ p.c.	30 p.c.	45 p.c.
560a	Woven fabrics wholly or in part of silk, not to contain wool, not including fabrics in chief part by weight of artificial silk, n.o.p.	27½ p.c.	40 p.c.	45 p.c.
561	Woven fabrics wholly or in part of artificial silk or similar synthethic fibres produced by chemical processes, not to contain wool, not including fabrics in chief part by weight of silk, n.o.p.	27½ p.c.	40 p.c.	45 p.c.
	and.....per pound	30 cts.	40 cts.	40 cts.
565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, nets, nettings and bobinet, n.o.p.	25 p.c.	32½ p.c.	35 p.c.
567	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value; fabrics, coated or impregnated, n.o.p., composed wholly or in part part of silk	27½ p.c.	30 p.c.	45 p.c.
567a	Clothing, wearing apparel and articles made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes; fabrics, coated or impregnated, n.o.p., composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	30 p.c.	40 p.c.	50 p.c.
568	Knitted garments, knitted underwear and knitted goods, n.o.p.	25 p.c.	25 p.c.	45 p.c.
568a	Socks and stockings of all kinds	30 p.c.	32½ p.c.	35 p.c.
	and.....per each one dozen pairs	$1.00	$1.35	$1.50
568b	Gloves and mitts of all kinds	25 p.c.	25 p.c.	45 p.c.
572	Turkish or imitation Turkish or other floor rugs or carpets, and carpets, n.o.p.	30 p.c.	35 p.c.	40 p.c.
	and.....per square foot	10 cts.	15 cts.	20 cts.
573	Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets	25 p.c.	32½ p.c.	35 p.c.
	and.....per pound	.....	.....	4 cts.
576	Window shades, mounted on rollers	20 p.c.	30 p.c.	40 p.c.
611	Boots and shoes, pegged or wire fastened, with unstitched soles close edged	15 p.c.	25 p.c.	35 p.c.
611a	Boots, shoes, slippers and insoles of any material, n.o.p.	25 p.c.	35 p.c.	40 p.c.

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
558*d*	Rovings, yarns and warps wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk	17½ p.c.	22½ p.c.	25 p.c.
560	Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed or bleached, not less than twenty inches in width, imported for the purpose of being degummed, dyed and finished in Canada	12½ p.c.	22½ p.c.	35 p.c.
560*a*	Woven fabrics wholly of silk, exceeding twenty-six inches in width	17½ p.c.	32½ p.c.	35 p.c.
560*c*	Woven fabrics, composed in part of silk, n.o.p., knitted fabrics wholly or in part of silk, not to contain wool	20 p.c.	32½ p.c.	35 p.c.
561	Woven fabrics wholly of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p.	17½ p.c.	32½ p.c.	35 p.c.
561*a*	Woven fabrics composed in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., knitted fabrics wholly or in part of such artificial silk, not to contain silk or wool	20 p.c.	30 p.c.	35 p.c.
565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, n.o.p.; nets, nettings, bobinet, manufactures of lace, nets, nettings and embroideries; handkerchiefs, pillow shams and curtains, n.o.p.	25 p.c.	32½ p.c.	35 p.c.
566	Socks and stockings wholly or in part of silk	25 p.c.	32½ p.c.	35 p.c.
566*a*	Socks and stockings wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, but not containing silk	25 p.c.	32½ p.c.	35 p.c.
567	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value; fabrics, coated or impregnated, n.o.p., composed wholly or in part of silk	30 p.c.	35 p.c.	37½ p.c.
567*a*	Clothing, wearing apparel and articles made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes; fabrics, coated or impregnated n.o.p., composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	30 p.c.	35 p.c.	37½ p.c.
568	Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at more than ninety cents per pound	20 p.c.	30 p.c.	35 p.c.
568*a*	Knitted garments, knitted underwear and knitted goods, n.o.p., all valued at ninety cents per pound or less	15 p.c.	30 p.c.	35 p.c.
572	Turkish or imitation Turkish or other floor rugs or carpets, and carpets, n.o.p.	25 p.c.	30 p.c.	35 p.c.
573	Enamelled carriage, floor, shelf and table oilcloth, linoleum and cork matting or carpets	25 p.c.	32½ p.c.	35 p.c.
576	Window shades mounted on rollers, n.o.p.	20 p.c.	30 p.c.	35 p.c.
611	Boots and shoes, pegged or wire fastened, with unstitched soles close edged	15 p.c.	22½ p.c.	25 p.c.
611*a*	Boots, shoes, slippers and insoles of any material, n.o.p.	17½ p.c.	27½ p.c.	30 p.c.
618*a*	Gaskets of rubber for use in the sealing of containers for food products	Free	7½ p.c.	10 p.c.

TARIFF ITEMS AS PROPOSED BY RESOLUTIONS OF SEPTEMBER 16, 1930—Con.

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
619	Rubber or gutta percha hose, and cotton hose lined with rubber; rubber mats or matting and rubber packing	20 p.c.	30 p.c.	35 p.c.
619a	India-rubber clothing and clothing made from waterproofed cotton fabrics	25 p.c.	30 p.c.	35 p.c.
	and on each article of clothing	50 cts.	50 cts.	50 cts.
647	Jewellery of any material, for the adornment of the person, n.o.p.	30 p.c.	37½ p.c.	45 p.c.
663	Fertilizers, compounded or manufactured, n.o.p.	5 p.c.	7½ p.c.	10 p.c.
779	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor	Free	Free	Free
	The Governor in Council may, from time to time, when he is satisfied that copper bars are not available, in the country of export, to Canadian purchasers on conditions of sale and delivery identical with those obtaining in respect of sales and deliveries for home consumption, by Order in Council direct that there be substituted for tariff item 779 in Schedule A to the Customs Tariff, the several enumerations and rates of duty set opposite thereto in said Schedule, the following:—			
779a	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor, per pound	Free	¼ cent	½ cent
	From and after the date of the publication in the Canada Gazette of any such order in council, said tariff item 779 shall cease to be of force or effect and the provisions of said tariff item 779a shall become operative and have the force of law.			
	The Governor in Council may also, from time to time, rescind any such order in council, and from and after the date of the publication in the manner aforesaid of any such rescinding order in council, item 779a shall cease to have force or effect and item 779 shall become operative and have the force of law.			

CORRESPONDING TARIFF ITEMS AS PREVIOUSLY IN EFFECT—Con.

Tariff Item	——	British Preferential Tariff	Intermediate Tariff	General Tariff
619	India-rubber clothing and clothing made waterproof with india-rubber; rubber or gutta-percha hose, and cotton or linen hose lined with rubber; rubber mats or matting and rubber packing	20 p.c.	30 p.c.	35 p.c.
627	Gloves of all kinds	22½ p.c.	30 p.c.	35 p.c.
627*a*	Mitts or mittens of all kinds	15 p.c.	25 p.c.	30 p.c.
630	Boot, shoe, shirt and stay laces, n.o.p	20 p.c.	27½ p.c.	30 p.c.
647	Jewellery of any material, for the adornment of the person, n.o.p	22½ p.c.	30 p.c.	35 p.c.
663	Fertilizers, compounded or manufactured, n.o.p	Free	Free	Free
779	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor	Free	Free	Free
	The Governor in Council may, from time to time, when he is satisfied that copper bars are being sold in the country of export for consumption therein at a lower price than for export to Canada, by Order in Council direct that there be substituted for tariff item 779 in Schedule A to the Customs Tariff, the several enumerations and rates of duty set opposite thereto in said Schedule, the following:—			
779*a*	Copper rods when imported by manufacturers for use in their own factories in the manufacture of electrical conductors, the individual units of such electrical conductors not to exceed the area of No. 7/0 gauge conductor.....per pound	Free	¼ cent	½ cent
	From and after the date of the publication in the *Canada Gazette* of any such order in council said tariff item 779 shall cease to be of force or effect and the provisions of said tariff item 779*a* shall become operative and have the force of law.			
	The Governor in Council may also, from time to time, rescind any such order in council, and from and after the date of the publication in the manner aforesaid of any such rescinding order in council, item 779*a* shall cease to have force or effect and item 779 shall become operative and have the force of law.			

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, September 18, 1930

The house met at three o'clock.

REPORT OF CHIEF ELECTORAL OFFICER

Mr. SPEAKER: I have the honour to present to the house the report of the chief electoral officer, made pursuant to section 75 of the Dominion Elections Act, dated September, 15, 1930.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WIVES OF CHINESE RESIDENTS

Mr. REID:

1. Have any suggestions or representations been made asking for permission to bring in the wives of Chinese resident in Canada?
2. Have any suggestions or representations been made to change the status of Chinese who are out of this country for two years, to that of five years?
3. Is it the intention of the government to introduce legislation giving effect to any such suggestions or representations?

Mr. GORDON:

1. Yes.
2. Yes.
3. The government will carefully review such suggestions and thereafter its intention will be disclosed.

RIVIÈRE DU LOUP POST OFFICE

Mr, POULIOT:

1. Is it the intention of the Department of Public Works to build a verandah on the post office at Rivière du Loup?
2. If so, what has been the cause in delaying this work?
3. When will construction be started?

Mr. STEWART (Leeds):

1. Matter under consideration.

2 and 3. Answered by No. 1.

SOCKEYE SALMON FISHERY

Mr. REID:

1. Is it the intention of the government to keep the fishing on the Fraser river open until the end of September?
2. Is it the intention of the government to keep the fishing on the Fraser river open during the large run of salmon?

Mr. RHODES:

1 and 2. Owing to the deteriorated quality of the fish and the necessity for conservation, sockeye salmon fishing in the Fraser river is being ended for the season on Saturday the 20th instant.

Mr. REID:

Is it the intention of the government to close the fishing on the Fraser river to conform to the closing regulations of the state of Washington?

Mr. RHODES: This question is answered by No. 17.

WINDSOR, N.S., WHARF EXTENSION

Mr. ILSLEY:

1. Who were the tenderers for the contract for wharf extension at Windsor, Nova Scotia, advertised in July last, and what were the amounts of their tenders, respectively?
2. Was the lowest tender accepted, and when?
3. Has the lowest tenderer's deposit recently been returned to him? If so, on whose recommendation and when?
4. Has the lowest tenderer been advised that he is not to proceed?
5. If so, why has he been so advised, and when?
6. Has the lowest tenderer been advised that the work is to be done by days' work?
7. Is it the intention of the government to proceed with the work by days' work?
8. Is it the policy of the government to do works involving as large an expenditure as this by days' work?
9. Was the tender of the lowest tenderer within the estimate of the Department of Public Works of the cost of the work, and what was such estimate?

Mr. STEWART (Leeds):

1.

	Amount as per unit prices
Charles McKenzie..	$18,690 75
Halle B. Bigelow..	19,968 75
Ralph & Arthur Parsons...	24,601 50

2. No.
3. The lowest tenderer's deposit was returned on August 26, 1930, as the work is not to be proceeded with at present.
4. Yes.
5. (a) In view of decision to further investigate requirements of harbour; (b) August 26. 1930.

6, 7 and 8. No.

9. (a) Yes. (b) $22,365.

SHUBENACADIE INDIAN SCHOOL

Mr. ILSLEY:

1. What were the names of the carpenters who were dismissed from construction work on the farm at the Indian training school at Shubenacadie, under the Department of Indian Affairs?
2. What was the date of their dismissal?
3. On whose recommendation were they dismissed?

4. Who were the persons employed in their places?
5. How many and which ones of those dismissed were returned soldiers?

Mr. MURPHY:

1. Fred Robinson, Ralph Parker, Windselow Anthony.
2. August 27, 1930.
3. The department issued no instructions to dismiss them.
4. Alfred Myrei, Frank Austin.
5. None.

PATROL BOAT PHALAROPE

Mr. VENIOT:

1. Was the crew of the patrol boat Phalarope, cruising in the bay of Fundy, dismissed?
2. If so, on whose recommendation?

Mr. RHODES:

1. By direction of the Minister of Fisheries the services of three temporary members of the crew have not been continued. Their work for the present is being performed by three former employees.
2. Answered by No. 1.

CIRCULARS TO POSTMASTERS

Mr. VENIOT:

1. Has the Post Office Department forwarded to postmasters any circular containing questionnaires, since August 1, 1930?
2. If so, what did such questionnaires contain?
3. What was the object of such questionnaires?

Mr. SAUVE:

1. No.
2 and 3. Answered by No. 1.

PETIT ROCHER POST OFFICE

Mr. VENIOT:

1. Have any petitions been received for a change in the site of the post office at Petit Rocher, Gloucester county, New Brunswick?
2. If so, how many, and from whom?
3. Is the Postmaster General aware that the proposed site or sites mentioned in said petitions are situated respectively within two-fifths and one-fifth of the northern boundary of said district and if either one of the proposed sites are adopted a great many of the clients of said post office will have to travel from 1½ to 2 miles for their mail, while the present site is in the middle of the district?

Mr. SAUVE:

1 and 2. No petitions received although application has been made for the return of the office to a former site.
3. The matter is now under inquiry.

HONOURABLE ALBERT PARSONS

Mr. ILSLEY:

Is it the intention of the government to proceed with the suit now pending in the Exchequer Court of Canada against the Honourable Albert Parsons for unpaid wharfage for the use of the wharf at Cheverie?

Mr. GUTHRIE: This matter is now under consideration and I hope to have a reply in a day or two.

UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. M. F. HEPBURN (West Elgin): I wish to ask the Prime Minister a question. I have here a communication from the clerk of St. Thomas which reads:

> I have been instructed by members of the city council to communicate with you, to ascertain the terms of distribution of the twenty million dollars, set aside by the government for the unemployment, as it applies to rebuilding of municipal buildings.
> Will you be good enough to let me have this information at your earliest convenience.

Will the Prime Minister be good enough to give the necessary information to enable me properly to reply to this communication?

Hon. R. B. BENNETT (Prime Minister): The intentions of the government were made known in the discussions which have appeared in Hansard and which will appear in the regulations issued after the measure has been passed.

Mr. HEPBURN: I do not think that answer will suffice.

Mr. BENNETT: This is not a question of privilege.

Mr. HEPBURN: Then I will make a speech later.

CANADIAN NATIONAL RAILWAYS

FEDERAL CONTRIBUTION TO COST OF TUNNEL UNDER LACHINE CANAL

On the orders of the day:

Hon. FERNAND RINFRET (St. James): I have a question to ask the Minister of Railways (Mr. Manion). My hon. friend is aware that the former government decided to defray one third of the cost of the tunnel under the Lachine canal at Montreal. Has the minister received any representations in this matter lately and, if so, will he intimate whether the government is willing to continue the policy of the former administration?

Hon. R. J. MANION (Minister of Railways and Canals): Yes, we have had many representations. Members from Montreal have made representations and the whole matter is under consideration. That is as far as we can go.

THE DOMINION CENSUS

On the orders of the day:

Mr. SAMUEL FACTOR (Toronto West Centre): I wish to ask the Prime Minister a question. I understand that the Dominion census will be taken in June or July next year. Is it possible at this session to submit some legislation providing for the taking of the census a little earlier in the winter months in order to give employment to hundreds of men throughout the Dominion who undoubtedly will be out of work, in spite of the measures which are at present being enacted?

Hon. R. B. BENNETT (Prime Minister): The census will be taken in the regular manner, and there is no time to depart from the provisions that have been made. Preparations are going forward in accordance with the usual plans for the taking of the census.

PRIVILEGE—Mr. NICHOLSON

On the orders of the day:

Mr. G. B. NICHOLSON (East Algoma): On a question of privilege I would refer to a statement made on Thursday last and another statement made on Friday last by the hon. member for Nipissing (Mr. Hurtubise) in relation to something that is alleged to have taken place—

Hon. R. B. BENNETT (Prime Minister): In view of the pressing importance of these matters before the house, will the hon. gentleman allow this to stand? I make this request because of the urgent importance of the legislation now before us. The matter he is about to discuss will be dealt with in due course by the house concerned, namely, the legislature in Toronto.

INDIANS OF CAUGHNAWAGA

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville): May I ask the Minister of the Interior (Mr. Murphy), whether it will be possible for his department to go to the rescue of the people in the Indian reserve of Caughnawaga? I understand that many of these Indians were engaged on work of the Dominion Bridge Company and in other hazardous undertakings around Montreal, and I am informed that the majority of them are now unemployed. Many families are in absolute misery in that reserve. Can the minister say whether there is any means of giving a portion of the $20,000,000 towards the relief of the Indians there, or, it may be, on some other reserve.

Hon. THOMAS G. MURPHY (Minister of the Interior): I could not hear the question put by the hon. gentleman. If he will place it on the order paper I shall be glad to give an answer.

IMMIGRATION OFFICERS IN UNITED STATES

On the orders of the day:

Mr. M. F. HEPBURN (West Elgin): In view of the fact that the Department of Immigration is now restricting, and properly so, immigration, has the minister taken steps to withdraw immigration officers from the United States and other countries?

Hon. W. A. GORDON (Minister of Immigration): If the question is placed on the order paper I shall be glad to answer it.

PRICE OF BUTTER

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I wish to call the attention of the government to a press despatch of this morning from Toronto to the effect that butter prices have jumped 1 to 3 cents a pound as the result of the new tariff schedule. This schedule has been announced but has not yet passed the house. Does the government intend to take action in this matter and if so what?

Hon. R. B. BENNETT (Prime Minister): There will be ample opportunity for the house to discuss the matter.

PROPOSED TARIFF CHANGES

CONTINUATION OF DEBATE ON MOTION OF PRIME MINISTER FOR COMMITTEE OF WAYS AND MEANS

The house resumed from Wednesday, September 17, the debate on the motion of Hon. R. B. Bennett (Prime Minister and 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 thereto of Mr. Mackenzie King.

Mr. THOMAS McMILLAN (South Huron): When the house adjourned last night I was quoting words from the Minister of Labour

(Senator Robertson). These are notable words —notably absurd; and they show the calibre of the spokesman of the government on this labour question. These words ought to be indelibly recorded, so that the grandsons of the present generation may have some idea as to how politics played with unemployment in this year of grace 1930.

Therefore I read these words again:

The late government had reduced the tariff on agricultural implements. Following this, 500,000 Canadians had left this country. As a result, while in 1924, 30 per cent of the implements sold in Canada were imported, in 1929, 70 per cent were imported, and the price of implements was slightly higher than before.

What are the facts? In 1924 the production of agricultural implements in Canada was valued at $26,447,000, while the number of people employed was 6,700. In 1929 the value of the production of agricultural implements in Canada was $47,306,897, while the number of people employed was 12,029. In the five-year period from 1925 to 1929 the production of agricultural implements increased more than in any previous period of Canadian history, and yet following this, according to the words of the hon. Minister of Labour, 500,000 people left Canada. Is this not a startling example of the relationship of cause and effect? Industry prospered; employment almost doubled in the production of agricultural implements, but 500,000 people left the country because the duty was lowered. That is what the Minister of Labour said, speaking with all the authority of a cabinet minister with a seat in another chamber and not responsible to this parliament. But, sir, the responsibility for these statements must be borne by every member of this cabinet from the Prime Minister down. It is the pressing duty of the members of His Majesty's loyal opposition in this house to let the house and the country know the calibre of the hon. gentlemen into whose hands have been consigned the destinies of this country for the time being. The change in the duty on agricultural implements took place in April, 1924, and since the fiscal year ends on March 31—

Mr. GOTT: Mr. Speaker—

Mr. McMILLAN: I am making my speech, and the hon. gentleman cannot interrupt me without my consent.

Mr. SPEAKER: The hon. gentleman will kindly allow the hon. member to state his point of order.

Mr. GOTT: Mr. Speaker, on a point of order, I trust that those who were members of the last house will remember that the hon. member for South Huron, who is reading his speech, objected strenuously last year to hon. members reading even portions of their speeches. It is against the rules of the house to read an election speech, such as the hon. gentleman has taken a month to accumulate.

Mr. SPEAKER: As the hon. gentleman well knows, it is against the rules of the house to read speeches. I did not observe that the hon. member was doing so.

Mr. McMILLAN: May I say that I have failed to see any member of the house who has been quoting figures from time to time who did not read at least as much of his speech as I have been doing. As I was about to say, sir, the change in duty on agricultural implements took place in the year 1924. That fiscal year ended on March 31, and therefore the effect of these changes could not be seen until the fiscal year ending March 31, 1925. The actual number emigrating from Canada to the United States during the fiscal years from 1925 to 1929 inclusive was 411,014. This takes no account of migration from the United States into Canada, which during that period amounted to 111,188, nor does it have any reference to the number of returning Canadians, which during that period amounted to 221,638, leaving a net loss during those five years of 78,188 instead of 500,000, as the distinguished gentleman attempted to imply.

Now, Mr. Speaker, another provision of the legislation which has been brought before this house and which has been passed is an act respecting dumping. May I say that in all the answers which have been invariably given on the floor of this house to the questions which have been asked by hon. members of the opposition, it always has been stated that the problem of unemployment belongs primarily to the municipalities and to the provincial legislatures, but we know that during the course of the recent campaign stress was laid upon the fact that the cure for unemployment was a federal matter. Now, sir, I was amused indeed at the Minister of National Revenue (Mr. Ryckman), in his explanation of the resolution which preceded the introduction of the dumping legislation. His first argument was that it would be the means of entirely stopping dumping in this country, or in other words that it would have the effect of increasing the price which consumers of this country would have to pay for all their necessary requirements. The second

point was that it would have a great effect in reducing the purchasing power of the people, which is in reality the great cause of the present condition which has overtaken this country.

We know that Canada was in a prosperous condition until the closing months of 1929. You do not need to take my word for that, sir; you have the testimony of Sir Thomas White, who was once Minister of Finance in a Conservative administration and who is now vice-president of the Canadian Bank of Commerce. He said:

> Under the stimulus of three years' general prosperity, of an extensive development and building program and of an unprecedented quantity of farm products for export, new records were established in industry and trade during the winter and spring . . . . Canada stands seventh in world manufacture, with an estimated value of industrial production in 1929 of nearly $4,000,000,000, an increase of about 5 per cent since the close of 1928. . . . The remarkable expansion of Canadian industry has not been confined to the east and the enterprise of the west is now felt industrially as well as agriculturally. During the last decade about 600 new industrial plants have been established in the four western provinces. Capital investment has been increased to more than $600,000,000.

Take the evidence of Sir Charles Gordon, the president of the Bank of Montreal, at the annual meeting in December, 1929, who said:

> In reviewing the commercial situation in Canada, it should be kept in mind that there have been five years of almost uninterrupted expansion. In that brief period Canada has achieved a degree of development quite unprecedented. Not in one or two directions, but practically in all, remarkable material progress has occurred—in agriculture, in many lines of manufacturing, in mining, forestry, trading, water-power production and building construction.
>
> In conclusion may I say there never was a time in the history of Canada when business as a whole has been at a higher peak than during the year under review, or when the developed resources of our wealth were more wide and varied than they are to-day, and never a time when the earning power of our people was sustained in so many channels of production.

Then we have the testimony of Mr. F. W. Field, British trade commissioner in Montreal, who states in his report of 1929:

> In no previous period has there been such a rapid increase in manufacturing as in the fiscal year ending March 31, 1929. The increase in Canada's total trade last year was greater than Canada's entire total trade thirty years ago.

And yet, in speaking in Toronto on November 21, 1929, the Prime Minister (Mr. Bennett) said:

> We must make the boys and girls of Canada realize that they will never get jobs in Canada as long as the King government is in power.

[Mr. McMillan.]

Is that not a fine statement to be made by the leader of a distinguished party looking towards the premiership of this country? What are the real causes of this break in the buoyancy of these prosperous conditions? In 1929 the three western provinces had the smallest crop in their history. When they saw that their annual revenues were disappearing they stopped buying, which was the only thing possible for them to do in order to conserve their financial condition. Then followed the stock speculation orgy and the subsequent crash in the market which robbed many people of their ready earnings and had a still further serious effect in reducing the purchasing power of the Canadian people. Then followed the serious unemployment conditions as reported in the British Labour Gazette of March 15 last, wherein it was stated that in the leading countries of the civilized world there were between 15,000,000 and 16,000,000 unemployed. Many of these people were the purchasers of the surplus products of foodstuffs produced in the Dominion of Canada, but being out of employment their purchasing power was destroyed for the time being. This had an inevitable effect upon the conditions existing in this country, it had the effect of more seriously destroying the purchasing power of our people as a whole. In the face of this extremity we have this government placing legislation before the house which will have the effect of materially increasing the cost of the requirements needed in the primary industry of this country, and introducing further legislation which will have the effect of decreasing the purchasing power of the Canadian people as a whole. Hon. members of the government tell us that a clause has been inserted which will prevent this. I can well imagine if my right hon. leader were sitting on the treasury benches and had presented such a clause as this how it would have been laughed to scorn by those who are now occupying those benches, and by their friends who sit behind them.

The hon. leader of this government has opened up his first highway with lightning despatch, and I predict that the effect of that action will be to show to the people of Canada what this government intends to do, not only under this legislation but by means of a general revision of the tariff which we are told is to come at the next session. You may ask me: what highway has been opened? He has opened a highway from the confines of every industry in this country to the back door of the Minister of National Revenue (Mr. Ryckman), and the trek from those industries has begun. The representatives of those industries are now coming to the Minister of

National Revenue to discover how they will be enabled to make money and get rich quickly, not through applying their own ingenuity but by means of favours handed out by the government through the Minister of National Revenue and the cabinet. Instances like this have occurred in the past and yesterday I was amused to hear the Minister of Trade and Commerce (Mr. Stevens) say that they had never had an opportunity for thirty-five years to put protection into operation. I believe that is the most valid reason which has yet been given from the treasury benches for the urgency of bringing down these resolutions, and having them passed at the earliest moment without an opportunity being given for proper discussion.

Now, sir, I do not intend to continue this discussion any longer.

Some hon. MEMBERS: Hear, hear.

Mr. McMILLAN: All I desire to do is to enter my protest against the legislation which has been put before the house.

But when I listen to the "hear, hear" from the stentorian voice of my good friend the hon. member for North Huron, I want to tell him that in 1929—

Mr. SPOTTON: I rise to a point of order. My colleague from South Huron accuses me of saying "hear, hear." I did not.

Mr. McMILLAN (Huron): I accept the hon. member's statement, but the hon. member for North Huron when discussing in 1929 the tariff resolutions of that year and the amendment of the hon. member for South Wellington made this statement, as reported at page 1419 of Hansard:

> Any person who understands English and who does not wish to misrepresent matters, will find that there is not a word in this amendment regarding higher protection. In fact, if there was a syllable in it recommending higher protection for this country, I would not support the resolution either by voice or vote.

That is his statement through the medium of this chamber to his electorate prior to the last general election and I want him to beware.

Mr. SPOTTON: Hear, hear.

Mr. McMILLAN (Huron): So far as I am concerned I am not going to continue this discussion any further, but I feel if the Minister of Justice in his palmy days was on this side of the house, the words of withering scorn which he would be able to utter against these tariff resolutions would be worthy of attention.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I approached the consideration of the budget proposals with an open mind anxious to see what there might be in them of benefit to the interests that I represent, and to the province of British Columbia generally. The major industries in the district of Comox-Alberni are those of farming, lumbering, fishing, mining and the pulp and paper industry. Farming, lumbering and fishing have ramifications that might be called half a dozen branch industries. I am sorry to find in the budget proposals before the house little hope for those industries, little promise of aid, little encouragement, practically no offer of assistance, and rather elements that will militate against the success of nearly them all.

I will give credit to the government where I can. I believe they did well in introducing resolution No. 17 under which they take power to prohibit exports from a country not a contracting party to the treaty of Versailles. I hope it may be and will be used to prohibit importations from Russia of coal, steel, lumber, fish and possibly eggs. Unfortunately in this regard there is no promise of help for us on the Pacific coast. On the contrary, such a prohibition will do us harm in this way: the lines on which we compete there are not in our own market but in foreign markets. For instance, we dread the competition of Russia in fish and lumber, but Russia in the Pacific will not ship fish and lumber from Siberia to Canada, but will ship them to our markets in Japan and the United States. Therefore, any prohibition of the character indicated will not help but will hurt us inasmuch as if the Russians are cut off from trading on the Atlantic, they will intensify their trade on the Pacific. To that, however, I take no objection. We must take our chance owing to the geographical situation.

The government have given a substantial increase in the tariff in regard to hops grown in British Columbia. They have given them an enormous increase in tariff amounting to some 350 per cent. This is a small industry and I am sorry it has a decreasing market owing to conditions we can well understand. If I remember rightly, a large portion of their market abroad is closed to them. I forget for the moment whether it is the United States or Great Britain, but one of them, I think Great Britain, is entirely closed by means of a straight prohibition order. This enormous increase of tariff will no doubt create a temporary prosperity, but what will inevitably happen, as happens in the case of all high tariffs, is that it will stimulate pro-

duction and in a very short time there will be no market to absorb the quantity produced under the favourable tariff. What will these people do then? Their plight then will be perhaps worse than it is now. It will not be possible for parliament to compel Canadians to buy more hops than they now use.

I also find the government has increased the tariff on butter under the British preference from four to eight cents a pound. This of course means that New Zealand butter, which is now paying four cents under the Dunning budget, will have to pay eight cents. Possibly that increase may have been imposed only for the sake of negotiating with New Zealand later on and it may be intended to be removed, but I do not know that to-day. Mr. Robinson, who is president of the National Dairy Council, has expressed the opinion that besides the heavy importations —and they were enormous—of butter before October 1, about 300,000 boxes or nearly 17,000,000 pounds will have to be brought in during the winter, it being impossible for the dairy people to fill the gap suddenly. It is also stated that the higher price of butter on account of the additional duty will result in reducing the consumption and that the butter will still come in because the Canadian dairy men will not be able to supply the demand. I would like to comment on that. That means that, in spite of the recent large importations of butter, a large quantity of butter will have to come in this winter, even from New Zealand, over an eight cent barrier and this will result in an increased price on the only kind of spread available for people hampered by unemployment. That means dear food for the masses of the people.

What will be the benefit to the dairy men? I doubt the efficacy of such a suddenly highly increased tariff. It means a lessened demand, and by and by the inevitable must happen when they breed cows and get them into milking. The supply will be increased and consequently we shall get on an exporting basis. Then we shall have to meet the self-same New Zealand butter in the markets of the world, in Liverpool, without any tariff to protect us. But in the meantime we have acclimatized ourselves, so to speak, to a higher tariff and we have produced this butter under a higher tariff on tools, implements and so forth. In three years from now we shall be suddenly confronted with the self-same New Zealand butter in the markets of the world under conditions where we can derive no protection. That applies of course to all tariffs, but for this extra four cents the dairy men are getting under this particular budget to-day, what a price they are paying! Under the Dunning budget they got the fourteen cents by the countervailing duties imposed on butter coming from the United States and four cents on butter coming from New Zealand, and they had practically nothing to pay for that. That is to say, no large demand was made on them to submit in return to a high tariff on other articles. To-day under this budget they are getting this four cents, which will be somewhat temporary in its effect. In return they are paying a high price not on one article alone but on very many articles which they use in connection with their operations and in their homes. That additional amount has to be paid after they reach the export market stage. When the export market reduces their butter price and their profits the duty on their machinery and implements will not come down at all. They will continue to be subjected to the high tariff that they are paying for the temporary advantages they are to reap.

I turn next to the poultry men. For some reason, probably through inadvertence, in the framing of this budget the government has aimed rather a serious blow at the poultry men. The Dunning budget under the countervailing duties gave protection for shell eggs to the poultry men of Canada to the extent of ten cents. The present budget puts on the same tariff as a fixed charge, leaving matters practically the same as they were before. As regards frozen eggs however the present budget has cut down the tariff to eleven cents a pound. This amounts to the substantial reduction of about two and one-half cents, and is a matter of serious importance. The reduction in this particular instance amounts to about 18 per cent, although the present tariff undoubtedly is high protectionist. Under the Dunning budget the rate on frozen eggs was 30 per cent, and under that budget the then Minister of Agriculture under section 43 of the Tariff Act declared that the value of frozen eggs coming into the country was, for duty purposes, forty-five cents a pound. Eggs broken into containers come in by the pound. We may figure that 30 per cent of forty-five cents amounts to thirteen and one-half cents a pound. Under the present tariff it has been reduced to eleven cents or a loss of two and a half cents a pound. For the information of hon. members I may say that roughly speaking a pound is the equivalent in weight of a little less than a dozen eggs. So that the effect of this tariff will be to reduce the

value of these second grade eggs by two and a half cents a dozen. Such a reduction cannot be remedied by similar action to that taken by the late Minister of Agriculture because the tariff is not now on an ad valorem basis, but on a fixed rate of so many cents. With regard to the remaining countervailing duties I understand all but two have been adopted by the present budget. Instead of having the rates fluctuate according to the American tariff they have been fixed at the present American tariff. Under the Dunning tariff the agriculturists who got the benefit had nothing to pay in return. Under this budget however they are going to pay and pay and pay and go on paying for all time to come.

I should like to mention particularly some of the items on which they will have to pay, matters of particular importance to agriculturists. The present budget includes a new provision, that of putting an increased tariff on paper containers. Such a tariff will affect the people selling butter, eggs and probably day-old chicks. Probably it will affect the fruit growers as well. That is a substantial increase. Then we find a heavy increase in the gasoline tax. A motor car is no longer a luxury for the farmer; it is an absolute necessity. He cannot revert to the days of the horse and buggy; he cannot escape the necessity for the present day motor car. The province imposes a tax of five cents a gallon, and an addition of two and a half cents amounts to an added burden for the farmer. As I say he must pay it because he must have the ordinary rapid means of communication. Next I refer to the paragraphs ranging from 409a to 409m. I need not quote the different items, because they cover a complete range of all articles necessary on a farm. It would be idle to recite the different items. The list begins with milking machines and continues down to tractors. The increases in connection with these items are substantial and heavy. Then we find increased duties on kitchenware and tinware such as are used on dairy farms. Item 439c increases the duty on farm wagons, the increase amounts to 150 per cent—only 150 per cent, Mr. Speaker. Many a wearily made pound of butter will have to be sold to pay that 150 per cent increase on farm wagons. Then we come to incubators,—and again the poultry man is unhappy. He is hit again by an increase in the duty on incubators from 10 to 25 per cent, another increase of 150 per cent. And it is not only on one item but it is on all of them. Also it will be pyramided. The ordinary farmer probably does not appreciate the effect of pyramiding to the same extent as hon. members of this house. As we know, the article passes through various stages; each person adds his profit on his total outlay, which includes duty. The consequence is that before the article reaches the unhappy consumer the duty is far in excess of the amount at which it originally started.

I have before me an advertisement clipped from an Ottawa newspaper of May 2, 1930. Hon. members will recall that the Dunning budget reduced the duty on tea to the extent of seven cents a pound. I have before me this advertisement of a leading brand of tea; it appeared in the paper on the day following the budget, and it states that the reduction in the price of tea, in consequence of the reduction in duty, would be fifteen cents a pound. If we follow along the items in the list before us we will find that the duty in some cases runs as high as 45 per cent. What will they be before they reach the consumer? Forty-five per cent, plus the wholesaler's profit, on it, plus the jobber's profit, plus the retailer's profit, amounts to how much? If it appreciates to the extent the tea duties appreciated there will be a very heavy duty which the consumer will have to pay. A duty has been placed on fertilizers; that is something which has not been done for quite a number of years. Waterproof clothing is another item which affects the farmers, because they have to be out in bad weather as well as pleasant. This duty is now 35 per cent, and there is an additional fifty cents on every single item. That will affect the small items to a very great extent. For example we may take the case of a waterproof hat which could be bought in the United States for fifty cents. Thirty-five per cent duty added brings the price of the hat up to sixty-seven and a half cents. Add a fifty cent duty per article and the hat must be sold for $1.17. The farmer will have to pay $1.17 for an article which originally cost fifty cents. This is an instance where there will be an article selling in our stores at 135 per cent increase for duty. The article cost fifty cents in the first place and would have to be sold at $1.17.

We have heard considerable talk about mandates. The government claim that they have received a mandate from the people. I guarantee, Mr. Speaker, that the country did not give a mandate for methods such as these. When the people realize what is being done I think they will express themselves in a different way. To my mind the term "mandate" is being used to too great an extent. The government re-

ceived a special mandate to govern Canada, I grant, but such mandate cannot be used as specially applying to every form of legislation they choose to introduce. They cannot say on Tuesday "We got a complete mandate to raise the tariff 50 per cent, or 60 per cent or 70 per cent,": and on Wednesday "we have the same mandate to do something else." In some places the mandate they received had nothing to do with tariffs; in other places it had a good deal. In many cases their mandate was chiefly to deal with unemployment, and I think they will have to search long and diligently before they will find a mandate to put taxes such as I have outlined on the farming people of Canada.

Let us now deal with the fishing industry. Tin imported to be manufactured by the industry itself is now brought under another section, the British preferential rate being doubled and the other rates increased 20 per cent—not much of a help for our men engaged in the salmon canning industry, and that industry on the Pacific coast is in a perilous position.

Then there is a tax of 2½ cents a gallon put on gasoline, which will hurt the small trollers and gill-net fishermen but not those engaged in the fishing industry in a larger way because they use Diesel engines and fuel oil. For the small fishermen gasoline is their stock in trade or tool which they have to use every day of the week. This is so well recognized by the provincial authorities that when some fifteen years ago they put a tax of 3 cents a gallon on gasoline they particularly exempted gasoline used by our fishermen. They raised it the other day to 5 cents a gallon, and so far as I know this exemption to our fishermen still continues. But we are going to put a tax of 2½ cents a gallon on their gasoline.

On item 533, sails for boats and ships, there is already a tax of 25 per cent. Surely it is unnecessary to add a further duty of four cents a pound. The hon. member for Skeena (Mr. Hanson) tells me that that will inflict hardship on the fishermen in his district, not only those fishing in the rivers, but also those engaged in the halibut fishery.

Mr. MUNN: And also the North Vancouver district fishermen.

Mr. NEILL: Yes, and in the neighbourhood of the Fraser river also. The same objection applies to the increased duty on waterproof clothing. Fishermen use a great deal of waterproof clothing and woollen goods because they are exposed to the elements, and this additional tariff will hit them severely. The duty on boots is increased to 35 per cent—another hardship on our fishermen. Our fishermen have no means of raising fruit and vegetables, they must buy them on the highest market at remote points, and in that direction they are hit also by these increases.

Then we come to the lumbering industry, for which we hoped to get some relief for it is in a very critical condition. The duty on logging wagons and sleighs is raised from 10 to 25 per cent, a 150 per cent increase. The increase in the tariff on steel will also handicap the logging and mill interests. These increases will mean this, and this only, that the increased prices of the commodities affected will have to be paid either by the lumber workmen or the lumber interests. At the present time it will have to be paid by the lumber interests, because the wages of the lumber workmen are at the very minimum to-day, and whether the logger supplies the articles free to the men, or the men receive a bigger wage and have to buy them, the effect is the same: capital and labour alike will have to stand these increases. Consequently the cost of logs will have to be increased just at the very moment when the industry is struggling to keep their camps going. I asked the manager of one big logging concern: "What are you doing with your logs?" He said: "We are shipping them over to Washington and putting them in fresh water in hopes that they won't rot before we can sell them, for we don't want to shut down our logging camps." Another big concern said to its men: "We have got to do one of two things, shut down or reduce the cost of logging." They showed their books to the men. The men agreed to take a reduced wage in order to keep things going. We seldom see such a gallant effort on the part of capital and labour to cooperate in such a way. But as a result of these tariff increases their cost of production will be increased substantially.

Now I come to the coal industry—a very large factor in British Columbia. What are they getting out of this budget? They are getting nothing and worse than nothing. That is not what we were promised and expected. In the campaign in which I was engaged we were promised beautiful things from something called "a national fuel policy." When that policy was analysed in cold blood by myself I found it to be a policy that appealed to the people in Nova Scotia and possibly in Alberta. It would have been an absolute hardship on the coal industries of British Columbia if it had been put in force. When

that was pointed out on various platforms we were met with this argument: "You must not think in a petty parochial way; forget the petty interests of Comox-Alberni, forget the local interests of British Columbia; take a nationwide view of these things." A very plausible argument but the real gist and meaning of it was that we were asked to surrender the contemplation of our own interests for the benefit of certain interests located in eastern Canada. A beautiful idea, but not one to commend itself to the people of British Columbia. The coal situation in my province is so serious that the British Columbia government called a conference of the various coal operators, railway men, boards of trade, and other leading people. That conference lasted two days, and the coal operators themselves agreed on one thing, that the whole cause of the depreciation and depression in the coal industry of British Columbia was the competition of fuel oil. We now have in power a government who say they have a mandate to impose high protection, and we certainly thought some relief would be given to us in that regard. Do we find any evidence of it here? I have searched this budget without succeeding in finding anything that will help our coal against the competition of fuel oil. I cannot see any increase of the tariff on fuel oil. There may have been objection to such action. I know the large users of fuel oil would put up a kick against any increase in the tariff on their oil. Does this budget disclose any other effort to help the coal industry of British Columbia in its dire distress at this moment, because it is in dire need? Nothing at all. On the contrary measures have been taken which will hurt the people engaged in that industry. Here is an advertisement that was used during the campaign. I am going to quote from it only this line:

> The Conservative party promises immediate action to relieve unemployment for all Canadians.

I emphasize "all Canadians." It did not say, "all eastern Canadians," but I am afraid that was what was meant, because that is the whole result of this policy. That idea was shrieked from every platform, it was smeared across every newspaper, and we found it posted on every third stump in the riding. What was the result? We asked for bread and we have got a stone in the shape of increased cost of living, pyramided on top of a 45 per cent duty so that it may be double that before it reaches the unhappy consumer.

The miner, the fishermen, the logger, the pulp and paper man—each has his own grievance, as I have shown, and they also share the grievance of the general public or the householder. The duty on glass is increased, the duty on earthenware is increased, on tinware, on refrigerators, on washing machines, on wringers; it is increased on electric light fixtures, in fact on everything that goes into the electric system. And if that is not enough the all-pervading and paralysing hand that conceived this budget reached out to the poor woman sweating in her hot kitchen canning peaches over her stove to give the kiddies some fruit in winter time, and finding she was paying a tax of only ten per cent on the trivial little gasket made of rubber that she puts on the top of her sealers, that hand added to her burden. She had already bought the sealer at a higher price on account of the duty on glass. She had already paid 50 cents more for the case of peaches. And now she is told that 10 per cent on gaskets is not enough; she has to pay 27½ per cent, a mere increase of 175 per cent. Poor woman; poor kiddies; poor public. And clothing, of course, is affected in the same way. Enamelware I have mentioned under kitchenware. She cannot touch a thing in the kitchen but she pays tribute to this tariff schedule. Clothing, boots and shoes—all this must come out of the family budget. There is a large increase in blankets, carpets, linoleum.

The farmer, the miner, the fisherman, the lumberman and the papermaker, like my hon. friends from the prairies to my left, are all in the same boat. They cannot get protection because they sell in foreign markets in competition with the whole world. We are all sacrificed for the benefit of the eastern manufacturers. Let us put it bluntly and baldly—slaughtered to furnish a Roman holiday for the benefit of central and southern Ontario.

We are told that no increase in prices will be allowed under the tariff and that if there are any increases the government will remove the tariff. There is an item to that effect. We are told that pledges have been given that prices will not be increased. But where are those pledges? They should be before us so that we can appreciate their extent and value before voting for the general principle of the proposals. We are told that these pledges will be produced at a later date. But we do not know what their character is; we do not know their extent or how moderate in expression they may prove. And then the government, if the manufacturers take advantage of the tariff—as of course they will; we all would; they are doing so now, as has

been instanced this afternoon—then the government may reduce the tariff. Yes, they may. Who sets the machinery in motion? And is there any machinery? Has the public, has Mr. Consumer any method of applying for redress? And what will be the redress? When any industry is told that it is taking advantage of the tariff, it will trot forward its most ill-located factory or branch as an excuse. They can evade it by saying, "Your tariff has increased the price of what is our raw material and you must therefore allow us to increase our price." And what about stability? How can there be any stability in a tariff if a factory which has increased the number of its employees and extended its machinery can be told that because some other factory has not played the game the duty is to be removed? What sort of stability can be obtained under such conditions? Suppose one factory in a certain line of industry played the game and kept prices down while another factory further away, due to circumstances of location, freight rates and so forth, did not play the game and could not be interfered with, what condition would result? Could they take the duty off for one man and leave it on for another? The thing is impossible if the government wanted to carry it out. The manufacturers would be easily able to prove that it could not be done. The pledges spoken of in connection with this matter remind me of the pledge made by a gallant gentleman, formerly a member of this house, whose name I will not mention now in view of the fact that he is dead. He was running a bye-election once in British Columbia and the election turned on the question of a certain railway contract, as to whether it was or was not in existence. He pledged his knightly honour that if he were elected and there was no contract he would resign. He was elected, the house was sitting, and there was no contract. We, on the opposite side, asked him why he did not resign and he said he had fulfilled his pledge and had resigned. Well, we said, why are you sitting there? He said he had drawn up his resignation and signed it, and it turned out finally that he had given it to two of his political friends who had torn it up! In that way his honour was satisfied. It was satisfied by that subterfuge. We suggested that he ought to have handed the resignation to us and that we would see that it reached the Speaker. But no; he presented it to two of the officials of his political association, and, he said, they were mean enough to tear it up!

[Mr. Neill.]

As a result of this legislation the consumer, in British Columbia as elsewhere, will pay in higher prices; and this includes both the capitalist and the worker. The worker has to meet this increased cost of living on a reduced scale both of time and of pay. He is working shorter hours and for a lower wage. The miner is working three days a week, and the logger is trying to get along with three months' work in the year. The mill worker in the pulp mills and saw mills is working five days a week on the reduced wage. I know a dozen men employed in a saw mill at $57.50 per month, and paying $15 to $20 a month rent. They cannot get a decent house for less, and if you deduct the rent it leaves $9 a week for the man who is trying to bring up his family. And now he will wake up to-morrow morning and will be greeted with the news that the cost of living has been substantially increased. What wonder if such men turn bolshevik?

I have never opposed any reasonable measure of protection and my speeches in this house are on record to prove it. I came here believing that the people had voted in part for a higher tariff and I expected to support, a reasonable tariff. But there are two essentials which must appear in a tariff before it will be palatable to the people: one is that the tariff shall not be extreme, and the other, that it shall not be sectional in character, as regards one class or industry or people or one part of the country in discrimination against another. These two essentials are wholly lacking in the program before us. I dare not go back and tell my people that I have supported it; that is to say, I dare not in the sense meant by him who said—

> I dare do all that may become a man.
> Who dares do more is none.

I should be recreant to the confidence and betraying the trust the people placed in me if I voted for such a measure as this, which is so entirely inimical, not to some but to all of their interests.

As regards the amendment, I could not agree with the first part of it, and were it alone would vote against it, but the second part reads:

> In the opinion of this house the tremendous increases in taxation proposed will not end unemployment, but will inevitably increase the cost of living and will also increase the cost of production in the primary industries, agriculture, fishing, mining and lumbering, thus making it more difficult for Canadian producers in these industries to meet world competition in marketing their products.

That so clearly expresses the situation as I see it that I am compelled to vote for the amendment and against the tariff proposals.

Mr. A. M. CARMICHAEL (Kindersley): I do not purpose making any lengthy speech at this time. I am well aware that the majority of hon. members realize that we have been called for a special purpose, and we are anxious to conclude at as early a date as possible. I wish also to keep within the confines of the resolution before the house so that I may not be called to order.

I do not need to mention why this session has been called together. It has been reiterated time and again by members who have spoken in the debate, and it seems to me that the country is fairly conversant with the reason for our being here. We have been now in the capital city for eight sitting days, and during that time we have pased a good deal of important legislation. We have passed Bill No. 2, providing $20,000,000 for unemployment relief, and also Bill No. 3, amending the Customs Act to enlarge the operation of a principle which has been in effect for several years, by extending the anti-dumping regulations so as to apply to goods of any kind rather than to natural products alone of a class or kind produced in Canada. And now we propose to amend the tariff rates on some 130 items by raising the duties on practically all of them. These increases are very substantial indeed. They are so substantial as to be almost alarming. For example, binders, and combines which heretofore had a protection of 6 per cent under the general tariff, are raised to 25 per cent, which is more than a fourfold increase, although the British preferential tariff remains the same. I am dealing more particularly with agricultural implements. I had just got off one of them before coming here and I am therefore more closely in touch with them than with other commodities. Take cultivators, harrows, seed drills and weeders: the general tariff, as proposed, is increased from 7½ to 25 per cent, more than threefold. They remain the same under the British tariff. Ploughs, rollers and packers are increased from 10 per cent to 25 per cent, 2½ times the original tariff.

According to statements that have been made in the debate and emphasized by a number of speakers, it is expected that mills and factories will be speeded up and that a number of people who are now out of employment will be given work. I believe the figure quoted by the Prime Minister was some 25,000, as a minimum. Best of all, there is to be no increase in the cost of commodities to the consumer. I hope everyone from Halifax to Vancouver has heard that statement made by the Minister of Finance, and digested it thoroughly. I am going to repeat it, in case someone may have missed hearing or reading it when it was made in the first instance. Here is what the Prime Minister said when he made his budget address:

> And I say to you, sir, and to this house, that with respect to the items that are dealt with in these schedules, we have definite and positive assurances from the manufacturers that their enactment will result in no increase in prices.

That is very good. Apparently there is to be no increase in price but, Mr. Speaker, I represent strictly a rural and agricultural constituency. My constituents are vitally interested in what they will have to pay for every article they purchase. There is just one point in connection with the budget statement of the Minister of Finance which I have not yet heard amplified; in fact I am not sure that it has been touched at all. That is, if there should be an increase in the price of any commodity, what would be done? For instance, if an individual back on the farm ten, fifteen or twenty miles from a post office or a store comes in and buys a pair of shoes in September, 1931, and finds that the pair of shoes is 50 cents, 75 cents or possibly $1 higher than it was in September, 1930, what is he going to do about it? That is a point I would like to have explained. Is he supposed to take it up with his member and put upon the shoulders of the member for that constituency another duty? Is the member in turn supposed to take it up with the cabinet and, after a lengthy discussion, convince the cabinet that there has been an increase in price? Then will the cabinet take it up with the manufacturer, and perhaps after the expiration of several months finally do something in regard to the matter? I would like to know what machinery is going to be instituted to deal with that possible increase in price to the consumer. Is the cabinet to deal with that as a cabinet, or will some department of the government have the supervision of that, or will we have a board set up similar to the tariff board, a body which might be called the "price to the consumers board," or some such name? I would just like to know how that is going to be handled.

I am also of the opinion, Mr. Speaker, that that statement does not go nearly far enough. So far as the part of the population which I represent is concerned, they are not satisfied with an assurance that there will be no increase in price; they are expecting and looking for a lowering of prices. The initial payment set by the pool for the handling

of our western wheat is 60 cents a bushel. The elevator handling charges and freight rates in carload lots per bushel, from my home town, are approximately 18 cents a bushel. Threshing charges run about 9 cents per bushel. Hauling charges from the machine to the elevator, on the basis of a five mile average, will approximate about 3 cents per bushel. In other words, you take off 30 cents in direct charges from that 60 cents, leaving the farmer a net receipt of 30 cents per bushel on grade 1 wheat. Let me remind you, Mr. Speaker, that a great deal of western wheat will not be grade 1, and therefore the net return to the farmer will not be so much as 30 cents. However, assuming that it is 30 cents, from that he must pay his hired help; he must pay for his twine, his cutting expense, his blacksmith and store bills, his garage account; his bank interest; his mortgage payments and interest; his land payments and interest; his taxes on his land and so on. In my part of the country the taxes on a section of farm land amount to approximately $300. That means, on the basis of 30 cents net per bushel for his wheat, that it would take just 1,000 bushels to pay the taxes on his land. If he happened to buy a new binder for which he would pay about $300, that would take another thousand bushels of wheat. If he happened to buy a disc harrow, costing $180, it would take another 600 bushels of wheat; if he wanted to put in his seed in a hurry and bought a 28-row double disc drill he would pay $360, which would take a mere 1,200 bushels of wheat.

I could go on and deal with wagons and ploughs and cultivators, and if I dealt with tractors and combines of course it would need the wheat from two or three sections to pay for them in one season.

I am not including the need of the average farmer for up to date buildings and modern conveniences, and for some profit. I have noticed in the discussions here in this chamber that we are very careful to make sure that the manufacturer must have the cost of production of his article plus a reasonable profit. Why, if the farmer during this last year or so was sure of meeting his expenses he would be tickled white. We talk about profits; such a thing is out of the question for the average farmer in western Canada to-day. I repeat, Mr. Speaker, that if prices of farm machinery do not come down rather than stay at the same level there will continue to be a great stagnation in the movement of machinery and implements in western Canada, and I fear that under this tariff as proposed there is the possibility of price levels remaining as they are, with the manufacturers hiding behind the present increase in tariff instead of lowering the prices as they should.

If this should be the case, I am sure the experience of a neighbouring farmer of mine will be duplicated in hundreds of cases. One of my nearest neighbours in 1929 used an old binder that had been in use for some nineteen years, I believe. It was worn out, and before he completed his 1929 cutting it failed to function. He came across and borrowed my binder to finish his job. Of course, he was due to buy a new binder in 1929, but he could not do so. I asked him how he was making out with the 1930 crop, and he said, "Well, I got hold of another binder older than the first one, and from that and my own binder I am putting together a machine that will cut my 1930 crop." He added, "I will not give the price they are asking for a new binder." That is the case of one individual farmer, and I am sure you would find hundreds of similar cases scattered over the prairie country. If the price of farm machinery is going to stay beyond the reach of the farmer, he will wiggle along in some other way; he will not buy new implements if he can avoid it. If he is forced to buy many of them, so much the worse for him; he will have to struggle a little harder.

We had a general election recently, Mr. Speaker. On July 28 we had an expression of opinion on the part of the people, and I think we recognize, so far as parliamentary government goes, that the voice of the people is the voice of God with us. Upon looking at the representation in this chamber I find that the number of Liberals has dropped from over 130 in the last parliament to a little over 90, a drop of over 30 per cent. I find that the Conservative representation has increased from 90 to 137, an increase of over 50 per cent. In the case of the representation from the province of Saskatchewan, I find that in the 1926 elections 17 Liberals and 4 Progressives were sent to this house; in the 1930 elections 11 Liberals, 2 Progressives and 8 Conservatives were elected, something which I believe has never happened in that province before. In the case of my own constituency, in the 1926 elections I had to struggle hard to obtain a majority of a little over 200, while in 1930, with the same political forces arrayed against me, I had an easy time in obtaining a majority of over 2,100. That convinces me that a considerable change has taken place in public opinion. In the case

of my own province the Conservative party has sprung up almost like the proverbial mushroom. That plant springs up overnight, and it comes in fairly thick too. The same applies to the Conservative party, it has sprung up almost overnight and is fairly well scattered over the province just like the mushroom, and it may not last any longer than do they.

An hon. MEMBER: Is it poisonous?

Mr. CARMICHAEL: Some species are not. This change of public opinion both in my own constituency and in my province is not so much due to a pro-Conservative point of view as it is to an anti-Liberal opinion. I think I am quite safe in making the statement that the people of western Canada are not pro-Conservative in desiring a raise in the tariffs. There are a few of the old dyed in the wool Conservatives who are Conservatives just like the man who was a Presbyterian because his father and grandfather had been of that faith. We have a few of that type who are Conservative because they cannot help it, but the majority of the Conservative vote in my own constituency, and I think possibly in my own province was more of an anti-Liberal expression of opinion than a pro-Conservative one. The public of western Canada is not enamored of any increase in the tariff rates, and I feel it my duty to endeavour to interpret the public opinion of the whole country as well as that of my particular constituency.

The view and intention of the governing body of this house is expressed in the main motion now before us, that Mr. Speaker do now leave the chair. When he so leaves the chair, we will consider the tariff items and I presume that they will be passed, although some may be amended. We have before us the opinion of the Liberal party by way of an amendment. We in this corner of the house will be asked to state what we are going to do. There is nothing particularly harsh contained in the amendment, but it is the old want of confidence motion. If carried it would mean that the government would be defeated and the Liberals would come into power. The Liberals have been sitting on the other side of the house for the nine years I have been here and I look forward to having new faces at which to look. I am not particularly enthused with the idea of putting the new crowd out right after the public has said that they want them in. I find myself faced with a problem; if I vote for the amendment I will be saying that I want the Liberals to go back into power—I am quite sure they would be willing to go—but I do not believe that the public would be willing to see that happen so soon after the general elections. While I have nothing against the amendment, I do not feel that I should vote for it.

After considering the new tariff rates and the possible effect they may have upon the country, I must say that I am not very much enthused over the main motion, but, as I stated before, the people have shown by a very definite vote just what they want done. As a matter of fact, I think that perhaps 95 to 98 per cent of the Conservative vote in my constituency was given to me. There were a few of the old hardshells who thought I was not Tory enough for them, but they did not vote at all. In voting on the first budget brought down in this house I do not feel like saying that I do not want it. I am not enthused over it, but I have not been convinced that I should oppose it. Personally I feel that public opinion should be interpreted as it has been expressed in the federal elections. I feel like reiterating what the public has said: "Give R. B. Bennett a chance." That, in essence, is what the public has said, and if we, less than two weeks after the session is called and less than two months after the general elections, endeavour to put him out of business then we would not be giving him a chance. We should give him a chance and I do not feel like opposing that which he has proposed.

It is quite possible that the real essence of wisdom as propounded from this corner of the chamber will be put forward by way of a subamendment. If such be the case, knowing that anything that emanates from this corner is sound and good and for the welfare of the country, I will give that measure my full support.

Mr. YOUNG: Whatever it is?

Mr. CARMICHAEL: Whatever it is it will be good, and I am quite sure that it could be supported by any hon. gentleman without any political qualms of conscience. Having done that, unless someone insists, I think I will keep my chair warm during the two successive votes.

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I have no intention of making an extended speech, but I feel that I should, on behalf of my constituents, place on record my protest against these new tariffs because of the reasons so ably given yesterday afternoon by my hon. leader. I object to the secrecy which has surrounded the representations upon which the tariffs were framed. I do not think

that that is the correct system to be followed in making tariffs; the system of compelling applicants for tariff favours to appear before a tariff board and publicly state their reasons is the better system. I object also to the delegation by this house to the ministry of the power to raise tariffs without reference to the house. I believe that that is wrong in principle, I object also to the exploitation of the consuming public and of the exporting industries of Canada which is inevitable under this tariff. I attach no importance to the undertakings which the Prime Minister has received from certain combinations of manufacturing interests in this country. Those undertakings can be too easily evaded; they can be broken without any possible risk of detection, and therefore I believe they will be valueless as a real guarantee to the consumer that he will not be exploited.

With those general observations I want to proceed to a very brief statement of what I believe to be the opinions of the majority of the people in my constituency. My constituency is almost wholly agricultural and the form of agriculture in which a great number of the people are engaged is the growing of apples. Our apples, as I have stated to the house on other occasions, are very largely exported. They are sold in England. The millions of dollars that come into my constituency every year is English money and to that extent the interests of those people are very largely identical with those of the wheat growers of the west who have in this parliament such an aggressive, able representation on this side of the house. The exporting industries of Canada will be penalized by this legislation, protection being impossible for them, and so far as the apple growers of Nova Scotia are concerned it will not suffice for the government to say to them that under an order in council or a valuation fixed by the Minister of National Revenue they have raised the duty on apples, because 80 per cent of our apples are exported. Eighty per cent of the apples of British Columbia are, I believe, sold in Canada, and they may benefit by higher duties, but in Nova Scotia where we raise two million barrels of apples a year and where last year we raised as much as all the rest of Canada put together, the benefit from the imposition of higher duties will be infinitesimal. There is a tariff measure that would be of benefit to the apple growing industry of Nova Scotia, but that measure would have to be passed by the British parliament, not by this parliament. If the people, the government, the parliament of Great Britain could be prevailed upon by the Prime Minister of this country when he goes to the imperial economic conference, to alter the fiscal policy of England, place a duty on foreign grown apples and leave our apples on the free list, that would actually put money into the pockets of the apple growers of Nova Scotia. I want him to try to have that done, because unless he does something like that we are going to get nothing but harm from the fiscal policy of his administration. The efforts of this session of parliament are wasted so far as the apple growing industry of Nova Scotia is concerned. I want the Prime Minister to go to the imperial conference. I would like to see this debate end on Saturday and parliament prorogue on Saturday. I do not want him on any account to miss that conference and I want him to do the best he can to effectuate the end that I have suggested. But I do not think that raising the duties here on British manufactured goods is a good beginning. Before he starts his argument he gives John Bull a smashing blow in the face, and I do not think that is a good start. It may be, however, that he can accomplish something and I want him to try.

Let me say to the Prime Minister what certain hon. members from the prairies have said to him in reference to the wheat growing industry. Unless something of that sort is done for the apple growing industry of Nova Scotia, some measure should be passed by parliament at the next session to do something for the relief of that industry. It will not do for certain industries in Canada to be benefited at the expense of the public, of other industries in Canada. That policy cannot be satisfactory to the people of this country as a whole. If there is going to be a handout from the public treasury, it must be an all round handout. If certain industries are going to be fed by the public, then all industries must be fed by the public. I do not think that is a good policy to start with, but it has been started by this government and we cannot stop it in this parliament. It may be that the government will find itself in the same position in which governments of Australia have found themselves. By protecting certain industries they have rendered it necessary that bonuses be given to certain other industries and they have protected themselves and bonused themselves nearly into bankruptcy. That may be the end of the protection-mad system now being inaugurated by the government at the first session of parliament after the election.

Those are the only observations I have to make and I think in justice to my constituency I should put them forward on this occasion. I want to make some remarks regarding some of the individual schedules, but I will reserve them for committee.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is gratifying to me that before this debate concluded, some one stood up for the interests of agriculture both east and west. If there is one striking fact with regard to the budget which is now proposed, it is that in it there is no provision whatever that offers in any way any assistance to agriculture in western Canada. I have heard the hon. member for Hants-Kings (Mr. Ilsley) discuss the problem of the apple industry of Nova Scotia, but the condition of the apple industry in Nova Scotia is nothing as compared with the appalling conditions of the wheat growers on the western plains. I wish I had the language with which to tell you, sir, of the scenes I saw when I returned from this house after the conclusion of the last session of parliament. I saw thousands of acres blown clear of soil and seed. I saw the trains stopped for seven consecutive days on account of soil drifting in cuts north of Swalwell. I saw land blow that had never blown before in the history of that province. We had drought conditions such as we never had since the long period of drought prior to 1921. Coupled with that we have a price condition, a world market condition unparalleled in the history of this country.

The western wheat grower is at the moment pauperized. He is almost without hope. But during the last campaign Conservatives of all stripes offered to him pledges, promises of immediate relief, promises that a way would be blasted to the markets of the world. In that "blasting" speech which has caused more blasting than any other speech that has ever been uttered, we were told that a way would be blasted for our wheat to the markets of the world, while the western farmer stands aghast at the problem which now faces him. What he is going to do this winter I do not know. I saw tens of thousands of acres of land bereft of their crop this year and thousands of farmers bereft of every dollar of cash they had. Those farmers have nothing but debts piled high upon them. The problem of unemployment, ghastly and serious as it is, is the problem of men who have nothing, it is true, but the prairie wheat grower to-day has less than nothing for he has piled on top of the penury which faces him on account of climatic and world conditions, debts that he has accumulated over the last three years and the last two years in particular.

Mr. LAVERGNE: He owns his land.

Mr. GARLAND (Bow River): The ignorance of the hon. gentleman is striking. It demonstrates the eastern mind, that narrow conception of western conditions. It typifies the mind one finds in the speeches uttered by Senator Casgrain in the last campaign.

Mr. LAVERGNE: What is the difference between the western farmer and the Quebec farmer?

Mr. GARLAND (Bow River): My hon. friend should travel west and he would know. The mortgage companies and banks own our lands.

Mr. COTNAM: The same in the east.

Mr. GARLAND (Bow River): Why does the hon. gentleman say we own our lands? There could be no more stupid utterance in this house. The Quebec farmer is not in any better position, if conditions are the same in the east.

Mr. LAVERGNE: But we are not complaining.

Mr. GARLAND (Bow River): No, unfortunately the farmer of Quebec is not represented in this house; certainly he is not represented on this side of the house. I have not heard his cause defended with any eloquence; very rarely in the last nine years has his cause been mentioned. In fact I have heard reference concerning the Quebec farmer to the effect that he was well satisfied, that he was milking some cows, that he was content with his lot and the he did not aspire to motor cars or better living conditions, modern electricity and modern plumbing.

Mr. LAVERGNE: My hon. friend is now showing his ignorance. From the statement he has made I would judge that he does not know anything about Quebec. If he knew anything about that province he would see plenty of motor cars and plenty of evidence of electricity.

Mr. GARLAND (Bow River): I am telling my hon. friend of statements which have been uttered by his colleagues in this house.

To return to western conditions may I refer to a press despatch published in June, 1930, announcing that a group of Canadian insurance and mortgage companies had foreclosed on about 848,000 acres of farm lands—

nearly 1,000,000 acres. Those lands in the prairie provinces were taken over, and the insurance and mortgage companies were organizing them into large unit farms or groups of farms. This action was taken to institute a new idea with regard to farm management and control. It may be that that is the only solution; it may be that eventually western Canada will have to abandon its present conception of individualistic farming. It may be that we will have to group ourselves together in a joint stock company. We may have to appoint a board of management and secure scientific management of large farm units, and it may be that in the long run such action would be more effective. That however would be the evolution of a generation or probably longer. In the meantime what will happen? The mortgages on a million acres are foreclosed. Even the great Canadian Pacific Railway provides me with a striking illustration, and I wish the leader of the government (Mr. Bennett) were here this afternoon to hear what I have to say. In the municipality of Keoma, which happens to be in my own constituency, and which is one small portion of that immense five million acre block controlled by the Canadian Pacific Railway Company, the railway secured quit claim deeds to, or dispossessed, some 17,765 acres of land involving the livings of 110 families. In one municipality the action of that railway company affected 110 families. The farmer was ordered to sign quit claim deeds in return for one dollar, and I was told by one gentleman that he did not receive his dollar. The farmers gave quit claim deeds, and then in order to avoid censure for its unjust and drastic action the railway company said, "We will be willing to rent your lands to you for one year, subject to sale." Who would want to rent a wheat farm for one year? It was a definite form of eviction; it was nothing more or less than eviction by the Canadian Pacific Railway because these men had not been able to meet their arrears of payments. Those men are now organizing rapidly. Volunteers are travelling over that territory to organize these farmers into a body for their own protection against this condition of affairs. We have an administration in power whose representatives during the campaign throughout the west promised definitely that as soon as they were returned to power they would remedy this condition of affairs. But what have we here? There is not even a proposal to remedy such a condition; there is not even a suggestion of definite action. What does the leader of the government say? At page 243 of Hansard he is quoted as follows:

> But I may add, that the particular and urgent problem of the marketing of Canadian wheat is receiving the further attention of the ministry, which is giving consideration to the most effective means of meeting the difficulties which now confront the basic wheat industry.

Later on he is quoted as follows:

> We believe the investigations that are now being carried on will have a beneficial result and so far as lies within our power we will endeavour to secure the ends that we all aim at in that regard.

There is not a thing to help us. How long are we going to have to wait for some statement. "Investigations"—that is why they criticized the late government. They were investigating and considering. Can we not get a statement as to what the intentions of the government are? How long are we going to have to wait? What are we going to do this winter? How are we going to get seed and feed?

An hon. MEMBER: What do you suggest?

Mr. GARLAND (Bow River): The suggestion has been made a dozen times, but what was the response? The other day the response of this government was to impose upon the agricultural industry tariff handicaps so overwhelming that there is but little hope of an early recovery of the industry. That was the response of the Minister of Trade and Commerce; that was the response of the Prime Minister of Canada. The response was to increase the protective duty, to increase the duties on everything we need for the production of our produce; and they have been pleased to call such action "Relieving the industry". They send that to us as a solution of the problem. What mockery; what hyprocrisy! I wish I had within my command the language to describe such action. Here we have under the general tariff a duty of 14 cents per pound on butter. The hon. member for Winnipeg North Centre (Mr. Woodsworth) raised the point that the price of butter had increased four cents.

Mr. LAVERGNE: Has it gone up? Would the hon. member allow a question? Has the price of butter gone up?

Mr. GARLAND (Bow River): Mr. Speaker—

Mr. LAVERGNE: It has gone up, thank God.

Mr. GARLAND (Bow River): I stated that the hon. member for Winnipeg North Centre had read a press despatch to show that the quotations on butter had advanced to the extent of three or four cents. Mr. Speaker, may I point out to the government that the producer is not getting that additional price and it is probable that he will not get it. Supposing however that the producer does get it; what has the government said? They have pledged themselves that prices will not be advanced; if prices are not advanced I ask the government of what advantage to the butter maker would a fourteen cent duty be? What good under heaven can it do them? Owing to the fact that I have rented my farm I had occasion to buy butter from my neighbours during the past year. I paid twenty-five cents a pound for excellent butter. They cannot produce it for that price, but they were producing it because their cows had to be milked. The government has said that they are going to provide a market; what is the use of a market if the price must remain where it is. Hon. members must know that we get into a horrible mess when we try as a parliament to do impractical and impossible things. There has been no human means devised by which any government can seriously pretend that it can control prices so as to prevent the exploitation of the consumer There never has been and there is not now any proposal which would do that. The government has said that it has received assurance from the manufacturers that they will not take advantage of the tariff changes. Assurances of the manufacturers—I do not wish to charge all manufacturers with being less dishonourable and untrustworthy but I want to say that a great percentage of them are not at all reluctant to take advantage of an opportunity of this kind. Did we ever hear that before in this house? Did we ever hear a pledge of that kind given solemnly by a minister of the crown? Did we ever hear the government stand up and state it would see that the price did not advance, or rather that the consumer got advantage of the benefits given to the producer? In 1926—and I have under my hand Hansard in connection with it—the then Minister of Finance stated in this house—I am quoting from page 4124:

> The automobile people said to us—

That is, the government.

> —that they were unable to reduce the price because of the excise tax we impose, and I asked them, "Well, if I remove this excise tax to a degree will you give me a guarantee that you will pass that entire reduction on to the consumer?"

Then the Minister of Finance continues:

> I have under my hand a letter from the Automotive Industries of Canada dated June 5, 1926, which I desire to place on Hansard:

I presume, Mr. Speaker, we shall hear read in this house assurances similar in character received by the Prime Minister of this country from manufacturers who are now going to receive increased tariff protection. The letter which the then Minister of Finance read into Hansard is as follows—

Mr. LAVERGNE: Does my hon. friend object to farmers getting more money for their butter?

Mr. GARLAND (Bow River): There is a peculiar type of political mind—

Mr. LAVERGNE: That is not much of an answer.

Mr. GARLAND (Bow River): I prefer not to mind the gentleman. The letter is as follows:

> Hon. James A. Robb,
> Minister of Finance,
> Ottawa, Ontario.
> Dear Sir,
>
> I have discussed with the Canadian manufacturers of motor cars the effect of the proposal to eliminate the 5 per cent excise tax on cars which are 50 per cent produced in Canada (or 40 per cent produced in Canada, until April 1, 1927).
>
> I am authorized to state on behalf of the following firms—
>
> Ford Motor Company of Canada, Limited,
> General Motors of Canada, Limited,
> Dodge Bros. (Canada), Limited,
> Willys-Overland, Limited,
> Durant Motor Company of Canada, Limited,
> Studebaker Corporation of Canada, Limited,
> Chrysler Motor Company,
>
> that immediately such removal of excise tax is announced, the delivered price to the public, on the cars which qualify for this exemption, will be reduced by the amount of the excise tax applying to such cars. This includes all the important manufacturers of passenger motor cars in Canada.
>
> Yours very truly,
> Automotive Industries of Canada,
> T. A. Russell,
> President.

A considerable discussion ensued at a subsequent date. On that occasion the then member for Saskatoon, Mr. Young, made a recommendation to the administration that in order to show good faith in the matter they should at least include a clause in their budget proposal which would place beyond any question of doubt the intentions of the administration in this regard. The then Minister of Finance stated there was no necessity for that. Some years later, in 1928 to be exact, the hon. member for Macleod (Mr Coote)—to whom any glory or credit in re-

gard to the reduction of the duty on automobiles is due—again raised this question. He wanted to know if the Minister of Finance could now inform the house as to whether or not the manufacturers had passed on the saving to the consumer. The reply was that inquiries had not been made by the ministry, the ministry did not know, but no complaints had come to hand and therefore they presumed the manufacturers had not taken advantage of the privilege. Fortunately the group in this corner of the house was persistent in the matter. Several of our members cross-examined the minister and the administration, with the result that the then Minister of Finance stated that he would investigate. But let me give a quotation here, which while uncharacteristic of the Liberal mind, we may expect to be completely characteristic of the Conservative mind. Mr. Gardiner, the member for Acadia, asked this question:

In view of the importance which was attached to the document—

The letter that I have just read.

—which the minister read to the house at the time of the reduction in the automobile tax, and in view of the promises he made to the house at that time, has his department made any inquiry to see that that agreement has been lived up to?

This was the answer by the late Mr. Robb:

I can tell my hon. friend that we have quite enough to do without chasing after trouble. We have had no complaints.

I expect that type of answer in the future if this unfortunate legislation goes through.

Mr. MANION: Not from this government.

Mr. GARLAND (Bow River): Not from my hon. friend who is so courteous, from others I know from whom we have been getting them already. It was in the session of 1928 that an investigation was promised. The investigation that took place Mr. Speaker, is revealed in Hansard of April 12, 1929. What did the investigation consist of? Here was a minister of the crown backed up by his government definitely pledged to see that the manufacturers did not take advantage of the tariff privilege, and that if they did, that privilege would be at once withdrawn, a definite pledge made in the house, with letters of assurance from the manufacturers concerned. Nothing is done for several years. Inquiries are made and an investigation promised. Then what happens? The then Minister of Finance writes a very nice letter to each of the motor car companies in Canada asking them to state whether it is true or not that they have been taking advantage of this privilege. Even then all of them are not able to say that they have not taken advantage of it; in the case of the three largest companies, the Ford, the Willys-Overland—Mr. Russell's own company—and the Chrysler it was quite evident that they were taking full advantage of the privilege they had received. This was again stressed in the house. Subsequently the matter went to the tariff board. The tariff board examined it in connection with the iron and steel hearing, and beyond question the evidence—evidence, mind you, not mere allegations in the house, not mere letters—the evidence shows definitely and conclusively, and it will be found on pages 88, 89, 99 and, I think, 169, in volume No. 3 of the Automobiles and Parts, Iron and Steel Hearing—the evidence, I repeat, shows conclusively that Mr. Russell and others had taken full advantage of the situation and had not passed on the saving to the consumer.

Now, Mr. Speaker, there is the only illustration we have of an attempt on the part of an administration to enforce a pledge made to the House of Commons—a pledge given by the manufacturers to the then Minister of Finance. What further assurance have we now?

Mr. YOUNG: None.

Mr. GARLAND (Bow River): Yes, we have just one. We have here clause No. 18 which was not previously embodied in the customs tariff. This clause reads:

In the event of the producers of goods in Canada—

By the way, butter makers are producers of goods too.

—increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

What does it mean? Of what effect is it? It is the same window dressing, the same empty nothing which we heard so much of during the campaign.

Mr. YOUNG: There is nothing new in it.

Mr. GARLAND (Bow River): What can they do? What is the machinery by which this is to be done? Where is your board of investigation or commission? Are you going to accept the assurances of the manufacturers, when we know very well they will take advantage of the tariff if they can get away with it? Are you going to take their mere assurance? Are you going to have a royal commission or a board of some kind appointed, or even a branch of the Depart-

ment of Labour set aside for the purpose of continually checking and comparing prices and analysing them to find out whether or not the manufacturers are taking advantage of the tariff? What practical machinery is to be set up? In no other way can the ministry show faith or justify themselves in standing in this house and declaring that they are protecting the consumer.

Some years ago this house passed legislation providing for a duty on magazines, all fiction in character, such as the Argosy, Western Stories, True Stories, Real Romances. I happened to be in the city of Drumheller shortly afterwards and, wishing to buy Good Housekeeping for my wife and Cosmopolitan for myself—I was going on a holiday—I went into a store and asked for these magazines. The storekeeper asked for each magazine 10 cents more than the price had been until the increase in the tariff. I asked him what was the reason for the increase in price, seeing there was no change marked on the cover. He said it was on account of the duty. I did not understand, I told him. He informed me that the dealers all had a circular from the jobbers instructing them that the duty had gone up and that they should therefore advance the price of the magazine. I asked him to show me the list and after some trouble this Greek newsagent discovered the list and showed it to me. I read it carefully, and I really did not know that there were so many fiction magazines on the North American continent; there was a tremendous list of them. In that list there were no magazines that contained special articles, educational or otherwise, which were exempt from duty. I handed the list back to the Greek and inquired what means he had of ascertaining why there should be this increase in price. He said that perhaps the intimation of the change might not appear on that list but the jobbers had said that there was a subsequent list which was on its way, authorizing the increase. But he could not produce that list. The fact simply was that he and several other retailers were taking the fullest possible advantage of a duty which did not even apply to the articles on which the additional charge was being exacted. Now what steps could be taken to meet such a situation? Who is going to undertake the investigation of such conditions? Who will be policeman and lay charges? Until these things are cleared up—and they cannot be cleared up—I say this house is not justified in accepting at its face value the statement contained in section 18 of the revision of the tariff act of this year. It will not be done.

I try to be reasonable, and I say that if the administration can show me any practical means by which they will protect the consumer against exploitation by the manufacturer and the retailer then they have removed from my mind one of the greatest obstacles to protection, though not all of them. And what about the retailer? The Minister of National Revenue the other day stated in answer to a question from this corner that the pledge which the Conservative party had given referred to the producer and manufacturer; therefore by implication it did not include the retailer. And what is to stop the retailer from taking advantage of the situation? I have given an illustration and I venture to think you will find thousands of similar instances where the retailer has taken the fullest possible advantage of the tariff. How is the public to be protected?

I most sincerely hope that before this debate concludes the administration, through some responsible minister, will demonstrate that point. I should like to know what machinery, what regulations they have drafted to meet the situation. Let them give some definite plans by which this section 18 can be implemented. But there is nothing definite so far, and apparently no one is responsible. There is not one single iota of responsibility except such as is contained in that wild and innocuous pledge, "We will perish in the attempt." Of course they will; there is no question about it. But I hate to hear so young a party so drunk with power sing its own swan song before it has even begun its ministry.

They say—and here we come more directly to the question under discussion—that the proposals they have made, coupled with the advance in the tariff schedules, will end unemployment. Well, no one who thinks or reads has any misconception of that suggestion. I do not think many people have been deceived. Many people thought that the former administration was almost as protectionist in character as the Conservative party and that there was evidently no sincerity in regard to the question of lower tariffs, and such people decided that they might as well have a party sweepingly protectionist and get a taste of that sort of protection. Well, they are getting it. Whilst I deplore the policy, and I am satisfied that it will be utterly futile, and will not accomplish its objective, indeed will probably be costly, I can sincerely congratulate the leader of the government and his colleagues on their absolute and unquestioned sincerity in this. They are carrying out their pledge to this degree at least, but they are attempting to do the im-

possible and are adopting wholly impracticable and uneconomic methods to do it. Why do I say so? I am not unbuttressed in my statement. I will call as witnesses three men who are probably amongst the eminent economists of North America. In the republic to the south of us we see a nation which, according to the leader of the government, blossomed and fruited under the protective policy, a nation whose greatness and wealth are due to protection. If we go to the city of New York and spend some time on Broadway or Fifth avenue, going to the Canadian club or to some hotel of millionaires, and passing a day or two there, we may come back with an impression of wealth. But there is a contrary condition of affairs if we look for it. It is needless for me to repeat the statement made so often in the campaign and repeated in this house, that the percentage of unemployment in the United States exceeds the percentage in Canada considerably, in spite of the existence there of the policy now advocated here to stop unemployment. What are the general conditions in the country? That gives us a fair conception of the effect of protection on a people. I am not talking about the effect of protection on gentlemen like my hon. friends opposite. The effect on them is obvious: it is happiness and wealth and comfort, and a good income. I am thinking of the effect of protection or the mass of the people. Secretary of Labou. Davis of the United States was approached by the Welsh miners for relief during the appalling conditions that existed in the old country some years ago, and in 1929—some time in February, I believe—he made this statement in reply to the appeal that had been made:

> Here and there has been for many years in Europe, and especially since the great war, an impression that all Americans are wealthy and that poverty among us is conspicious only through its absence. I wish, indeed, that the popular European impression were a true one, but no foreign impression of us has ever been more false. . . .
>
> I admit that the American worker is better off than the worker of any other country in the world. But the American worker is not dwelling in Utopia. No country can be considered Utopian when 86 per cent of its people are poor.

Mark you, that statement is made by the Secretary of Labour in the United States, the most highly protected country in the world. Then we have the statement of Mr. Brougham of the Pollack Foundation, published in the Christian Science Monitor of November 4, 1927:

> There are about 76,000,000 persons living not very prosperously. They have only a bare subsistence and the simplest comforts, with nothing left over for unemployment or for investment.

[Mr. E. J. Garland.]

I take now a third authority whose eminence will hardly be questioned, Professor Irving Fisher of Yale. Professor Fisher claims that the American people certainly are not prosperous and says:

> In fact, four-fifths of them, or more than 90,000,000, seem to be making only a little over expenses. They can lay up little, if anything, for a rainy day.

Not only has it not cured unemployment, but it has left that country in a precarious situation. That may not be the only factor; by no means would I pretend that, but it has not raised the income of the masses of the people in proportion to the development of the wealth of the nation, or anything like it. Now we have from Great Britain another authority, a financial expert and also a manufacturer, I understand. I refer to John Maynard Keynes. In an article in MacLean's magazine some time ago Mr. Keynes said:

> If there is one thing that protection cannot do . . . . it is to cure unemployment.

In this article Mr. Keynes conducts a literary post-mortem on the remains of the British Prime Minister's protective campaign during the recent elections. Perhaps he may be doing the same in the near future with regard to Canada. He admits there may be some arguments for protection based on the key industry idea, to which there is no simple answer, but the claim to cure unemployment involves the protectionist fallacy in its grossest and also its crudest form.

I also find an interesting comment in the Wall Street Journal, a paper which I have no doubt my hon. friends opposite read. The Wall Street Journal received the Hawley-Smoot tariff bill, to which this is a very close parallel in many respects, with condemnation of the bitterest kind, and during the course of its editorial criticism said:

> The Hawley-Smoot tariff bill will lessen exports and increase unemployment.

I call now my final witnesses; I refer to the unanimous economic opinion of the United States of America, the entire scientific economic opinion of the whole of the United States as expressed by 1,028 economists representing every college and university of standing in that country, representing also bankers, industrial concerns and many others interested in the question. These men memorialized Mr. Hoover on May 5, asking him not to sign the Hawley-Smoot bill for reasons which they gave. In passing I am going to give this house just one or two of those reasons, which apply as definitely and directly to the present situation in Canada as they then did and still do in the United States. These economists were headed by men like Professor Irving Fisher of Yale, Professor Frank W. Taussig of Harvard,

Professor Frank A. Fetter of Princeton, Professor Wesley C. Mitchell of Columbia, Professor J. Laurence Laughlin of the university of Chicago and Professor Willford I. King of New York university, and represent the entire economic opinion of the United States.

Someone asks how I happened to get this document. I wrote to Mr. Fisher, whom I happen to know, and also to Mr. Taussig, asking for a copy of their memorial. They regretted that they did not have a copy, but forwarded my letter to a man whom I did not know, Doctor Clair Wilcox, of Swarthmore, Pennsylvania. He replied, referring to me a copy of the New York Times, and in his letter he said:

> The document, however, was reproduced in full in the New York Times for May 5 . . . . The statement represented the unanimous judgment of American economic science against the bill. By to-day's announcement of his intention to sign, the president forfeits all claim to his status as an economist. His action is to be deeply regretted.

I say the same thing to the leader of the government. He forfeits any claim, if he ever had it—but it is obvious to anyone that he never had any—to being an economist. He is a practical lawyer, a good business man and a good deal of a politician, but he has forfeited any claim he might have had to being an economist. It may be that he is well qualified in other matters, but he has not shown any sign that political economy has been any study of his or that he knows anything about it. These scientists, men whose lives are devoted to the study of problems such as tariffs and their effects upon nations and international matters, say:

> We are convinced that increased restrictive duties would be a mistake. They would operate in general to increase the price which domestic consumers would have to pay. By raising prices they would encourage concerns with higher costs to undertake production, thus compelling the consumer to subsidize waste and inefficiency in industry.
>
> At the same time they would force him to pay higher rates of profit to established firms. . . .

And so on. They continue:

> A higher level of duties, such as is contemplated by the Hawley-Smoot bill, would therefore raise the cost of living and injure the great majority of our citizens.

Exactly the same words apply to the present proposal.

> Few people could hope to gain from such a change. Miners, construction, transportation and public utility workers, professional people, and those employed in banks, hotels, newspaper offices, in the wholesale and retail trades and scores of other occupations would clearly lose, since they produce no products which could be specially favoured by tariff barriers. The vast majority of farmers also would lose. Their cotton, pork, lard and wheat are export crops and are sold in the world market. They cannot benefit, therefore, from any tariff which is imposed upon the basic commodities which they produce.

Nothing is more definitely certain than that one single fact, that basic commodities for which we must find a market in the markets of the world cannot be protected, and in fact all we have done by these tariff proposals is to condemn to further penury and misery those millions of men to whom the Prime Minister said the other day was due the credit for the creation of that great new volume of national wealth every year, upon which the very prosperity of Canada depends. They are condemned to penury and poverty so that the protected interests of the east may benefit, so that they may put in their pockets and in their bank accounts their increased profits. Those who will study the information given out from the satistical branch here in Ottawa and from similar branches in the United States and Great Britain will find that the average percentage income of the workers, and the great masses of the people, has declined during the last five years by some 27 per cent, whereas the income of those in the upper classes has increased by over 65 per cent, and in some cases by 125 per cent.

This gives an illustration, Mr. Speaker, of the problem facing us. This administration asks us to make the rich richer and the poor poorer. I now beg to move, seconded by the hon. member for Winnipeg North Centre (Mr. Woodsworth) the following subamendment:

> That the amendment be amended by striking out all the words after "that" in the first line thereof, and substituting the following:
>
> Whereas this session of parliament has been called for the purpose of dealing with unemployment;
>
> And whereas there also exists an extreme agricultural depression largely due to our inability to sell our wheat and other agricultural products at profitable prices, thereby contributing to unemployment;
>
> And whereas the government has introduced as a remedy for the existing economic depression a steeply graded increase in our tariff schedules;
>
> While this house welcomes the assurance of the Prime Minister that prices will not be raised, this house is not convinced that any adequate means of enforcement is provided.
>
> Further, this house regrets that there is no definite provision for safegaurding the standards of labour.
>
> This house is of the opinion that the proposals of the government do not constitute a permanent or general cure for unemployment.
>
> In particular they will not enable us to secure markets for our agricultural products.

In general this house is further of the opinion that a solution of our problems can be found only by the adoption of co-operative principles in production and distribution, and by the public control of credit.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, as representing the Labour group in this house, I have much pleasure in seconding the resolution as proposed by the hon. member for Bow River (Mr. Garland). The positions of the three groups in this house are reflected fairly in the three proposals now before us. The amendment proposed by the Liberals offers no constructive alternative to the proposals of the government; it contemplates unregulated trade. The tariff proposals of the government provide for trade regulation in the interests of big business. Our subamendment provides for trade regulated in the interests of the people at large. I think that these three resolutions fairly well represent the three different types of thought to be found in this country. Although in some minor matters the Labour group may differ somewhat from the agricultural group, on great principles it would seem as though close cooperation is quite possible, and that we are able to unite on a resolution of this kind is indicative of that fact. The other day there was somewhat of a sneer from someone across the floor when my colleague from North Winnipeg (Mr. Heaps) was speaking. The words which came to my ears were "soap boxer." History shows that very frequently the soap boxer of yesterday becomes the politician or even leader of to-day. In reality nearly all reforms have started because of the needs of the common people, and those reforms later have found expression in policies of governments. Although it may arouse the ire of some opposed to reform principles, I would give as an example the case of Lenin in Russia. Twenty years ago this man was practically an outcast, no one cared what he thought about the big problems of the world.

Mr. LAVERGNE: Would the hon. gentleman permit a question?

Mr. WOODSWORTH: Quite so.

Mr. LAVERGNE: Is Lenin the same man who killed a woman in a cave?

Mr. WOODSWORTH: I have no knowledge of that. I am giving this as an illustration of certain statements which I made a few minutes ago. Twenty years Lenin was a despised leader of a little despised group and—

Mr. LAVERGNE: He is to-day.

[Mr. E. J. Garland.]

Mr. WOODSWORTH: Mr. Speaker, if the Deputy Speaker of this house (Mr. LaVergne) will kindly refrain from interrupting I shall be very much pleased.

I was about to say that to-day we must recognize the fact that whether or not we like the man Lenin, the doctrine he taught twenty years ago to obscure groups is to-day being put more or less into practice by a great population, known as Soviet Russia.

An hon. MEMBER: That is a good example.

Mr. WOODSWORTH: For the moment I am not saying whether they are right or wrong, but so great have been the achievements of the ideas propounded by that man that to-day we in Canada are being worried because of the shipments to this country of Russian pulpwood and coal and our farmers are being worried because of the competition from Russian wheat.

An hon. MEMBER: They would not keep you in Russia long.

Mr. WOODSWORTH: I observe that my remarks have called forth some interruption from the other side of the house.

Miss MACPHAIL: It is from new members.

Mr. WOODSWORTH: I am glad to know that the interruption is coming from new members who do not know very much about the record of some of us in this house. For their benefit, it might be well to state that the three Labour members at present in this house were all opposed by communist candidates. We fought those communist candidates during the last elections, so perhaps some of the newer members who are so excited will realize that some of us are not entirely in favour among the membership of the communist party. Those candidates opposed us because they thought that our particular kind of socialism or communism was spurious. We should not permit ourselves to be confused by mere words and phrases, by prejudices which have been fostered through the years or, shall I say, by the ignorance from which we have not entirely emerged. Sometimes we receive from the supply office stationery printed in French instead of English, and I note the word "Chambre des Communes." I give this as an example that words in themselves do not amount to very much. We should get behind words and consider the new movements which are astir in the world.

I have in my hand a book which was published several years ago entitled A Constitution for the Socialist Commonwealth of Great Britain and written by Sidney and Beatrice Webb. Sidney Webb is now Baron Passfield and is recognized as one of the outstanding leaders not only in the Labour government but in economic circles in Great Britain and indeed in the world at large. This book very frankly and very specifically outlines what the writers believe may yet be the constitution of Great Britain. Under these circumstances it seems to me that we should not simply brush aside some of these newer reforms—or shall I call them newer theories of economics and politics which are facing us at the present time.

We are being driven by irresistible economic forces to the regulation of trade. Unregulated competition was highly praised one hundred years ago, at which time our present system began to attain its present form. We all know that a well established school of political economy was founded on that theory, in fact our orthodox economics of to-day are based largely on the idea that the competitive system is the best to meet our needs. The Liberal party of Great Britain, which flourished during a period when this school of thought had the greatest vogue, adopted for the most part the policies of this school. It is the conception very largely current in the writings to be found in the pages of our newspapers, and is accepted generally by the man on the street. Indeed it is the system under which we have been living for the last hundred years. It is not a very old system, although some who are not familiar with history believe that it has come down from time immemorial. It is commonly known as the capitalistic system; under it control is placed in a few hands.

Before our very eyes this system is failing to function. In the long run I suppose we are all pragmatists. We all ask with regard to any theory or system: Will it work? He would be a bold man who would contend that the present system is working very satisfactorily. The present system of competition as between great nations led us into the great war. I think almost everyone recognizes to-day that the causes of the great war were fundamentally economic.

I have mentioned Russia. In Russia there is perhaps the most complete regulation of industry that exists anywhere in the world to-day, but I might also mention another country, namely, Italy, where there is a dictatorship under which there is a great regulation of industry.

Mr. GARLAND (Bow River): The hon. member might even mention Canada now.

Mr. WOODSWORTH: I might mention the recent occurrences in Germany. Hon. members who are following European politics know that at the recent elections, the rise not merely of the Socialist group but of the so-called Fascist group indicates that the general public is very much dissatisfied with existing governmental machinery and methods and is feeling its way towards something else. In Great Britain, if we may come to the country that we know best, I think the very existence at the present time of a Labour-Socialist government is an indication that the older policies of the Conservative party and the Liberal party were not meeting the needs of that great industrial country. Every one must recognize that the Labour party in Great Britain is not in a position of very great power. It is a minority group. Perhaps it is easy for us on the outside to criticize, but if there is any criticism of the Labour-Socialist government of Great Britain to-day, it is that they are not pursuing a strong enough line of policy. The fact is that the world is groping its way out of the industrial, financial and commercial anarchy which we have been experiencing towards a more satisfactory system. At least I hope it is groping its way out. It is making an effort to change the present system.

I ask: What about the position in Canada? The manufacturers on all sides, and I think I may say the producers generally, are seeking larger markets. The trouble is that wherever we go to-day, whatever country we visit, we find that the same thing is true. This has led us to the conclusion that there is what has been called over-production, or what perhaps has been more properly termed under-consumption, a lack of purchasing power. We have that all over this country in every line of business. We have a very serious state of affairs among our farmers, as has been outlined by the hon. member for Bow River (Mr. Garland).

Then there is the question of the position of the consumers. From the purely business standpoint I think we all recognize that it is serious if the costs of living are too high. It means that it is difficult for us to produce in this country in competition with producers in other countries. Undoubtedly the costs of living are high. I will not say that this is solely because of the protection which has been given to our manufacturers, although in this connection I should like to point out—and had the session been longer I should like to have dwelt on this at greater length—that even with regard to the fundamental neces-

sities of life our costs are tremendously high. Take the cost of bread. In Great Britain bread is 4·4 cents per pound. In the United States the price is just double, or 8·8 cents per pound. In Canada the price has been 7·7 cents per pound, although there has been a drop recently to about 7·6 cents per pound. Our levels are very much those of the United States. Why should the price of bread in this country, that produces such enormous quantites of wheat, be double that of the price of bread in Great Britain? The pound and a half loaf which is the commonest among us sells for 12 cents. The farmer gets only 2 cents. Who gets the other ten cents?

Mr. MANION: Have high wages in Canada not something to do with that?

Mr. WOODSWORTH: Yes, but I simply put the question: Who gets the other ten cents?

Mr. GARLAND (Bow River): The worker does not get the ten cents.

Mr. WOODSWORTH: No. In this connection there is a very interesting table contained in a document entitled Competition and Profit in Bread and Flour, prepared by the United States Federal Trade Commission in 1928. It was based on conditions which existed in 1924 when the cost of bread was almost the same as it is to-day. With the consent of the house I should like to have the table placed on the record. It is as follows:

Distribution of the Consumer's Price of a Pound of Bread, for the Years 1922–1924(1)

Item	Margins		First cost: cents per pound of bread
	Cents per pound of bread	Per cent of retail price	
Producer of wheat	1·145	13·40	
(Price received by producer, covering all costs and net profit on flour content of wheat required for 1 pound of bread)			(2) 1·145
Country elevator	·068	·79	
(Gross margin including all costs above wheat cost and net profit on flour content of wheat required for 1 pound of bread)			
Transportation and terminal agencies for wheat	·278	3·25	
(Gross margin including all costs and net profit on flour content of wheat required for 1 pound of bread)			(3) 1·491
Flour miller	·406	4·75	
(Gross margin including all costs above wheat cost and net profit on flour required for 1 pound of bread)			
1. Costs above wheat	0·331	3·87	
2. Net profit	·075	·88	
Transportation agencies for flour	·263	3·08	
(Gross margin including all costs and net profit on flour required for 1 pound of bread)			(4) 2·160
Wholesale baker	5·110	59·77	
(Gross margin including all costs above flour cost and net profit on 1 pound of bread)			
1. All costs except ingredient	3·538	41·38	
2. Ingredient costs other than flour	·921	10·77	
3. Net profit	·651	7·62	(5)
Retail grocer	1·279	14·96	7·270
(Gross margin including all costs above bread cost and net profit on selling 1 pound of bread)			
Total gross margins (retail price)	8·549	100·00	

(1) This table is for the bread manufactured by the exclusively wholesale bakers whose unit costs are included in this report.

(2) Cost to country elevator of flour in wheat required for 1 pound of bread.

(3) Cost to miller of flour in wheat required for 1 pound of bread.

(4) Cost at baker's door of flour required for 1 pound of bread.

(5) Cost of bread to retail grocer.

I should like to call attention to certain significant figures. Out of the 8·549 cents per pound, the producer of wheat gets only 1·145 cents or 13·40 per cent. On the other hand, the wholesale baker receives 59·77 per cent. Why should the farmer get only 13 per cent when the baker gets around 60 per cent? The cost may be quite legitimate. It may be that this is due to the competitive service which we have to-day. But I would urge that the government consider this matter. I do not think it would be unreasonable if we asked the government before next session to have an investigation made into the whole question of the cost of food, so that when we come together again some months from now at the next session we may be able to discover some remedy with regard to this matter. I am not quite sure that the evil arises because so many of the bakeries are controlled by the flour milling companies. We all know that many of them are so controlled, but in any case, we should know the reason why it costs people in this country so much to live.

In the resolutions before us as I have pointed out, three programs have been advanced to meet the situation. The Liberal program, in my judgment, suggests very largely unregulated competition. The Conservative program suggests regulation in the interests of big business. Our program in this corner would suggest regulation in the interests of the people at large. In this connection the wires seem to me to be a little bit crossed, because it is rather curious that whilst the Liberals would like to have local, domestic trade, go unregulated, they are in favour of the regulation of trade within the empire and as between the different nations. They are very anxious to encourage cooperation within the League of Nations. On the other hand while the Conservatives want the domestic trade carefully regulated and while they have placed in the seat of authority a minister who is president or director of a number of manufacturers' associations, which, I take it, means that to a considerable extent the manufacturers are in the seat of authority, they are very loath to allow any regulation in empire trade. It seems to me they are lukewarm when it comes to recognizing any arrangements under the auspices of the League of Nations. They say, "Let us control our own house;" however, when it comes to the outside world they say, "We will not do anything to prevent the anarchy that prevails." The Prime Minister will blaze his way into the world markets. I think we might alter that expression and say that he will bomb his way, because bombs are said to accompany anarchy.

It would seem that in the modern world we have reached a stage when no longer can we go on absolutely regardless of the outside world; indeed we cannot very well care for our own household without giving some consideration to the nations about us. Trade is so interrelated to-day that we cannot effectively control our own trade without taking some interest in and having some control over the outside trade.

I find I have some points in common with the resolution proposed by the Liberals. The resolution is characteristically Liberal in that in form it is almost entirely negative.

Mr. IRVINE: That is why I like it.

Mr. WOODSWORTH: My hon. friend says that is why he likes it. I can unite with him in this and with the Liberals, because the Liberals criticize the government from one standpoint and I criticize it from another. It would seem that we could both unite in criticism. After all, that is not getting us very far, since as I say the resolution is largely negative in character. On the other hand I am in agreement with the Conservatives when they propose that trade should be regulated, but I do not like the way they are proposing to regulate it. I do not wish to traverse the ground covered by my colleague, but I wish to say that from the standpoint of labour there is no provision whatever to assure the workers a higher standard of living. The plea for higher tariffs is constantly made on the ground that they are in the interests of the worker. To a certain extent they may help the workers in individual industries. These industries may be kept in operation and their employees given work. But the protection granted is not to any great extent passed on to the worker. In evidence before the tariff advisory board it has been shown frequently that the financial benefits which accrue to the industry are greater than the entire wage bill of that industry. That is, we could afford to pension for life all the workers in the industry and the country at large would be better off.

Mr. McGIBBON: Does the hon. member really believe that?

Mr. WOODSWORTH: I do. I should be very pleased if the member for Muskoka-Ontario could prove to the contrary.

Mr. McGIBBON: I will bring the proof now, if the hon. member wishes.

Mr. WOODSWORTH: I have only a few moments at my disposal, and probably I should continue with my remarks. As I stated

the other day, my chief objection to the Conservative proposals is that economically they are fundamentally unsound. I am quite confident that in our complex and modern world they will not operate effectively.

Mr. GEARY: That is a fair argument.

Mr. WOODSWORTH: My hon. friend from Toronto suggests—

Mr. GEARY: I said that was a fair argument.

Mr. WOODSWORTH: "A fair argument" —I thank you.

Mr. GEARY: It is quite a change from what we have been listening to from the other side.

Mr. WOODSWORTH: Please let me speak for myself; I am trying to be fair. I make the statement that the government's proposals are fundamentally unsound. I do not wish to repeat in detail, or to take up the time of the house unnecessarily. I think however we cannot emphasize too strongly the statement which has been made again and again that if we limit the imports to this country we automatically limit the exports; to my mind that is fundamental. If these tariffs are worth anything they will limit imports; surely that is their purpose. We who are connected with the industrial movement in the west are interested in the agricultural movement. We recognize that the secondary industries are based very largely on the agricultural industry. If we do anything to prevent the western farmer from finding markets we affect the whole country. Adverse effects will be felt in the east as well as in the west. As was suggested by my hon. friend from Bow River, there is not the slightest doubt that on the whole the effect will be to make the rich richer and the poor poorer.

Miss MACPHAIL: That is the idea.

Mr. WOODSWORTH: That is the effect of the government's proposals, as I view them. I look at my friend the Prime Minister, and I feel sure that he does not believe that this will be the effect.

Miss MACPHAIL: No, no.

Mr. WOODSWORTH: My hon. friend from Southeast Grey (Miss Macphail) thinks I am giving the hon. gentleman too much credit. I do not think he has introduced this legislation for that purpose, but I do believe it will have the effect I describe. In the first place the program which has been put forward necessitates added expenditure on the part of the consumers. It necessitates added expenditure on the part of the government, and that money must come from the pockets of the ordinary people. On the other hand the advantages accrue to the big interests, although a certain amount undoubtedly is passed on to other concerns. It is the big interests however who gain primarily by these arrangements.

I come to our amendment; what does it involve? We stress the necessity for the adoption of cooperative principles in production and distribution, and for the public control of credit. For the benefit of those hon. members who were dreadfully frightened when I mentioned the terms socialism and communism may I give a few examples of what I regard as essentially movements towards socialism and communism. To my mind the outstanding instance in Canada is that of the Ontario Hydro-Electric, of which the Conservative party is justly proud. A year or two ago I had the privilege to travel across this country with the empire parliamentary delegation and it was amusing to me to find that Conservatives such as Lord Peel as well as radicals like Tom Johnston and David Kirkwood united in saying that the most socialistic organizations we had in this country were what?—the Hydro Electric, the Canadian National Railways, and the wheat pool.

Mr. BOUCHARD: And the liquor commission.

Mr. WOODSWORTH: Yes, the liquor commission might be added. These institutions have become quite respectable—especially the liquor commission. Most people who defend these organizations forget that after all they represent collective control of very important industries. They represent regulation to a very great degree.

Now, some of us think that this kind of regulation should be extended, and we advocate this because we believe it is the only line along which a solution may be found. I wish I had time to go into the question of the Canadian National Railways. That organization is seriously handicapped through having to compete with a privately owned system, but notwithstanding it has been a wonderful success, and I do not think any political party would dare wreck the Canadian National Railways.

The wheat pool has been very severely criticized, but notwithstanding the hard times which it has experienced I believe it is the only thing which has stood between our western farmers and ruin. I hope they will be well advised and hang on to it, even although

for a time they may have many difficulties. It was only the other day at a private dinner in my home city of Winnipeg that I had the opportunity of meeting one of the leading members of the marketing board of Great Britain. I think he was the chairman of the agricultural section. He was discussing in a very informal way with some of the gentlemen who were present representing the wheat pool and some of the grain firms the possibilities of cooperation between our wheat pool and an import board which the government of Great Britain proposes to establish in the very near future.

Now, when we are living in an age of publicly owned and controlled utilities of this kind, in an age of large cooperative concerns, of which our wheat pool is an example, an age of large buying and selling agencies such as we have in all parts of the world, it does seem to me that we have a duty as private members or representatives of newer groups to put forward for the consideration of our fellow members our point of view in this regard.

All we can do is to indicate our position. Parliament itself with its party system and sterile debates is in my judgment a tool of the present economic system and sometimes it seems almost impotent to bring about reforms. We in this corner suggest ownership of natural resources—and immediately there is a howl from American owners of many of our natural resources. We suggest cheaper freight rates—and immediately there is a protest from the privately owned railroad in this country, which we all recall is very largely controlled by American capital. We suggest freer trade even with the motherland—and what happens? The Canadian branches of American concerns immediately set up a howl, and in fact have their share in throwing a government out of office. We suggest control of credit as in this resolution—and the money trust, internationally controlled, raises all sorts of objections, even although a few months ago we had the interesting experience of having Canadian credit used to finance operations on the New York stock market.

In my final words, Mr. Speaker, I suggest that we in this corner are simply trying to indicate what we believe to be the lines of advance. We have incorporated these in this resolution. We know perfectly well that it will not be adopted by the house, but we believe that it expresses the convictions of a growing number of the people of this country; and if in the past they have not felt keenly enough to take appropriate action, we believe experience will prove a very good teacher.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. WILLIAM IRVINE (Wetaskiwin): I concur in part in the contention of the leader of the opposition (Mr. Mackenzie King) who in his usual able manner protested against the fact that we were called upon to deal with very important matters in a very brief space of time. I think it is an unfortunate circumstance which in a way compels us to deal hurriedly with matters of profound significance to every class in the Dominion of Canada. But in fairness to the government it must also be said that they are not responsible for the fact that the time is so short, for they did not fix the date of the election nor have they had anything to do with fixing the date of the imperial conference. I say it is only fair to them for us frankly to admit that they were bound by their pledges to the people to carry out the sentiment of the country and to do as they are doing, and the fact that the time is short, unfortunate though that fact is, must not be argued against the government, as hon. gentlemen have attempted to do.

The schedule of tariff proposals before us, constituting to all intents and purposes a budget, represents, of course, the government's idea of curing unemployment. I hope that hon. gentlemen to the right of Mr. Speaker will not take too serious objection to my laying emphasis upon the curing of unemployment. I notice that the Minister of Trade and Commerce (Mr. Stevens) made a noble effort to retreat to a safer position when replying to the leader of the opposition. On that occasion he said it was not the intention absolutely to cure unemployment but rather to bring the country back to normal unemployment. I confess I do not know what normal unemployment is. It might mean that there were 50,000 or 25,000, or 10,000 unemployed. At any rate, I would not call it a cure in any sense of the term to have "normal unemployment". The country will very likely hold the government to the original plan, that of curing unemployment. However, this is not the moment for a blanket condemnation of the government in that respect, and I am not disposed to throw that blanket of condemnation over the proposal at this stage.

Canada has taken a chance, as she was asked to do during the last election, and has decided on a general policy. I will not say that I agree with Canada in that respect. I am bound, however, to respect the will of the people though I am not obliged to agree with it. And I will say at this point that though I may not agree with Canada's decision I certainly respect the will of the people. The fact of the matter is that whether the people are right or wrong subsequent history alone will prove. They have given the present government a mandate to carry out a definite policy, a policy about which there never has been any doubt in the minds of hon. gentlemen who sit to your right, Mr. Speaker, and I observed during the campaign that they lost no opportunity of warning the people that should the Conservative party be elected the country could expect a very decided and definite increase in tariff. So that there was no doubt in the minds of the people of Canada as to what they were doing and what they had to expect in consequence. The fact remains, therefore, that they have settled upon a general policy, whether I believe in that policy or not, or whether any other hon. gentleman agrees or disagrees with it.

I wish, therefore, to say what I regard my duty to be as a private member of this house, affiliated with neither of the historical parties, but believing in the possibility of at least some measure of cooperation. My task, as I conceive it under present circumstances, is to endeavour to secure the best possible readjustment of the affairs of the class I represent in view of the alteration in the national policy.

Something has been said during the discussion about promises, and the whole alignment of political promises alleged to have been made by hon. gentlemen to the right of Mr. Speaker has been put on Hansard for the enlightenment of subsequent generations. Now we have had in the past governments who have made many promises and have never tried to fulfil them. To-day we have a government which has made many promises and threatens to fulfil them. I do not know which is more dangerous to the life of the nation; we shall have to wait and see. But if there be any virtue in keeping promises, so far as we have gone in this parliament—and that is not very far—we must say that this administration has set a new pace for governments in this country. The government, as I have argued, has a mandate to increase the tariffs in Canada as a general policy, and I have indicated it as my conception of my task, to assist the government to carry out the will of the people in a manner which will get out of the general policy they have adopted the very best that is in it, or to see to it—if you want to express it in the negative—that the least possible harm shall come to the class I represent as a result of the application of the policy endorsed by the people.

In view of this, in my relationship as a private member to the policy decided upon by the popular vote, I am therefore bound to dismiss the amendment at once. The amendment in this regard flouts the express will of the people, and in the second place it is entirely negative. Apparently the official opposition does not recognize as serious the circumstance which made this special session of parliament necessary, or if it recognizes that, it makes no constructive proposal which we might regard as being better than the one now before the house. For that reason I shall not refer again to that amendment, beyond saying that some hon. gentleman in the ranks of the official opposition offered as a solution of the unemployment problem the suggestion that more people should be kept upon the farms. I think a statement of that kind needs no comment, in view of the mechanization of the agricultural industry, in view of the fact that the immigration policy of Canada for some years has been designed to fill up the vacant spaces on the prairies and to bring in exclusively agricultural people, and in view of the further fact that Canadian farmers have already produced very much more wheat than they can possibly find a market for. To say that unemployment can be cured by putting more people on the farms is to say something which is, to put it mildly, ridiculous.

In the minds of the government the proposed tariff increases have a bearing on unemployment, and they have a bearing in the minds of the government in a manner which they believe will lead towards a cure or partial cure of unemployment. Considering the tariff schedule in that light, I would have to say that both abstract economics and the practical experience of other nations are against the conclusion that tariff arrangements, whether they be upward or downward, will cure unemployment. We have, as I say, the lesson from highly protected countries such as Germany, Japan, the United States and other countries, where the problem of unemployment is just as serious as that which we have in Canada. Not only do we have the examples of highly protected countries, but theoretic or abstract economics leave no ground for the conclusion that the mere alteration of a fiscal policy, whether it be

upwards or downwards, will have any very material effect upon such a serious situation as unemployment, the product of one hundred and fifty years of industrial processes.

Let us look at this problem just for one moment in a practical way. I endeavoured to argue some days ago that the only way that we could affect unemployment was by providing more purchasing power for the consumers of Canada and by so doing enable them to consume more goods. Consuming more goods, they would create a demand for the production of more goods, and hence we would start up the wheels of industry again. I say now that the mere raising of a tariff does not necessarily increase the purchasing power of the people. At the present moment, the shelves of our warehouses and of our wholesale and retail firms generally throughout Canada are piled high with goods which cannot be moved because people cannot buy them. Now we have increased the tariff; it is already in force, but that will not move the goods. Will anyone tell me the difference it will make, either to a consumer or to an unemployed person, whether the goods with which the shelves of our warehouses are piled high have been made in Canada or made out of Canada, when the fact remains that we cannot move them because we have not the purchasing power by which alone they can be moved?

However, there is one possibility whereby the proposed tariff increases may make some difference to unemployment, and I want to take note of that possibility because I believe it may be effectuated. If the tariff increases which have been proposed lead in the near future to a considerable increase in capital investment, then it will follow that unemployment will be temporarily relieved. The process there is very simple, and I would ask the house to indulge me a moment while I review that process. When we have an increased capital expenditure we have an increased purchasing power, for the reason that for some time the new capital expenditure will have no goods on the market to offset that expenditure. Hence it will appear in the pockets of the people as purchasing power, but later when such capital expenditure is offset in the market by new goods produced as a result of the investment, then we balance the account and the new purchasing power will be cancelled, in effect. So I say if the increases in the tariff made by the present government should be regarded by industry in Canada as sufficient to warrant a greater investment of capital, we might expect a little decrease in unemployment in the future. It cannot be permanent, however, for the day will very speedily come under the system which I described in a previous speech, when the shelves of Canada will be filled with Canadian made goods which we cannot buy, and that will have the same effect as if they were filled with goods made in some other country of the world. So there cannot be a permanently increased purchasing power brought about through increased investment which might result from tariff increases.

May I here, then, be permitted to say in a word what I regard as a cure for unemployment; or rather let me describe what will have to be done before we can think we have a cure. A real cure for unemployment must accomplish the distribution of goods without the necessity of doing work which the mechanical industrial system has rendered unnecessary. In other words unemployment, or the evils of unemployment, cannot be remedied while we look upon a wage system as an adequate means of distributing goods. The wage system is inadequate to do that for the reason which I gave while I was trying to explain or analyse the reason for unemployment. The tariff proposals as they stand cannot be regarded, in my opinion, as in any sense a cure for unemployment. In this matter I think all who sit to the left of you, Mr. Speaker, at least agree; it is more or less agreed that these proposals do not and cannot be expected to cure unemployment. At the very best they will have very little effect on the situation.

I turn now to deal with the class which I have the honour to represent more particularly in this house, the agricultural class, and I say that the tariff proposal as it stands will play havoc with agriculture. I say that will be the case as it stands. There may be modifications; it may appear in the discussion which will follow when we reach the committee stage that other safeguards which have not been mentioned so far will be brought about. It may be that other proposals to deal with agriculture may be made, but I say as it now stands the present tariff schedule will play havoc with agriculture. I pause here for a moment to impress a further point upon the government. I hope it is not necessary; I hope members on the government side understand the position of agriculture in Canada. If they do not understand it then I may be permitted to say to them that the condition of agriculture to-day is just as unfortunate and as fraught with disappointment and suffering as is unemployment, to remedy which this session has been called. I think the hon. member for Bow River (Mr. Garland) very fittingly described the position of agriculture.

I would not attempt to spoil the picture which he painted by trying to improve on it, because I could not. The agricultural industry of western Canada is working for the money lenders of Canada, a very small percentage of the men in that industry having any claim on the property which stands in their name. They spend their days toiling hard, and very often they are in a worse condition than the unemployed. The unemployed are very badly off in having no work; the farmer has all kinds of work but receives nothing for doing it. He spends his days from one year's end to the other in preserving property for somebody else, in working to pile up profits for others, and he receives no wages for the privilege of doing that.

I would point out to the government that in the policies carried out by this country for the last sixty years agriculture has been discriminated against in three or four very important particulars. In the first place, our system of taxation has been such that the agricultural people have paid more than any other class in Canada. They have paid more taxation because the system of taxation is an indirect one, under which the tax could not be pased on by the farmer because he was the ultimate consumer and the original producer. He had no power to place a price upon his commodity, therefore he could not pass the tax on to anyone else. The taxation was placed upon the goods which he had to purchase and he could not add it to the price of those he sold.

Agriculture has paid more freight rates than any other class in Canada. The farmer pays freight rates not only on the goods he ships but on all the goods he receives. He cannot add the freight rates to the price of wheat and let someone else pay it. He pays the freight rate on wheat, and incorporated in the price of goods he purchases is another freight rate.

Agriculture in western Canada pays more interest than any other class in Canada. We have a financial system controlled by a few people and that system is not controlled in order that it may fulfil its economic function to aid in the production and distribution of goods. The governments which have held power in Canada have given to a few privileged individuals the power to control the most important economic factor in the life of the nation, and the result is that agriculture in the west pays more interest than any other class in Canada. A large corporation may have a representative on the board of directors of a bank and may be able to borrow large amounts of money at five per cent interest, but the western farmer cannot get a penny for less than eight per cent, and at times may have to pay nine or ten per cent.

Let us take these three items and see how much they take from the pockets of agriculture, in freight rates, in interest and in extra taxation which has to be paid because of the system imposed. There is another factor to be considered; this class is the most burdened class in the Dominion. The proposals now before parliament not only do not give them relief, but there is grave danger that they will heap greater burdens upon this class. I know that the Prime Minister (Mr. Bennett) is appraised of the importance of agriculture to the national life and in his proposals he has made an attempt to protect that industry to some degree from the ill effects of the tariff proposals. I think that the Prime Minister and the government deserve credit for having made an effort to attempt something new. They have proposed to stop an increase in price commensurate with the increase in the tariff. I commend that policy because I have advocated it before, therefore it must be a good one. I asked the government which presided over the affairs of this nation for the last nine years time and time again, since they would not reduce the tariff, to arrange it so that the manufacturers did not receive the benefit of the tariff at the expense of the Canadian people. Here we have a government which says it is going to do that, and in that regard it is courageous. It is courageous because of the apparent impossibility of the task. Hon. gentlemen who sit around me have declared it to be impossible. I am very sceptical of it but, nevertheless, it is a policy so courageous that it will mean that this government, if successful, will have done one of the greatest things ever attempted in Canada, or failing, will go out of power ignominiously. If the government can prevent an increase of prices following an increase of tariff I believe it would remove one of the chief objections to its policy. Practically everything which I have proposed in the past has been said to be impossible so I do not want to meet my hon. friends opposite with the same stupid statement with which I was met whenever I presented a good policy.

I wonder if the Prime Minister appreciates the tremendous difficulties which will lie in his course as he attempts to put this policy into effect. I can enumerate some of them. For instance, prices may rise at any time for causes other than the tariff. Who is going to decide what has caused the increase in the price? Prices may rise and when the Minister

of Finance examines the books of the manufacturer he may discover that he has not received any more than he did before the tariff. It may be found that people are paying more and that somebody in between has taken the cream off the whole business. Another possibility is that conditions may warrant a drop in prices, but they may be held up artificially by the increase in the tariff. These and numerous other things can happen.

The task may seem to be almost impossible but if the Prime Minister is successful in carrying it out he will be acclaimed in Canada; if he is not he will be put down just as enthusiastically as he was put up. The Prime Minister knows what he is doing in this regard and he has said that he will do this thing or perish in the attempt. People have laughed at that statement, but I like it; it is characteristic of the Prime Minister. I would rather see a prime minister perish in an attempt to do something than to see one perish without attempting anything. If the present Prime Minister perishes politically in a real, sincere attempt to accomplish this end, I shall be one who will honour him while he is perishing.

One of the means by which the Prime Minister hopes to prevent a rise in price, is by obtaining pledges from manufacturers that they will not charge more for their goods in consequence of more protection. At first blush it looks to me like setting the cat to watch the milk for fear the cow might drink it. I have not much faith in those pledges. But I have more faith in what the Prime Minister proposes to do, if they drink the milk in spite of the pledges. He says that he will then nullify the tariff. I am willing to leave that point to be decided by practice in the future. I do not say that it cannot be done. All glory to the government if they can do it.

No assistance for agriculture is provided in the present proposals, which as a matter of fact in several particulars would appear to jeopardize the already precarious position of that industry. The government has promised to assist agriculture. It went so far as to say that it had instituted a world-wide campaign for market. That is all very well. It has given action to the manufacturers and promises to agriculture. Let me point out to the government that trade is not brought about by campaigning. Trade must rest upon a sounder basis than that. There are two ways in which the present policy may be detrimental to agriculture. It may mean an increase in prices in spite of all that the Prime Minister can do; I am willing to await the result of that. But I think it will tend further to reduce the already vanishing wheat market of western Canada. It needs no argument to prove that our international trade always depends upon the exchange of goods for goods. If our tariff policy is a success in making all our goods in Canada even to the point of making Canada self-supporting, what shall we do with our wheat? It is true we can transform the entire industrial structure of the nation in the course of time and take the farmers off the farms and put them into industrial plants, thus ultimately balancing our industries so that we shall have no more farmers in Canada than we require to produce food for Canada. That will be the logical outcome of the present tariff policy; but surely in that process, if the government thinks fit to go so far, there will be a great deal of suffering on the part of many farmers. Not only will they find themselves out of a job, but they will lose the little capital they have; because under such circumstances their land and their implements will have no value and their entire life so far will have been wasted. Therefore it seems to be rather serious, if it is true as I see it at the present moment, that the government proposes to aid other classes at the expense of agriculture, and in a way which may deprive agriculture of any market for its wheat.

The theory of the present opposition when they were in power was that they had to send goods abroad in order to bring goods in, and they favoured theoretically the free trade policy. Great Britain was our best market for wheat, and they professed to be able to give us a better market in that country. There were two things the matter with the policy of the present opposition when they were in power. In the first place, they never tried to put it into force, and that is a very serious thing to be wrong with any policy. Secondly, if they had tried to put it into force, it is not certain we would have found markets in Great Britain for our wheat, because the British market for wheat is open to all countries.

We have now the opposite policy of getting markets by protection, and since this country has committed itself to a policy of higher tariffs, the farmer must obtain as much benefit from that policy as any other class in Canada or the policy must be abandoned. It is not clear from anything that has been said by the government or contained in the proposals themselves that the farmer will receive any benefit whatsoever, but he is very likely to lose some of what little he has. Wheat cannot be protected. We might as well try to protect ice in Labrador in the winter time as to protect wheat in Canada. But wheat

might be protected indirectly, and I think the logical outcome of the present tariff policy of Canada must be, considering it imperially, the Beaverbrook policy. I wonder whether the government will go so far as to try to make a bargain with Great Britain that if she will put a tariff on wheat coming into Great Britain from foreign countries and thus give Canada her market, we shall in turn open the doors of Canada for goods produced in Great Britain. There might be some hope for the farmers in such a policy. Such a policy—free trade within the empire and tariffs for the outside—would give us more free trade than any Liberal government ever thought of and higher tariffs than any Conservative government ever planned to put into force. I do not know whether the present government intends to go so far as that, but that would be the logical outcome of the policy and might afford some help for agriculture.

I see my time is almost up and I have not more than half presented the policies which I wanted to present. Let me conclude by urging upon the government some things which they may do immediately to offset the detriment that the present policy may occasion to the farmer. They ought to reduce the interest charges to the western farmer. I do not care how the government does this; it must be done. Farmers at the present price of wheat cannot pay eight per cent interest, and whatever means the government may find it necessary to take to accomplish this end, I urge upon them to do it or pretty soon we shall have no farmers and the entire western country will be owned and controlled by mortgage companies. I think the government has a right to take this step because the mortgage companies are handling the social credit, Canadian governments in the past having delegated their authority to a class of individuals that utilize social credit for their interest and not for that of the nation. Next, the government ought to take some steps to reduce freight rates. How can that be done? I would say: Nationalize the Canadian Pacific. Consolidate that line and the Canadian National into a great national system. Abolish all waste and competition. Take some of the duplicating lines and place them in districts where at present there are no lines. Reduce the two or three different head offices and sets of authority running these systems and save enough to lower freight rates in the interests of agriculture.

Reduce taxation of agriculture by imposing a higher tax upon those who can best pay it. Increase the income tax. Reduce freight rates and reduce or entirely wipe out interest. Let the government do these things and we will forgive them for their policy of protection.

[Mr. Irvine.]

Mr. M. F. HEPBURN (West Elgin): Mr. Speaker, the flow of words that come from the lips of the hon. member for Wetaskiwin (Mr. Irvine) are always pleasing to the ear. It is interesting to note with what dexterity he can float along upon the flood tide of his own verbosity. When it comes to a question of sifting the chaff from the wheat, that is a different matter. I tried my best to follow him closely, but he reminded me of a negro who, while going through the woods, kept repeating: "Good devil, good Lord!" He did not know into just whose hands he was going to fall.

The amendment to the amendment seems to me to pursue a meandering course, starting nowhere and ending very much in the same place. The last clause reads:

> In general this house is further of the opinion that a solution of our problems can be found only by the adoption of cooperative principles in production and distribution, and by the public control of credit.

That appears to smack very much of coming from one who has blind adherence to a theory. Now may I more or less apologize for taking up the time of the house? I would not have done so had I not received the reply I did from the Prime Minister (Mr. Bennett) this afternoon when I asked him a question that arose as a result of a letter I had received from the city council of St. Thomas, and also had it not been for a little contribution made to the debate yesterday by the hon. member for Winnipeg North Centre (Mr. Woodsworth). He said:

> I would ask where are the Ontario members, who in the past have been almost vociferous when it came to matters affecting the tariff. I am inclined to think that the members of the opposition are still suffering from their overwhelming defeat. I am inclined to think that may be it; in fact I might be tempted to taunt them—if I were given to that kind of thing—in order to bring about a little more definite action along this line.

I want to assure the hon. member for Winnipeg North Centre that our silence should not be interpreted as an endorsation of the policies brought down by this government. We appreciate the difficult position in which we find ourselves at the moment. We are anxious to expedite the business of this house in order that the Prime Minister of this country may go to the imperial conference. He has declared that if we are sitting at the time the conference is being held or at the time he is due to leave he will not leave his office.

Mr. CHAPLIN: Is that why the hon. gentleman is taking up so much time?

Mr. HEPBURN: If the hon. member wishes to ask a question he may do so in the proper manner; it would not perturb me in the slightest. Hon. members will realize the position in which we will be placed if the government can charge us with obstructing the business of this house and forcing the Prime Minister to remain here. I say we are not in any sense going to put any impediment in the way of the Prime Minister, and we are going to expedite the business of the house. However, rather than to have any false idea go abroad that we are in support of this tariff or that we support the policies of this government I think I shall take a few minutes of the time of this house to explain the position of the Liberal members of Ontario in relation to the present legislation.

At the outset I want to say that we are not smarting under defeat as our hon. friends would have the people believe. We Ontario members are pretty well intact. In my riding of West Elgin I was given a majority of nearly 1,300 votes over the majority I received in 1926. Similar gains were made by the hon. member for West Lambton who sits to my left and the hon. member for South Perth who sits immediately in front of me. There is no doubt that we have a considerable body of opinion behind us, and there is no doubt that we were reelected despite the concerted efforts of our opposition friends. We of Elgin county had the pleasure of a visit during the campaign from the present hon. the Minister of Railways and Canals (Mr. Manion). In his characteristic manner he pawed the air and made such a terrific arraignment of those of us who happened to be of the Liberal faith that we felt like excusing ourselves for being on earth. We had a visit from the present Minister of Labour (Senator Robertson), from the member for Dufferin-Simcoe (Mr. Rowe) and other smaller lights of the party. Also I was under the watchful eye of Mr. G. Howard Ferguson, and I had to fight his political machine. Last but not least we were favoured with a call from the then leader of the opposition, now Prime Minister. The occasion of his visit was somewhat of a ballyhoo. There were two bands in attendance, in fact, there was everything but a steam piano in the parade. However the people of Elgin county are very intelligent. They listened to his promises, but it seems that they did not take them very seriously. Rather, knowing the scripture, they regarded his words as a paraphrase of those of his Satanic Majesty: "If thou therefore wilt worship me, all shall be thine." However, they did not see fit to bow down and worship.

I wish to say that the tariff changes did not seriouly enter into the campaign; on the other hand the question was that of unemployment. Our friends opposite were particularly favoured throughout their campaign in this respect by the general economic unrest which was world-wide in character. They took full advantage of that industrial condition. This country was suffering from over-production and stock market crashes; also it was in the transition period of the machine age. In order to impress the house with the effect of the latter condition I want to read the opinion of a gentleman whose word should be well received by hon. members opposite. I will tell you what he said concerning unemployment and its relation to the race. He said:

> In discussing the causes of the present conditions, the speaker said that the average machine to-day replaced thirty-eight hand-labourers. The reason why unemployment had not been even greater was that with the advance of machinery there had been created new needs, and appetites for new novelties and luxuries.
>
> It was only when the displacement of labourers by machines was more rapid than the creation of these new needs and new forms of work that unemployment occurred in cycles. It had been many years since the world had experienced a condition of such overproduction on one hand and such want for the necessities of life on the other hand.

I might tell my hon. friends that those words were uttered by the right hon. Arthur Meighen. It is not surprising to me that he comes out with ideas that are economically sound now that he has dissociated himself from his former friends who are sitting on the other side of the house. That is the condition that we had to face. As a government we had to face conditions such as were described in the paragraph I have read. Our hon. friends, being astute politicians, took full advantage of the condition in which we found ourselves. They traded on the adversity of those out of work and the suffering which was taking place. They depicted all kinds of conditions and posed as the champions of suffering humanity. In the speech of the present Prime Minister delivered in St. Thomas all kinds of promises were made. I want to bring to the attention of the house the exchange of words which took place the other day when the Minister of Trade and Commerce (Mr. Stevens) was speaking. The question arose as to whether or not the government was going to cure unemployment. Another hon. member made the statement that the Prime Minister had said that he would cure unemployment.

Mr. MACKENZIE KING: He said he would end unemployment.

Mr. HEPBURN: Yes, end it. The Minister of Trade and Commerce stated that no such thing had been said. These are the words of my hon. friend as contained in Hansard at page 321.

The leader of this government said no such thing.

Further on the hon. member said:

No one said that it would end unemployment.

Those are the words of the Minister of Trade and Commerce. Now I turn to some statements contained in Hansard attributed to the leader of the government, and on this occasion I do not think he was misquoted. According to a Canadian Press despatch he is reported to have said the following in the city of Moncton:

Mr. King promises consideration of the problem of unemployment. I promise to end unemployment.

Following that I find the report of the speech at Moncton as it appeared in the Ottawa Journal:

Mr. King promises you conferences; I promise you action. He promises consideration of the problem of unemployment; I promise to end unemployment.

Then in the Halifax Herald I find the report of the speech delivered at Moncton on July 10:

He promised you consideration of the problem of unemployment. I promise to end unemployment.

I know hon. gentlemen do not like to hear these statements quoted.

An hon. MEMBER: It is stale.

Mr. HEPBURN: The Moncton Transcript carried the following report:

I promise you action. He promises you consideration of the problem of unemployment. I promise to end unemployment.

He has promised to end unemployment or perish in the attempt, and if he does not carry out his promise the Canadian people will see that he does perish.

During the campaign our friends advocated some old theories of Mr. Hoover, and the theories put forward by the Conservatives of Australia. The people of those two countries were gullible enough to adopt such policies.

An hon. MEMBER: What about butter.

Mr. HEPBURN: Rather than to profit by mistakes of those countries the great Conservative party attempted to draw red herrings across the trail to confuse and obscure the issue. What has happened in Australia? There they adopted that dog-eat-dog policy, trying to satisfy, as this government is trying to do to-day, all the selfish interests of the country. The result is that in Australia to-day stagnation stalks through the land. That is a true statement of facts; we know that. We know what is happening in the United States. We know that in the United States Chairman Legg of the farm relief board has thrown up his hands in despair and has said that so far as farm production is concerned the law of supply and demand cannot be broken. So far as marketing the surplus was concerned he could see no relief for the farmers. President Hoover has called into conference Mr. Henry P. Fletcher, the chairman of the tariff commission, with a view to correcting the inequalities which have arisen as a result of the high tariff policy of the United States. A statement was made the other day by J. M. Matthew, economist of the Babson Institute, in the following words:

The passing of our present tariff law was the most asinine thing we have ever done on our side of the line. It is a narrow economic viewpoint to think that we can sell and not buy in return. We have shut foreign markets against our own exportable surpluses.

If hon. members will read the farm periodicals of the United States they will find that some of them are recommending their readers to let their fruit rot on the trees and a portion of their grain crops remain in the fields, because there are no foreign markets in which to sell their surplus products. That is the result of the Hawley-Smoot tariff; and this government have adopted a similar policy, the result of which will be the same.

How do these tariff proposals affect the people in my own constituency? We have in the city of St. Thomas a great raidroad centre. Three American railroads parallel one another through the city. The local payroll is about $5,000,000 a year. Strange as it may seem, unemployment was created in St. Thomas as a result of the adoption by the United States of the very policy we are about to put into effect here. They adopted the policy of exclusion, building up a high tariff wall, and thus shutting themselves out of the world's markets. American exports have fallen off at the rate of $200,000,000 per month. This has meant a very heavy decrease in the freight traffic moved through southern Ontario by these three American railroads, and consequently they have had to lay off very many of their men. Now, there is nothing in this tariff that is going to help the unemployed railway men in the city of St. Thomas. When

at the request of the city council of St. Thomas I asked the Prime Minister a courteous question, he gave such an equivocal answer that I could not gather what he meant, and I doubt if he himself knows the purport of what he said. Perhaps he will be surprised when he reads Hansard to-morrow morning.

My friend the Minister of Trade and Commerce endeavoured to show that these tariff proposals will help our farmers, particularly the 8 cent tariff on butter. Well, I doubt it. Already a change of opinion has taken place over the cancellation of the trade arrangement with New Zealand. Last session I spoke against the abrogation of the New Zealand treaty, and I was severely censured—as I usually am—by most of the Tory papers in western Ontario. One of those papers now comes out with this editorial, headed Butter vs. Motor Cars:

> The expected has happened. New Zealand, whose butter will face a higher tariff in Canada when the present trade treaty between the two countries is abrogated on October 1, threatens to cancel its preference to Canadian-made motor cars. There isn't much that New Zealand can export to Canada; scarcely anything we send to New Zealand would hit us harder than to have our motor car exports put on the same tariff basis as the United States.
>
> Even when the present preference given New Zealand butter is wiped out and the tariff against that country's product is raised from two to four cents a pound there is no guarantee that we will not continue to import New Zealand butter. Certain butter manufacturers in Canada maintain that the extra two cents per pound will not stem the imports. Others point to the fact that at present Canada's butter production is far below our needs and butter must be imported from somewhere until our production catches up with our consumption. New Zealand butter, being of No. 1 quality, it is natural that we should prefer it to butter from other countries. Couple this with the prospect of being shut out of the growing New Zealand motor car market, the value of which should not be underestimated, and the situation looks none too bright for the carrying out of Ottawa's intention to cancel the New Zealand pact in six weeks' time.
>
> Rather it begins to look as if Ottawa may yet decide that the late Liberal government's action in ordering the cancellation of the New Zealand treaty and the Conservatives' claim that it should have been cancelled months previously were all right as election propaganda, but poor stuff on which to base empire trade. Premier Bennett has declared in favour of bargaining rather than "gesture" to stimulate empire trade. When he takes his seat at the imperial economic conference he will undoubtedly be faced with New Zealand's stand of "our butter for your automobiles" and will have to bargain accordingly.

The farmers of Canada are totally mistaken if they believe for one minute that the cancellation of the New Zealand arrangement and the application of the 8 cent tariff will affect the price of butter to their advantage. As one who should understand the dairy industry, I say this is what will happen. The New Zealand butter barred from being imported into Canada will be made into cheese and will come into competition with our exportable cheese on the Liverpool market. This will result in a lowering of the price, and it will be reflected in the price paid at the cheese factories of Canada. In the same time there will be a fluctuation upward in the price of butter. With the spread of prices between cheese and butter the cheese factories will immediately turn to the making of butter, and in a few short weeks we are going to have an exportable surplus, we are going to be back on an export basis, and—

Mr. MOORE (Chateauguay): I hear the hon. member denouncing the high tariff policy of the United States. How is it that the farmers of the United States at the present time are receiving $2.25 for their milk, while our farmers are getting below $1? The very same with butter—

Mr. HEPBURN: The hon. member is not going to make a speech; he can do that after I get through. I will answer his question. If he will read the speech I made in this house on the New Zealand trade arrangement—

An hon. MEMBER: Nobody heard it.

Mr. HEPBURN: You are going to hear part of it now.

Mr. MOORE (Chateauguay): Mr. Speaker—

Some hon. MEMBERS: Order. Sit down.

Mr. MOORE (Chateauguay): I want an answer to my question.

Mr. HEPBURN: Sit down and you will get it.

Mr. MOORE (Chateauguay): I am asking a question. I am not looking for an evasion.

Mr. HEPBURN: I answer by telling the hon. gentleman that his statement is wrong. I would quote the opinion expressed by the general manager of the Carnation Company that the price of milk at factories has been consistently higher in Canada than in the United States.

Mr. MOORE (Chateauguay): Less than a dollar.

Some hon. MEMBERS: Order. Sit down.

Mr. MOORE (Chateauguay): On a question of privilege, Mr. Speaker, I—

Some hon. MEMBERS: Order.

Mr. SPEAKER: Order. The hon. member who has the floor (Mr. Hepburn) has taken his seat in order to allow a question. He does not have to; he has chosen to do so. The hon. member for Chateauguay-Huntingdon (Mr. Moore) may proceed.

Mr. MOORE (Chateauguay): When I was home—

Mr. SPEAKER: I must ask the hon. member to confine himself to the question he desires to ask.

Mr. MOORE (Chateauguay): I am trying to prove—

An hon. MEMBER: You don't have to prove anything.

Mr. MOORE (Chateauguay): This is a question of privilege.

Mr. SPEAKER: Order.

Mr. HEPBURN: Mr. Speaker, I do not doubt that the hon. gentleman is referring to some local condition. I am referring to general prices paid by the big milk factories of a similar nature in Canada and in the United States, particularly for milk for condensing purposes. If he desires to check my statement he can send a telegram to Mr. Coyle, general manager of the Carnation plant at Aylmer, when he will be furnished all the information he wants.

Mr. MOORE (Chateauguay): I desire—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Order.

Mr. HEPBURN: As I was courteous enough to allow the hon. gentleman his question he might well defer his speech until after I have finished, when I shall be very glad to listen to him. Even in the case of butter it is a mistake to believe the price can be increased and maintained by tariff. That will not happen. We are going to have an exportable surplus, we are going to be back on an export basis, with the result that the farmers in the meantime, having subscribed to this high tariff policy, will be paying more for their farm implements and all the other things they use on the farm and for all the necessities of life, thus increasing their cost of production.

This high tariff policy will also very prejudicially affect the merchants of St. Thomas. St. Thomas being situated in the centre of the countries bordering on the north shore of lake Erie, her merchants do a tremendous retail business with American tourists. In the store windows of St. Thomas you will see big advertisements, put there to attract business from those tourists. Those advertisements read something like this:

> Because of the British preference Canadian merchants are able to buy high class woollen goods from Great Britain at a lower price than American merchants can secure them. Consequently you are able to buy those high class woollen goods here to advantage, and your law allows you to take back $100 worth of goods duty free.

I do not doubt that in the holiday season one half the business of the merchants of St. Thomas is done with American tourists. The passing of these tariff proposals will so increase the prices of those British goods that our merchants will not be able to continue that profitable business, and I tell my hon. friends opposite that there is going to be a loud protest heard from those merchants when the opportune time arrives. It may be all right for the Prime Minister to fold his arms and rely on the guarantee of the manufacturers that commodity prices will not be increased, but that has never happened before and I doubt if it will happen now. I view with alarm this spider-and-fly doctrine that as the result of these tariff increases the prices of commodities will not also be increased. It reminds me of the limerick:

> There was a young lady of Niger
> Who went for a ride on a tiger.
> They came back from the ride
> With the lady inside—
> And a smile on the face of the tiger.

Or the old nursery couplet:

> Open your mouth and close your eyes;
> And I'll give you something to make you wise.

Well, the Canadian people will get wise all right after these increased duties have been applied. Notwithstanding all these promises, even assuming that all our manufacturers display such Christian virtue as to give their goods to the poor, we have still to consider the secondary industries. How will they be affected? To-day I was approached by a representative of one of the secondary industries manufacturing cheap clothing, principally for working men. He tells me that as a result of this new tariff 25 cents a yard has been added to the cost of his raw material. He has got to pass that on to the working men of the country; that is, the extra charges will have to be borne by the trousers he makes that now retail at a dollar and a half and his overcoats selling at nine or ten dollars. Of course, there is going to be a corresponding increase in the retail price of those garments, and the workingmen will have to pay that much more for them. I do not care what guarantees the Prime Minister may

offer, he cannot control prices in a situation such as this, where the secondary industries have been forced to increase the cost of production. Certainly, unless they are philanthropic, they will have to pass that on to the purchasers of these clothes.

My considered opinion is that the Prime Minister cannot put an end to unemployment by the artificial means he has adopted. The present condition is world wide. The brains of all countries have been taxed to find a solution, and we in Canada are not going to settle the matter by voting a mere $20,000,000 or $200,000,000. I think we ought to agree on that. Nor can the Prime Minister raise tariffs without at the same time, as has happened in other countries, having a corresponding increase in the prices of the finished products. He cannot shut out imports from this country without seriously affecting our exports. We see what happened in the United States after their high tariffs went into effect and imports were excluded. Their exports fell off to the extent of $200,000,000 a month. Moreover, we cannot impose prohibitive duties on imports without affecting the revenues of the country; and if our revenues decline, on the one hand, and on the other hand, as a result of the implementing of the Prime Minister's promises, our expenditures increase, the margin between the two will represent a deficit. The people of this country cannot expect anything but a huge deficit under such circumstances, because that result is inevitable when such policies as have been brought down by hon. gentlemen opposite are carried into effect.

I repeat, the Prime Minister cannot restrict imports and avoid losses. He is going to the imperial conference and while there, I presume, he will negotiate for wider markets. But I have in my mind the words of a former Prime Minister of Great Britain, the Right Hon. Stanley Baldwin, who when he was in this country two or three years ago intimated that unless we were prepared to buy their commodities they could not buy our farm produce. That was a clear cut intimation and it seems to me he was right. None of the objectives which are aimed at can be accomplished by the present Prime Minister, and in support of that statement I wish to read certain words of his own as reported in the Calgary Herald. Speaking at Calgary, he said: "I am not a genius," and no one but a genius can accomplish the many things he claims he is going to do, or "perish in the attempt". That rather striking phrase is now common in Canada. I sincerely hope the hon. gentleman expects us to interpret it not physically but politically. It is significant, however, that he has provided for any physical contingency by having as his chief whip a gentleman who, I understand, has been an undertaker.

Mr. BELL (Hamilton): He buried your party all right.

Mr. HEPBURN: Let me tell the hon. gentleman that, notwithstanding their gloating over victory, we on this side of the house represent more votes than they do on the other side.

I was particularly impressed with the speech of the hon. member for Bow River (Mr. Garland), depicting the terrible conditions that exist in the prairie provinces. Representatives from the west, on the other side of the house, are subscribing now to a policy which means that the poor farmer receiving 42 cents a bushel for his wheat will have to pay higher prices for his necessities. I would commend to those hon. gentlemen the words of William Jennings Bryan: "Thou shalt not press down the crown of thorns upon the brow of labour". I do not know what the reaction will be on the prairies to the legislation which we are asked to pass in this house by what has been described as Star Chamber methods. But I fancy there is a sort of gathering storm awaiting these gentlemen on the tory benches when they return. They might take a cue from Burns's Tam O'Shanter. When Tam went home late he had to fortify himself against the "sullen dame", who was awaiting him—

> Gathering her brows like gathering storm,
> Nursing her wrath to keep it warm.

The people of the west, after digesting these new tariff proposals presented to the house by the government, will strike these Conservative members of the prairies as a gathering storm. The Canadian people have had their eyes opened; they have been disillusioned in regard to the Prime Minister. He is not a second Abraham Lincoln, a great emancipator; for while Lincoln freed the slaves, it seems to me that the present Prime Minister has enslaved the Canadian people, delivering them into the clutches of the big interests through this tariff. And through the anti-dumping legislation which he has introduced he is delivering them on the other hand into the clutches of the Minister of National Revenue, which is probably very much the same place so far as the Canadian people are concerned.

I wish to assure my hon. friend from Winnipeg North Centre that we are not downhearted as a result of defeat. We are rather proud of the record of the late administration, which was unparalled by any other government that preceded it. It was a record that will not be equalled by this administration. And we are prouder still of our leader (Mr. Mackenzie King) even in defeat. Let me say that it will not be long before the Canadian people will be demanding the return of the present leader of the opposition as Prime Minister of this country.

Mr. HENRI BOURASSA (Labelle): I am sorry not to have heard my hon. friends from Bow River (Mr. Garland) and Winnipeg North Centre (Mr. Woodsworth), for I am sure they must have shed light upon the subject now before us. On the other hand, I am glad in a sense not to have heard them, because I am in a position to express my view of their subamendment without being subject to the influence of their eloquence and wit, which I am sure, as usual, their speeches have shown.

This motion I will consider, as I consider everything else before the house, neither as an opponent nor as a supporter of the government. In previous debates I have made it clear what my position is in this house. I have come here, in the words of my hon. friend from Kindersley (Mr Carmichael), to give Bennett a chance. But I will not go the length of giving the present leader of the government or anyone else a chance to do anything he may please. As the hon. member for Winnipeg North Centre stated on a previous occasion, we are here to discharge a duty and to do the best we can by the people who sent us here and by the country at large. On the two previous measures introduced by the government to solve the problem of unemployment, I took an attitude rather favourable to hon. gentlemen opposite, though I expressed diffidence with reference to the second measure amending the Customs Act in the matter of dumping. As regards these tariff measures, I may say that I was dumbfounded when I discovered the extent to which the government was endeavouring to go in order to carry a quasi-complete revision of the tariff in a few hours under the pretence, or perhaps with the sincere desire, of solving the problem of unemployment. With the leader of the opposition I think it is wrong to take advantage of the situation, of the credit that has been given to the government, to carry on such a large measure of tariff revision without any time being given to parliament or to the country at large to measure up the consequences of that revision.

Taking now the subamendment which is before us paragraph by paragraph, it expresses almost completely what is in my mind with regard to the various problems that are indicated therein. Therefore I have no hesitation in saying that I will vote in favour of this subamendment. I think it is absolutely true, Mr. Speaker, that one of the main causes, if not the main cause, of the economic troubles which affect Canada is the situation with regard to the disposition of the great wheat crop in the west, and I fail to find in the measures now before the house any remedy, either direct or indirect, for that situation.

Mr. DUPUIS: Is the hon. member in favour of the public control of credit?

Mr. BOURASSA: Will my hon. friend control his patience? I will take up the subamendment paragraph by paragraph.

Mr. DUPUIS: I heard the hon. member say he was going to vote for the amendment.

Mr. BOURASSA: I am going to explain why I am going to vote for the amendment. It says that—

> ...a steeply graded increase in our tariff schedules...

—is not a remedy for the unemployment problem or all the economic problems generally from which Canada is suffering. With that assertion I agree entirely. I would not, howerev, go the length of saying that I "welcome the assurance of the Prime Minister that prices will not be raised," because I do not believe it is in the power of the Prime Minister, of the government, of parliament or of any political force now in Canada to control prices. I think the unavoidable result of the measures now before the house must be, if not a raising of prices, at least a maintenance of abnormal prices for the manufactured products which are going to be favoured by these measures at the expense of the consumers at large.

A member of this house—I think it was the leader of the opposition (Mr. Mackenzie King)—stated that one of the main difficulties with regard to the farming population of this country was that the selling prices of agricultural products have gone down rapidly whilst the purchasing prices for manufactured goods such as are used by farmers as well as by all other classes have not gone down.

That is precisely the trouble; that is the economic problem all the world over. The problem before all governments is a readjustment, the reestablishment of a proper balance between industry and farming, between the interest of the producer and the interest of the consumer. Surely this is not going to be solved by the measures brought in by the government with regard to the tariff. It has been stated—I think the leader of the government himself stated it—that the government hal received assurances that prices would not be raised on account of these measures. But, sir, that is not sufficient. I repeat, the problem for the mass of the consumers of this country, whether city dwellers or farmers, is not simply that the prices of manufactured goods will not be raised, but that a proper balance will be established between the sale price of agricultural products and the purchasing price of manufactured goods, whether they be garments, whether they be imported food staples, whether they be tools used on the farm or used in any other vocation. Then the subamendment proceeds:

Further, this house regrets that there is no definite provision for safeguarding the standards of labour.

Of course there is not, and there cannot be in a tariff measure. In this again I agree entirely with the hon. member for Winnipeg North Centre (Mr. Woodsworth), who stated the other day that the two great parties in this country, and too many people, have been so entirely concerned with the concrete questions of protection or free trade that they have not seen how much the economic situation in this country, as in every other country, is affected by many factors other than the mere question of a tariff being higher or lower. Therefore, of course, it follows that these proposals do not constitute a permanent or general cure for unemployment. I would go further. They do not and cannot in themselves constitute a palliative, to employ the word used in a preceding debate by the leader of the government. They cannot constitute even a palliative for the situation, and here again I come to the remarks of the leader of the opposition when he brought in his amendment, which preceded the subamendment we are now considering.

Not only with regard to the present situation, but having regard to the future, what we should have in our minds is not so much to give work by artificial methods to a certain number of unemployed labourers in the cities, as to endeavour to create or re-establish conditions in Canada which would enable people who are now practically dying of hunger in the cities to go back to the country and return to a normal rural life under conditions which would enable them to live and at the same time pay their share of taxation for the support of government in this country. In this respect I see nothing in these proposals which will be an inducement to the unemployed labourers in the city to go back to the country. Further than that, I see nothing which would mean an equivalent advantage to the farmers to that offered to the industrialists. Take for example the woollen industry. For a number of years in the old parliament, where I stood as I stand now, an independent member of the house, I advocated a certain measure of protection for our woollen industry, but at the same time I said, as I say now, that if the government of Canada, whatever party was in power, wanted to do justice to all classes in Canada in connection with the woollen industry, measures should be brought in at the same time to encourage in a practical way the farming communities of Canada to raise sheep and supply wool to the woollen factories of the country. In other words I have always stood, as I still stand, in favour of a certain degree of protection for Canadian industries which make use of Canadian raw material, whether it is animal products or other products of the farm, or whether it is minerals or wood, rather than to give protection to such artificial industries as the cotton industry, to indicate only one. Therefore I regret that the government has not found means at the same time to offer inducements to the farming community to supply to the woollen factories, which are going to be further protected by these measures, the raw material which will be used in the manufacture of their finished products.

Then the subamendment proceeds:

In particular they will not enable us to secure markets for our agricultural products.

Of course that brings us to a larger view of the economic situation. During the past campaign, since many references have been made on all sides to arguments which took place during that campaign, I took this ground: I do not think it is a proper policy to throw our markets open to imports of foreign goods, nor is it proper to build around Canada a Chinese wall similar to that built by the United States. Canada is not the United States, nor is Canada England; a policy which may suit England or the United States cannot suit this country. To a certain degree Canada is in need of its own market for the consumption of its own products, but it is also in dire need of foreign markets for the export of, first, its farm products and, second, a certain proportion of its

manufactured goods. What is the use of encouraging our manufacturers to operate under the benefits of the exclusion of competition from the United States, if at the same time we do not do all we can to find foreign markets for the export abroad of our industrial and farm products? Markets are not to be found merely by wishing for them, and countries will not take Canadian products, either natural or industrial, just because of the love of Canada. In the economic world there is no such thing as an act of complacency by one country towards another.

This brings me to another aspect of these proposals. As I have stated in a previous debate, the one thing which gave the Conservative party a majority over the Liberal party was the attitude taken by the present leader of the government against the Dunning budget as it concerned the so-called British preference. In repeating this I suppose I am running the risk of being castigated by some of the silly papers in Canada as an opponent of everything British. Nevertheless, as I stated here, and as I stated with Sir Charles Tupper thirty years ago; as I stated at the last session, with the present leader of the government and with the present Minister of Trade and Commerce (Mr. Stevens), I stand for a Canada first policy. I expect them to go to London and express the will of the Canadian people in an effort to maintain the industrial and economic prosperity of this country to the utter disregard of any political association with other countries. But I stated also time and time again that in our dealings with foreign countries, in our search for markets of export, we should have an understandng with Great Britain and with British countries preferably to any other country. Not as a matter of sentiment—no one would expect us French Canadians to do that—but as a matter of common sense, it is most natural that we should prefer to deal with those countries that are associated with us politically. But I maintain the attitude I adopted last session, that we should hold our cards in our hands in dealing with British countries as well as with others. The Minister of Trade and Commerce said that his leader will go to London after having put his cards on the table. I am not a card player but I always understood that the only proper way to play the game is to play it according to the rules.

Mr. STEVENS: It depends on what game you are playing.

Mr. BOURASSA: The game should be played honestly, but also cleverly. No one should have trump cards up his sleeve, but cards should be held and played properly, both with opponents and partners, according to the rules of the game.

An hon. MEMBER: They never played them all.

Mr. BOURASSA: No, they did not play them all at once. Britain did not do it, Australia did not do it; the South Africans did not do it nor did the Irish, and I do not see why Canadians should be sillier than other British nations.

I opposed the attitude of the last government when they were posing as protectors of the British Empire. I laughed at that, and I still do; I think it is ridiculous for Canada to pose as the protector of British industry and labour. Just as I was opposed to the last government lowering the duties on British goods in order not to evince "a petty bargaining spirit," likewise I think it is wrong on the part of this government, just on the eve of an economic conference in London, to show their cards all at once. This government having won the elections as they did, having succeeded in obtaining from the Canadian people a mandate to carry on a protective policy, should have gone to London and discussed the situation with the British countries, and then come back to Canada and propose to the Canadian parliament measures with regard to the tariff based upon the arrangement agreed upon among the different British countries. I agree with the leader of the opposition (Mr. Mackenzie King) when he says it is a mistake to ask this house to pass in a few hours such a broad tariff measure just on the eve of an imperial conference.

There is another, and for the moment, a graver aspect to this matter. It is undoubtedly true that this government is taking advantage of a disquieting situation in Canada to wrench from this house a measure the consequences of which cannot be foretold even by the hon. gentlemen themselves. When a previous measure was before this house, the leader of the government properly stated that they had not had time to consider all the possibilities of the application of the measure propounded. In other words, they could not give an occount in advance to the house as to the manner in which they would spend the $20,000,000 which they secured from us, and quite easily too, for the relief of unemployment. If those gentlemen have not had time to count all the dollars they are going to spend under that measure which has just passed; if they are not in a position to state that they will apply so much in this or that province, in this or that

city, because the situation is urgent and they have not had time to consider details, surely no man would seriously say that any one of the ministers, even the Prime Minister (Mr. Bennett) with all his superior intellect, has measured the consequences of all the changes in the tariff which are contained in the resolutions now before the house. They have not measured them as regards the industries concerned. They have not measured them as regards the question of unemployment. They have not measured them as regards the relation between rural and city population. They have not measured them as regards the question of raising of prices to the consumer. It is all very well to say that they have received a few letters from a number of manufacturers saying that they are not going to raise their prices. I am not a lawyer. There are many lawyers in the house, perhaps a little too many for the good of the country.

Some hon. MEMBERS: Order.

Mr. BOURASSA: Well, some of them will become judges one of these days. They must show that they are good for something once in a while, and I am asking the opinion of any lawyer on both sides of the house what kind of obligation—I will not say moral; let us leave morality aside—what kind of legal obligation is contained in any of those letters? Even in good faith the manufacturer might write now that it is not his intention to raise his price on such and such an article today on account of the tariff measures that we are going to vote, but he cannot promise what he is going to do three months or six months hence, because conditions of labour or of trade may change. He cannot do so any more than the wheat pool was capable of forcing British purchasers to pay a certain price for our wheat; and the pool found out at its expense that in spite of all pretensions of economists and politicians, the law of supply and demand still controls the world. Likewise, in the selling price of manufactured goods, no one can tell what effect these tariff measures will have six months hence on the selling price of the goods affected by them. So far as that is concerned, any sensible man, detached from party spirit, will agree with what the leader of the opposition said regarding the tariff proposals now before the house.

I think it was the Minister of Trade and Commerce (Mr. Stevens), one of the cleverest men in the government, who looked through all that big scrap book which the leader of the opposition gathered during the campaign and from which during the first days of the session he quoted declarations made and pledges given by the leader of the government during the election. The minister found one in which it was reported that the Prime Minister had stated that at the first session he would deal with the tariff. Speaking in all good faith, in the name of people much more numerous than you imagine, Mr. Speaker, I do not think there is one man or woman out of ten thousand who understood that single declaration as meaning that at this special session to be held and closed in two weeks in order to solve the problem of unemployment, the government would deal with the tariff in the manner in which they are dealing with it now. What the people understood and what I think the then leader of the opposition, now the leader of the government, meant, was that he would deal with the tariff at the first session, meaning that he would deal with it at the first regular session.

Some hon. MEMBERS: No.

Mr. BOURASSA: That is the way in which I understood it at the time, and I think most people had the same conception. There is quite a difference with regard to pledges taken as to unemployment and that single declaration in regard to the tariff. Everybody expected that this special session was to be held in connection with unemployment. As regards unemployment I, for one—and I have given evidence of my attitude—came here prepared to give an ample margin to the government to carry out their decisions. I went even the length of letting pass without voting one way or the other that measure with regard to dumping, which was a pretty far-fetched one. But when it comes to a proposal affecting industry and trade, the interests of producers and consumers, with regard to more than one hundred articles of trade and consumption in Canada, I am not prepared to say that under the pretense that we are here to solve the unemployment problem, we should give a free hand to the government and vote this holus-bolus without considering every one of these items. I am not prepared to say that in order to enable the Prime Minister to leave for London on Monday next we should vote as no other free parliament in the world has ever done. Hon. gentlemen opposite should not imagine that because the Conservative party has won such a victory it has received from the public a mandate to establish fascism in this country. I really believe the Prime Minister means to be a constitutional leader; that he means to

take the House of Commons as it is, composed of men representing all groups and all shades of opinion, into his confidence. He means to secure the adoption of his policy after full discussion; and in the years to come he will be stronger in the eyes of the people of Canada if he does not attempt to force through such an important measure under the pretense that he is obliged to leave for London on Monday next. He has stated that as between going to London and remaining in Canada to do his duty by the people of Canada, he would stay in Canada. If he considers that this measure is essential to the present needs of Canada; if he considers at the same time that after this measure has been enacted it will have consequences that will react not only upon the unemployment situation within the next few months, but on the whole economic life of Canada within the next five or ten years, he cannot expect this house willingly to give him a blanc-seing to put this legislation on the statute books of Canada when I am sure not one out of fifty members on the other side of the house knew anything about it before last week.

Some hon. MEMBERS: No.

Mr. BOURASSA: These good humoured protests are evidence of what I am saying.

Mr. LAVERGNE: It was discussed all through the campaign.

Mr. BOURASSA: These items?

Mr. LAVERGNE: Not the items, the principle.

Mr. BOURASSA: I am speaking of the various items, not of the principle of the measure. Of course that was discussed during the campaign and the government will be not only entitled but morally obliged at the next session, or at this session if we go on with it, to put these measures through. But the point I am trying to make is that in this special session called to solve—well, I will not be too hard on the government—

Mr. BAKER: Who cares?

Mr. BOURASSA: —to try to solve the problem of unemployment—well, the hon. member does not care, but some people care and even among your friends there are some who care.

Mr. BAKER: We do not care what you say about us.

Mr. BOURASSA: You do not care what I say, but some people do care. I am a humble individual, but I represent many people outside this house; and I am here to express their views. Parliament exists for that purpose only. As far as personal measurements are concerned it would of course take a very disinterested judge to take the measurement of all of us and make comparisons. As my hon. friend knows, all comparisons are odious; he is cultured enough to know who said that.

My friend from Kindersley (Mr. Carmichael) has said that we should give the government a chance. That is the voice of the people, and that should be our voice. However I would not want to give all chances in everything; I am sure the leader of the government would not want to be given all chances from all points of view, or in all the meanings of the word chance. For example the hon. gentleman is very anxious to go to London, and I have no objection to it whatever. He will represent Canada in London in a very dignified manner. He will add to the number of distinguished statesmen who have done honour to Canada in London as well as elsewhere. But I am sure the leader of the government himself would not like to take all chances. Evidently the Prime Minister has received a mandate to go to London to represent the Canadian people and to define the interests of the Canadian people in his discussions with representatives of other British countries. In the last parliament I expressed the view that if I had my choice I would have sent the present leader of the opposition and the late Minister of Justice (Mr. Lapointe) to the political conference in London, and I would have sent the leader of the opposition at that time, now Prime Minister, and the present Minister of Trade and Commerce to the economic conference. In expressing that view I think I expressed the view of many people. The Liberal leaders have represented in London the views of the majority of the Canadian people in many instances. But in respect to the economic problem, on the whole, I think the Conservative party has stuck to old time Canadian traditions to a greater degree. That is what I am trying to explain. I stand between the two parties absolutely free from any party entanglements and free to express the views of the people who sent me to this place. I represent many people from British Columbia to Nova Scotia. From year to year I receive communications from people who consider I express their views in parliament, not in contradiction of, but as distinct from the set views of the two leading parties of this country. In the name of those Canadians, growing in number from year to year; in the name of those people who are

more detached from the old party slavery and discipline than were our predecessors, in the name of the new generation to come, because I feel young enough to speak for the new ones, I say "Very well, go to London and defend the interests of Canada." But I further state: Before you leave for London do not endeavour to wrench from this house a measure of the importance of the one before us, a measure which involves for the people of Canada so many factors connected with their economic life. In justice to yourselves, in justice to parliament as a whole, in justice to the people of Canada, you have no right to stifle discussion, you have no right to precipitate at this moment a question of the magnitude of the one before us.

Therefore I am prepared to vote for the amendment proposed by the hon. member for Bow River. I will vote for it because it contains a great many wholesome ideas which should be opened to the cold inspection of the people of Canada before the close of this so-called special session. Secondly, I am prepared to vote for the amendment proposed by the leader of the opposition, not only the second part of it but more especially the first part. The member for Kindersley said this afternoon that he could not vote in favour of the amendment because it constituted a motion of want of confidence. Well, the motion by the hon. member for Bow River is also in the nature of a motion of want of confidence. Because of what might be called the narrow and stupid rules of parliamentary procedure, every motion which is not in absolute agreement with the will of the government is called a want of confidence motion. I protested against the term thirty years ago; I protested against it under the last government and I renew my protestations to-day. Free members of this house should be free to express in the form of motions or otherwise their diffidence or dissent from a portion of the policy of the government without being stamped as opponents of the government and without forcing the government to resign. If the hon. member for Kindersley feels that he is not capable of protesting against the high-handed manner in which the government is trying to impose these tariff measures upon parliament under the pretext that the Prime Minister has to leave for London next week, then the hon. member has no right to vote for the amendment of his friend from Bow River. However, free as I am to do what I like and say what I think, I vote for the sub-amendment first, then for the amendment, because they both contain some wholesome truths. If those truths were taken as ordinary matters they would be accepted by a large number of members on either side of this house. They are truths which would be accepted by a majority of government members if they had a chance to put them into concrete legislation. They are truths which surely could be accepted by most members on this side of the house, especially when they are in opposition.

Mr. SPEAKER: The hon. member's time is up.

Mr. BOURASSA: I shall close my remarks by saying that in taking this attitude I am not opposing the government, but I am voicing the views of the people who sent me here; and the government should think twice before it endeavours to force this measure upon the house.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, as it was my privilege to move the amendment to which the present resolution is proposed as an amendment I might be permitted to say a few words concerning the two amendments now before the house.

First of all I should like to congratulate very warmly the hon. member for Bow River (Mr. Garland) on the speech he made when proposing the amendment to the amendment. With almost every word he said in the course of his remarks I am in complete accord. I do not accept one or two slight reflections on the previous administration, but I think I could make allowances even for those remarks. The speech of the hon. member was admirable in its tone, and particularly was it helpful in the useful economic information and argument which it presented to the house. I confess however that most of the features of the amendment to the amendment appeared to me to be a repetition of what was said in the original amendment. There is one difference which occurs in the last paragraph, and of which my hon. friend from Labelle (Mr Bourassa) did not take notice. He dealt with all the paragraphs in the amendment to the amendment, but he missed the significance of the last paragraph. It is to that particular section I wish in a moment to direct my remarks. Before doing so, however, may I briefly review the different paragraphs of the amendment to the amendment?

The first reads:

Whereas this session of parliament has been called for the purpose of dealing with unemployment;

The second paragraph:

And whereas there also exists an extreme agricultural depression largely due to our in-

ability to sell our wheat and other agricultural products at profitable prices, thereby contributing to unemployment;

These two paragraphs are really a reassertion of the position taken by the official opposition in respect to this whole question of unemployment. We have contended that this session was called to deal with the question of unemployment, not to deal with the tariff as such. We contend that the unemployment which has been existent in Canada this year has been due more than all else to the fact that it has not been possible for western Canada to find the markets for her agricultural products which she has had in previous years, and that it is largely due to the agricultural depression that has come through this failure to market grain and the falling prices in agriculture with the consequent effect upon trade and industry that there has been so much in the way of unemployment. So we are in entire accord with what the amendment says in that particular. The next paragraph reads:

And whereas the government has introduced as a remedy for the existing economic depression a steeply graded increase in our tariff schedules.

I think we will all agree that it is a steeply graded increase, I should say very steeply graded. The amendment continues:

While this house welcomes the assurance of the Prime Minister that prices will not be raised, this house is not convinced that any adequate means of enforcement is provided.

I agree with the hon. member for Labelle. I cannot accept those words, that we "welcome the assurance" referred to, because we think the assurance is pure nonsense. There is nothing to it. The Prime Minister (Mr. Bennett) knows very well, as has been said so often in the course of this debate, that no government on earth has ever been able to control prices, nor would a government be able to get assurances with respect to the control of prices applicable to a continent which would be worth the paper they were written on.

Mr. JACOBS: Is the hon. gentleman assured that the nonsense is "pure"?

Mr. BENNETT: To the pure all things are pure.

Mr. MACKENZIE KING: The next clause reads:

Further, this house regrets that there is no definite provision for safeguarding the standards of labour.

We too on this side have shared in that expression of regret. In all these points we are in complete accord, and the amendment moved by the opposition virtually asserts everything asserted here, so that there is nothing up to this point in the amendment to the amendment which improves the situation at all. The next clause reads:

This house is of the opinion that the proposals of the government do not constitute a permanent or general cure for unemployment.

My view is that not only do the proposals not constitute a general cure for unemployment, but that on the contrary they will tend to increase unemployment rather than to lessen it. They are far from being even a palliative. I cannot but believe that what we are going to witness very shortly will be a vast increase in the numbers of persons unemployed in our cities and towns resulting from the fact that it has gone abroad from one end of this country to the other that anyone who is fortunate enough to be in a city or town is going to get work in some factory or in connection with some public building, municipal or government, or other undertaking; in short, there will be there planty of work for all. We will not find people going from the towns and the cities to the country to get any part of this $20,000,000 voted a few days ago, we will not find anyone going to the country to get the benefit of any of this tariff legislation; they will all be rushing into the cities and towns, and then there will be a problem of unemployment such as we have not had in Canada in any winter in the past. More than that, far from labour finding itself benefited from that condition, there being so much labour in competition with itself, because of the law of supply and demand asserting itself we will have the manufacturers refusing to take on labour at the wages prevailing in the past; in other words, they will offer employment at the lowest wages possible. There is no guarantee in anything the government has said that the standard of wages will be maintained by these industries that are to be benefited by the tariff increases. The government has sought guarantees with respect to prices, but nothing whatever is said about any guarantee for labour as to wages, hours and working conditions; and yet this session has been called primarily to consider the well-being of labour.

The next paragraph of the amendment to the amendment reads:

In particular they will not enable us to secure markets for our agricultural products.

That comes back again to the fundamental question of what is the cause of the present unemployment in Canada. Here I agree entirely with what this amendment says, and particularly with what was said by the hon.

member for Bow River, that unemployment in Canada to-day is primarily due to the situation in the agricultural industry. It is not due to the situation in the manufacturing industry. As a matter of fact, Mr. Speaker, the tragic side of this whole business of increasing the tariff duties at this session to the extent to which they are being increased is that there has been no general demand even by our manufacturers for such increases. All of us know that until within the last few years the manufacturers in Canada were well satisfied with the tariff as it was. When did we ever witness delegations coming to Ottawa asking for the kind of increases that are being granted by the present measure. What delegation ever came to this capital and asked for a 200 to 300 per cent increase of duty on agricultural implements? What delegation ever came to this capital asking for increases to the extent that have been given to the textile industry? Or what delegation ever came to this capital and asked for increased duties on other articles affected to the extent to which they have been given in the present legislation? Without even having had any request the Prime Minister has handed out these vast bounties to the privileged interests. And he has done so in secret; there has been nothing said publicly. Only those who are getting the special favours were the ones who seem to have had the least inkling of what the government intended. The effect of that inkling is already pretty evident in more ways than one.

If hon. members have taken the pains to look at the stock quotations during the last few days, they will see how certain stocks have gone up since it became apparent that the present administration was going to increase the duties for the benefit of certain industries, and even a little before. They will very soon discover what the effect of the government tariff changes up to the present have been and are likely to be, and the persons who are benefiting and will benefit by them. I have in my hand quotations of stock prices, and I will deal by way of example with three concerns: Dominion Textile, Cockshutt Plow, and Steel of Canada. The figures for the low of this year would indicate that Dominion Textile stock was selling at $61. On July 28 it was quoted at $70, on September 16, the day these resolutions were introduced, the stock rose to $84.50.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: Hon. gentlemen opposite applaud that statement. Possibly they have some of the stock. But may I ask my hon. friends opposite just where has labour profited in virtue of that increase? I ask my hon. friends opposite who are applauding just where has the consumer benefited by that increase. It is apparent that the capitalist, the man who had his capital invested, has benefited by the increase in value of his stock from $70 to $84.50 a share in the course of the time that we have been debating in this house, one might say; and yet we have no evidence that either labour or the consumer has derived any benefit therefrom. On the contrary, I venture to say that there is not a member of this house who has not to-day received from some quarter or another communications, worded in phraseology of real alarm, as to what is going to happen in the matter of the increases of commodity prices that are inevitable under this tariff. I have received a great many complaints as to what the people are going to do this winter by reason of having to pay so much more for woollen goods, hosiery, blankets, and many other articles essential to their comfort and the satisfaction of their needs.

Take Cockshutt Plow. The low figure for this year was 14¾. The stock quoted on July 28, the day of the elections, stood at 16⅜; on September 16, when the resolutions were introduced, it stood at 20½. In other words, these gentlemen, like those in the textile industry, had full knowledge even before the budget was introduced—or if not full knowledge pretty good knowledge—that these special favours were coming in their direction. How could it have been otherwise? The Prime Minister tells us he has assurances from them that they will not increase prices. He got those assurances before he came into the house with these tariff resolutions. His friends —and they include apparently, from what he tells us, the manufacturers generally of Canada—have been told on the quiet, "You give us these assurances, we are going to increase the tariff; but we want these assurances". And knowing that the tariff was going to be increased, knowing that it meant special favours to their industries, these gentlemen have immediately begun to try to get a little more of the stock of these companies into their hands; and as they sought to get more of the stock the price of the stock has gone up in the way I have indicated.

Take Steel of Canada. The low of the year was 39⅞. On July 28 it stood at 45 and on September 16 it had risen to 47. These are only samples. I venture to say that what I have given here is indicative of the stocks generally in those concerns which are receiving special favours at this time.

But, Mr. Speaker, the serious aspect of this situation is perhaps not confined to the fact that the manufacturers who are fortunate enough to come in for these special favours have seen their individual opportunities improving in the manner described; it lies in the fact that while this is happening in relation to the manufacturing industry, more particularly in eastern Canada, the great body of agriculturists in this country, especially those in the western provinces, have received no corresponding favours and find themselves relatively in a worse position than they have ever been in before. At the moment above all others when it was necessary for them to have their position improved, so that they might have wider markets and feel secure, they find these gentlemen, whose products they have to purchase at retail prices, getting special favours, receiving prices that remain steady, with the prospect almost certainly of going up later on, while the prices which the agriculturists receive are dropping lower and lower. The serious aspect of that for us is that it is going to have the effect of dividing this country east and west. It is going to have the effect of creating a movement in one part of Canada in a direction quite the opposite of that which we see in another part of the country.

The late administration, in dealing with the tariff, took particular care to see that before any changes were made all interests likely to be affected should have a right to be heard. They dealt with the tariff in public; they did not deal with it in secret. The consumers, the agricultural interests, all classes had a right to go and make representations, and before any tariff changes were presented in this house there had been a very careful study of the bearing of such changes not only with respect to possible effects as between different classes concerned in the particular industry but as between different parts of this great Dominion. And I venture to say that up until the discussions of the recent general election there never had been a period in Canada's history or existence when the differences between east and west, between labour and capital, between employer and employee were less apparent or in reality less than they were immediately prior to that time. There was harmony, there was good will between different classes; and particularly was there harmony and good will between the different sections of this country. That has all been destroyed in very large measure by the action of hon. gentlemen opposite in the past few days.

I come now to the concluding paragraph, which I regard as the vital part of the amendment. And it is the one paragraph which I must confess I find it difficult, indeed impossible, to accept. It reads:

> In general this house is further of the opinion that a solution of our problem can be found only by the adoption of cooperative principles in production and distribution, and by the public control of credit.

The house will notice the word "only" in that paragraph. I ask all hon. members to observe that word before they vote on this motion. The concluding paragraph suggests, not that the unemployment problem may be solved in part by the adoption of cooperative principles in production and distribution, or in part by the public control of credit; the resolution states that the solution of our problems can be found only by the adoption of cooperative principles of production and distribution and by public control of credit.

If there is one problem in the world for which there is no panacea it is the problem of unemployment. Every nation under the sun has had this problem to deal with for generations and generations. Its causes are many, sometimes there is one cause and sometimes another. But there certainly is not one panacea in the way of a solution of this problem. If there were the world would have discovered it long before this. I cannot see, therefore, how this house can be expected to express the view that we have at last found the one panacea, and particularly if it is to be confined to the words of the resolution, namely "the adoption of cooperative principles in production and distribution and the public control of credit."

I would say this to my hon. friend who moved the resolution. Let us assume that to-day we had in Canada all that was to be desired in the way of the adoption of cooperative principles in production and distribution, and all that was to be desired in the way of public control of credit. Does he think that would give us markets for our agricultural products in Europe, conditions being what they are in that part of the world to-day? Does he think it would give us a market in Britain, which we so much desire to have and of which we are in such great need? I am quite prepared to admit that there may be aspects of this panacea, so-called, which might be helpful. But when you say that the proposal is the only solution of the problem, I say that it would not solve the problem even if we had it in the fullest measure conceivable.

I do not know whether my hon. friends who propose the resolution mean that the control of credit is to be something general

throughout the world, that the adoption of these cooperative principles in production and distribution is to be world-wide. Certainly if we had world-wide conditions which were uniform with respect to many of these industrial questions, we should be a long way on the road to a solution. But the fact that there is no such thing as uniformity in the standards of industry in the different countries of the world is one reason which above all others defeats the very thing which otherwise might best serve to effect a solution of many of these economic problems.

Many years ago Gresham, studying the competition of precious metals, discovered that where two metals were in circulation, one base and the other pure, if they were permitted to circulate together the baser metal would sooner or later drive the purer out of circulation. This has become known as Gresham's law of the precious metals. I believe that this so-called law is applicable generally to the whole question of standards in industry. It might be called the law of competing standards. Permit in industry a low standard to compete with a higher standard, permit labour which is sweated to compete with labour which is well paid, and sooner or later the sweated labour will drive the better paid labour entirely out of the realm of competition. It is simply because it is so difficult to bring about uniformity of standards or even the recognition of certain minimum standards in different parts of the world that it is increasingly difficult for any one country to find a solution for problems which are not only economic in their character but world-wide in their scope.

So I say, Mr. Speaker, with all due respect to the hon. members who have moved and seconded the subamendment and hon. members who have spoken on it, that while undoubtedly what they have in mind is worthy of most careful thought and consideration, I question whether in their own minds they have understood the full implications of the amendment as it is worded. That particular phase of the subamendment is not acceptable but it happens to be the one phase which makes this subamendment different in any essential from the amendment which I had the honour to move on behalf of the opposition.

Mr. BOURASSA: Would the hon. gentleman permit a question? I understand this paragraph as meaning that the adoption of the principle itself is an essential. The hon. gentleman seems to say it is the only remedy. I did not take it that way.

Mr. MACKENZIE KING: I am glad to hear my hon. friend say that, because I could hardly see how, if he had understood the amendment as I understand it, he could have supported it. Let me read it now just as it is worded and ask him, on reflection, whether it does not mean exactly what I have just said it means:

> In general this house is further of the opinion that a solution of our problems can be found only by the adoption of cooperative principles in production and distribution, and by the public control of credit.

That is the English of it, and I have enough respect for the intellectual integrity of my hon. friend from Labelle to believe that if he attaches to it the meaning I give to it he will not support it. When he said, in commencing his remarks, that he intended to support the subamendment, I do not believe he intended to indicate that he was in favour of that particular phase of it. I am with him on all the rest of it, all, in fact, that he read, but there is an interesting circumstance in connection with the subamendment to which I must refer. Not only did he not read this last paragraph, but the mover of the subamendment himself did not say a word about it during the whole of his speech. He did not say a word about cooperative principles in production and distribution or about the public control of credit; he never told us what he meant by that phrase.

Mr. WOODSWORTH: May I suggest that the seconder did so?

Mr. MACKENZIE KING: That is so, and I thank my hon. friend for corroborating in that way what I have just said. However, that is the essential part of the resolution. I am quite prepared to admit that my hon. friend from Bow River had only forty minutes in which to speak, and I think his forty minutes was better spent in saying what he did say than it would have been had he concerned himself with this particular phase. I just want to make it clear that while all of us would be glad to improve the amendment which is before the house, we are not able to accept this subamendment as being any improvement.

Now, Mr. Speaker, in conclusion just let me repeat what the hon. member for Labelle said about the subamendment itself. Some hon. gentlemen in the far corner, as they term it themselves, have said that they do not like our amendment because it is a motion of want of confidence in the government and because if it is carried the government will be voted out of office. I may tell them that their subamendment is a want of confidence motion also, and that if it carries the government will be voted out of office just as quickly. Do not let us have any misunderstanding

about the matter; the two amendments are on all fours in that particular. The sole difference is that we have introduced an amendment to which I think all members on this side of the house can agree if they are prepared to agree with the terms of this subamendment, while on the other hand in the subamendment there is the one clause of which I think many hon. gentlemen, for the reason I have mentioned, will find it difficult to approve. Let us hope that some day we will discover a panacea for our social ills, but do not let us imagine that we have discovered it in the short period of this present session.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, it is a great privilege to be a member of the House of Commons. It is a great privilege because as members of the house we come in contact with political and economic currents of thought which have a great influence upon our lives, and also because we meet friends in this house who have very definite influences upon our future. It is a great privilege, too, because we come in contact with national and international viewpoints which also have a profound influence upon the way we think and act.

Not only is it a great privilege to be a member of the House of Commons; there is as well a great responsibility involved. Each of us has the responsibility of representing a riding in the House of Commons, and we have to stand up and speak for those whom we represent. Not only must we speak for them; we must know their problems and understand their grievances, and then do our best to have these problems solved and these grievances removed. Since, therefore, I was elected on July 28 as a member of this assembly, I should like to have the privilege of saying in a few words what I think of the legislation which has been brought down by the government of the day.

First let me deal in a preliminary way with the amendment before the house at the moment, which was moved by the right hon. leader of the opposition (Mr. Mackenzie King) and seconded by the hon. member for Quebec East (Mr. Lapointe). The amendment comprises two divisions. The first part of it is preliminary, as it were, to what comes later, and in that preliminary section we have four important ideas registered. The first is:

> This house regrets that the government has seen fit at a special session called to deal only with unemployment to propose great increases in customs taxation.

[Mr. Mackenzie King.]

The second idea is that this increase in taxation includes a wide range of commodities and covers a large number of the necessities of life. The third idea is that although these changes involve a considerable increase in the cost of the necessities of life, an opportunity is not afforded us, because of the shortness of the time during which we may debate these matters, to get all the information which ought to be secured for the house and for the country. Finally there is the idea that a proper parliamentary discussion is impossible because of the limited time at our disposal.

On these four important ideas we have based certain conclusions, which naturally follow from the statements I have mentioned. The first conclusion is that there will be a tremendous increase in taxation because of these proposals, and that this increase in taxation will not end unemployment. This special session has been called, we are told, to end unemployment; we have here a definite, clear-cut statement to the contrary, that it will not end unemployment. Secondly, it states that it will increase the cost of living, and thirdly, the cost of production. By increasing the cost of production and the cost of living, it will be impossible for us as a nation and as a Dominion to go into the markets of the world and compete with other countries. This is the fourth and final conclusion.

The importance of this legislation and the time we have had at our disposal to discuss it, reminds me of a story. A Scotchman, an Englishman and a Welshman were discussing the relative speeds of trains in which they had travelled. The Scotchman said that a train in which he had travelled went so fast that the telegraph poles looked like a garden wall. The Englishman related his experience and stated that the train in which he had travelled went at such a speed that the milestones looked like tombstones. Then it came the Welshman's turn to tell his story. He stated that his experience had been that the train in which he was recently travelling went along so swiftly that in whizzing by a potato patch, a field of leeks and a butcher shop, it made them look like an Irish stew. To many members on this side the jumble of legislation which is being put through the house at this special session looks like a political Irish stew, and I believe it will look that way to many of the electors of Canada. We have had brought down for our consideration extensive tariff changes, and we have not had the time to analyse them and to get the facts before the house and before the people. The weekly and daily press of the nation will therefore have to complete this very essential task.

Special sessions of parliament are few and far between, and I believe that when the people of Canada fully understand what this special session means to them, and see the results obtained, they will wish for fewer special sessions in the future than have been held in the past. It may be necessary to call a special session of parliament in war time in order to mobilize all the resources of the country, but I do not believe that it was necessary to call this special session in order to deal with the unemployment problem. That problem could have been dealt with by other means which could have been later placed before the house, and in that way just as sound a solution could have been arrived at. This session has been brought about largely because of the promises made during the elections by the Prime Minister (Mr. Bennett). It was not necessary to call this special session, and when one considers the program of legislation which has been presented and which is triangular in form, he is forced to the conclusion that there were other purposes in the minds of the leaders of the government for calling a session of parliament at this time. My opinion is that the purpose, beyond dealing with unemployment the real purpose was to confer special privileges upon a certain section of the Canadian population; and may I say that the nature of special privileges and the manner in which they are being conferred lend to the term "special" a new significance as far as parliament is concerned.

Three pieces of legislation have been presented to us. The first was the unemployment measure, by which was voted $20,000,000 for unemployment relief. Then we had the amendment to the Customs Act, by which there was placed in the hands of a responsible minister more executive power than he had hitherto possessed, thus turning back the hands of the clock as far as responsible government in Canada is concerned. This measure has done no good to Caanda, in any sense of the word. Then, lastly, we have changes in the tariff, all of which will have a dwarfing influence upon Canada from east to west.

What about the first piece of legislation which was brought before us, the measure to relieve unemployment? The question of unemployment has been before the house for years and years. As a member of this chamber, for five years I had the honour of being the chairman of the committee on international and industrial relations. The question of unemployment was brought up before that committee year after year, month after month and day after day. Considerable time was spent upon the analysis and investigation of the problem. The committee was asked to investigate the question of insurance against unemployment, sickness and invalidity. Although we received splendid cooperation from the members on the opposite side who were on that committee, we did not get all the encouragement and support we should have received from the members making up that party as a whole when it was in opposition. What did they tell us when the report of this committee came before the house in 1928 and 1929? They told us that the report was practically unnecessary, that there was really no unemployment; it was only a myth; it did not amount to anything, and consequently, there was no use in endeavouring to solve the problem. Notwithstanding this negation of policy by hon. gentlemen opposite the unemployment figure January 1, 1928, was approximately 200,000, the present estimated figure. They stated further that it would be too costly to handle the matter in any scientific or constructive way, as suggested by the report. The basis of the report accepted by parliament was that if we wanted to solve the unemployment problem in Canada, which was primarily a municipal and provincial problem—now admitted by the government—the provinces would have to come into the picture, would have to take action and show a real front in connection with that very difficult question. What did the provinces say when confronted with this problem? The majority of the provinces were governed by Conservative administrations very few of them being managed by ministerial groups of Liberal persuasion. When the province of Nova Scotia was asked what it would do if faced with an unemployment problem—I have no doubt my hon. friend the Minister of Fisheries (Mr. Rhodes) was at that time the premier of the province—it replied that the finances of the province would not allow it to do anything. New Brunswick gave a similar answer; it sidestepped the question absolutely. Manitoba stated that it would leave the matter for future consideration—a policy of procrastination which will never amount to anything. The government of British Columbia stated that they had no views whatsoever on the question. Just fancy—no views! Remember, the unemployment situation had been debated in the House of Commons for years; it was a live question on the Pacific coast, yet the government of British Columbia replied to the Labour department, who sent out the questionnaire, that they had no views with regard to the problem.

We come then to Ontario. Nothwithstanding the fact that Ontario is governed by a Conservative administration, we are bound to say that Ontario gave the best answer of all the provinces that replied. We have to be fair on this question, because the more it is removed from politics, the better it is for all concerned. Ontario said that before it as a province could take any stand there would have to be an interprovincial conference and the whole matter would have to be discussed with a view to probable action. But such an interprovincial conference never took place. The majority of the provinces, governed by Conservative administrations, took no action and the consequence was that the question was not faced when it ought to have been faced. When we should have had the solid cooperation of all the provinces; when the question should have been faced in a statesmanlike manner; when it should have been dealt with honestly and constructively, the provinces took no action and the result was that nothing was done. The general election was drawing on, and it was considered by hon. gentlemen opposite that the political equation involved in the unemployment problem would be of more importance than the humanitarian side of the question. So the problem was left unsolved. The election came on and in the election this question became a very important one. The whole power of the Conservative press and the whole influence of the Conservative party throughout Canada were turned in the direction of consolidating the unemployment vote against the government of that day, with the result that the vote was turned against the government; practically every unemployed man in Canada who accepted this propaganda of the Conservative party went out on election day and voted against the then administration. This was one contributing cause to the change in government which took place on July 28. Then there is the further fact that the present Prime Minister made the promise that to relieve unemployment he would call a special session of parliament.

I have given a review of what took place before this special session of parliament was called, and have stated the reasons for calling it. We are now in the midst of this special session and it has been decided to vote $20,000,000 for the relief of unemployment. I am wondering just what share the different ridings of western Canada will have in this $20,000,000. I am wondering just what part North Battleford, the largest centre in my riding, will have in this $20,000,000. I am wondering what the far north country will receive out of it—how the other rural parts of the North Battleford constituency will be benefited. I am wondering what part of the $20,000,000 will go to people living in areas where there is as yet no railway transportation, and what part of it will go towards the alleviation of grievances which may be held by the people in those portions of the different constituencies in that part of the country.

I believe there is only one way in which an equitable distribution of this $20,000,000 can be guaranteed to any riding or any part of any riding throughout Canada, especially western Canada. In my opinion we should have a federal item to item audit. Provincial audits are not enough. We ought to know where the money goes; we ought to know who gets every dollar, so that we may be in a position later to determine whether political patronage and political motives have had anything to do with the distribution of the $20,000,000 appropriated by the measure to which I have referred to alleviate human suffering and want.

I was interested in what the hon. member for Vancouver Centre (Mr. Mackenzie) said this session with regard to the province of British Columbia. The hon. member in his address made the following observations:

> The hon. leader of the government tells us it is an insult to the provincial governments to send a humble engineer to supervise any works under this legislation and to see that the moneys are properly controlled and properly expended.

Mr. BENNETT: May I venture to disagree? The leader of the government said no such thing.

Mr. McINTOSH: I beg the hon. gentleman's pardon. I did not say the leader of the government said this. I said the hon. member for Vancouver Centre said it.

Mr. BENNETT: The hon. member mentioned my name, I presume by mistake.

Mr. McINTOSH: Only indirectly; further on, the hon. member for Vancouver Centre said:

> May I tell him that in the province of British Columbia we have a government that is ten times worse than the government you have in the province of Ontario?

If that is true, we have in the province of Saskatchewan a government ten times worse than they have in the province of British Columbia, and from that it follows that we have in Saskatchewan a provincial government one hundred times worse than they have in the old province of Ontario. A little further on, the hon. member says:

I said the same words exactly last year and the year before right to the faces of the hon. gentlemen who form that government.

Then we have these remarks:

We have the most inept, the most extravagant and the most inefficient government in Canada.

Let me say that we have in the province of Saskatchewan a government just as inept, just as extravagant, just as politically inclined, and I would ask for an item to item audit simply because I am afraid that government would take the money voted and might not use it as it ought to be used for the alleviation of distress among the possible needy irrespective of their political leanings.

I now come to another part of the legislation with which we are concerned. What about the tariff increases now before the house, involving greater and greater protection? We have higher protection in three ways. We have protection against the motherland. That is a fine way in which to build up a solid imperialism. We have higher and higher protection against the countries that are favoured with an intermediate tariff. Then we have higher and higher protection against the outside world; we have higher and higher protection internationally, and the consequence will be that we shall be more restricted in a commercial sense than we ever were before. I am wondering what effect legislation of that kind, when it is put through the house—and there is no doubt it will be put through—will have upon the development of the North Battleford federal riding, upon northern Saskatchewan, upon the province of Saskatchewan, upon western Canada, and upon Canada as a whole. I am wondering whether it will have a tendency to develop northern Saskatchewan further northward. I doubt it very much. I am wondering whether it will aid the lumbering, fishing, grazing, and farming interests of my riding. I doubt that very much too. I am wondering what influence it will have upon the construction of better homes in the North Battleford riding. I am doubtful whether it will have any good effect. Also I am wondering what effect it will have upon urban and rural development. To a large extent I believe it will be fatal. I am wondering what effect it will have upon railway development in the riding to which I have referred, a riding which perhaps on account of the war suffered more than any other riding in Canada in a railway sense, because we had pioneers there for years and years without the necessary transportation facilities. The only relief they received was during the years between 1925 and 1930, through the aggressive railway development policy of the Liberal government of that day. Just what railway construction will emanate from higher protection—I mean beyond actual parliamentary obligations? We shall see. I am wondering, whether the new tariff items will help to bridge the Canadian National gap between North Battleford and Edmonton. I am wondering whether the new tariff will help to complete that gap; I do not think it will. It will surely have the effect of increasing the cost thereof. I am wondering whether it will be a contributing factor towards the northward extension of the Canadian National and Canadian Pacific railways beyond present commitments. I am satisfied it will not. I am wondering also whether this tariff bill will contribute to the peace, happiness and contentment of my constituents. I do not think it will. I do not believe it will contribute to the peace, happiness and contentment of Saskatchewan, or of western Canada. I am firmly of the conviction that if this tariff bill goes through the house it will to a large extent sound the death knell of western development. Not only from the standpoint of the constituency of North Battleford but from the standpoint of the province of Saskatchewan, I say that this tariff measure will not be acceptable. When we think of the history of the province of Saskatchewan; when we understand that the term "Saskatchewan" means "swiftly flowing," and that the province has had swift development during the last twenty-five years; when we realize that it has had a marvellous increase in population, that it is the great wheat growing province of the Dominion, its wheat being largely marketed by the greatest co-operative agency in the world; when we further realize that in that stretch of territory known as the province of Saskatchewan the people have great hopes, great ambitions and great objectives, not only national but otherwise—when we realize these things and ask ourselves what marked influence this budget will have upon the people of that province we must come to the conclusion that the influence will be nil. In fact the effect will be backward rather than forward. What is true for the riding of North Battleford is true also for the province of Saskatchewan; what is true for the province of Saskatchewan is true for all western Canada. Neither in Alberta nor Manitoba nor Saskatchewan will this budget have the power that hon. gentlemen opposite think it will have in building up the three great western provinces and in having them contribute their part in the development of a great Canadian nation on this North American continent.

What about these tariff increases, Mr. Speaker? I have endeavoured to select from the list a few of the items which will bring concern to the western elector. First there is the tariff on cultivators; the intermediate tariff has been increased 100 per cent and the general tariff 233 per cent. Next we consider the tariff on ploughs, a necessary implement in agricultural production; the intermediate tariff has been increased 50 per cent and the general tariff 150 per cent. In connection with mowing machines the intermediate tariff has gone up 150 per cent and the general tariff 300 per cent. Then there are spraying and dusting machines, and in connection with them the intermediate tariff has gone up 50 per cent and the general tariff 150 per cent. Next there are hay tedders and hay loaders, with an intermediate tariff increased by 50 per cent and the general tariff 150 per cent. In connection with incubators for hatching eggs the intermediate tariff has gone up 50 per cent and the general tariff 150 per cent. The intermediate tariff on hay presses has been increased 50 per cent and the general tariff 66 2/3 per cent. On scythes the general tariff has increased 25 per cent, while on fanning mills the intermediate tariff has increased 50 per cent and the general tariff 150 per cent. Then in connection with internal combustion traction engines the British preferential tariff is ten times what it was before, the intermediate fifteen times and the general tariff twenty-five times what it was previously. I could go down the list of twenty-five or thirty articles, but at this time I shall not take the time of the house to do so. I would ask the privilege to place these items in Hansard in order that my constituents and the electors of the Dominion will be able to size up in a definite manner what the tariff increases mean to the riding I represent in this house, to the people of Saskatchewan and to the future upbuilding of the Canadian west.

Tariff Item	—	Previous Tariff			Proposed Tariff			Percentage of Increase		
		British Preferential Tariff	Intermediate Tariff	General Tariff	British Preferential Tariff	Intermediate Tariff	General Tariff	British Preferential Tariff	Intermediate Tariff	General Tariff
409b	Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing	Free	7½ p.c.	7½ p.c.	Free	15 p.c.	25 p.c.	.....	100 p.c.	233⅓ p.c.
409c	Ploughs; farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
409d	Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators, including the motive power incorporated therein, and complete parts of all the foregoing	Free	6 p.c.	6 p.c.	Free	15 p.c.	25 p.c.	.....	150 p.c.	300 p.c.
409e	Spraying and dusting machines and attachments therefor, including hand spravers; fruit or vegetable grading machines and attachements therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
409f	Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all toher agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
409g	Incubators for natching eggs, brooders for rearing young fowl, and complete parts of all the foregoing	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
409h	Hay presses and complete parts thereof	Free	10 p.c.	15 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	66⅔ p.c.
409i	Scythes, sickles or reaping hooks, hay or straw knives, edging knives, hoes, pronged forks, rakes, n.o.p.	Free	15 p.c.	20 p.c.	Free	15 p.c.	25 p.c.	.....	.....	25 p.c.
409j	Fanning mills; peaviners; corn husking machines; threshing machine separators, including wind stackers, baggers, weighers and self-feeders therefor; complete parts of all the foregoing	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
409k	Windmills and complete parts thereof, not including shafting.	Free	17½ p.c.	17½ p.c.	Free	15 p.c.	25 p.c.	.....	.....	42 p.c.
409m	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	Free	Free	Free	Free	Free	Free	.....	.....	.....
	The Governor in Council may by Order-in-Council direct that there be substituted for tariff item 409m in Schedule A of the Customs Tariff, 1907, and the several rates of duties of Customs set opposite said item in Schedule A, the following:									

Tariff Item	—	Previous Tariff			Proposed Tariff			Percentage of Increase		
		British Preferential Tariff	Intermediate Tariff	General Tariff	British Preferential Tariff	Intermediate Tariff	General Tariff	British Preferential Tariff	Intermediate Tariff	General Tariff
	Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing	.....	.....	.....	10 p.c.	15 p.c.	25 p.c.	10 p.c.	15 p.c.	25 p.c.
	From and after the publication of such Order-in-Council in the Canada Gazette, tariff item 409m as it appears in said Schedule at the time of the passing of this Act shall be repealed and the provisions of the said tariff item as it appears in the last preceding subsection of this section shall be substituted therefor. The Governor in Council shall not direct that such provisions be subst tuted as aforesaid unless and until the Governor in Council is satisfied that internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each and traction attachments such as are described in the aforesaid tariff item 409m are being manufactured in substantial quantities in Canada.									
409n	Portable engines with boilers, in combination, for farm purposes; horse powers and traction engines for farm purposes, n.o.p.; and complete parts of all the foregoing	Free	10 p.c.	15 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	66⅔ p.c.
415a	Refrigerators, domestic or store, of all kinds, completely equipped or not	12½ p.c.	20 p.c.	25 p.c.	20 p.c.	27½ p.c.	30 p.c.	60 p.c.	37½ p.c.	20 p.c.
415b	Washing machines, domestic, with or without motive power incorporated therein; complete parts of washing machines.	Free	15 p.c.	25 p.c.	15 p.c.	25 p.c.	35 p.c.	15 times as great.	66⅔ p.c.	40 p.c.
415c	Clothes wringers, domestic, and complete parts of metal thereof	10 p.c.	15 p.c.	25 p.c.	20 p.c.	30 p.c.	35 p.c.	100 p.c.	100 p.c.	40 p.c.
425	Lawn mowers	15 p.c.	25 p.c.	30 p.c.	20 p.c.	30 p.c.	32½ p.c.	33⅓ p.c.	20 p.c.	.....
439c	Farm wagons, farm sleds, logging wagons, logging sleds, and complete parts thereof	Free	10 p.c.	10 p.c.	Free	15 p.c.	25 p.c.	.....	50 p.c.	150 p.c.
443	Apparatus designed for cooking or for heating buildings:—									
	(1) For coal or wood	Free	22½ p.c.	25 p.c.	15 p.c.	25 p.c.	30 p.c.			
	(2) For gas	Free	22½ p.c.	30 p.c.	15 p.c.	25 p.c.	30 p.c.			
	(3) For electricity	Free	22½ p.c.	25 p.c.	15 p.c.	25 p.c.	30 p.c.	15 times as great.	8 p.c.	20 p.c.
	(4) For oil	Free	22½ p.c.	25 p.c.	15 p.c.	25 p.c.	30 p.c.			
	(5) n.o.p	Free	22½ p.c.	25 p.c.	15 p.c.	25 p.c.	20 p.c.			

567	*Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value; fabrics, coated or impregnated, n.o.p., composed wholly or in part of silk*	30 p.c.	35 p.c.	37½ p.c.	27½ p.c.	30 p.c.	45 p.c.	.....	.....	20 p.c.
567a	Clothing, wearing apparel and articles made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes; fabrics, coated or impregnated, n.o.p., composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	30 p.c.	35 p.c.	37½ p.c.	30 p.c.	40 p.c.	50 p.c.	.....	14⅔ p.c.	33⅓ p.c.
568	Knitted garments, knitted underwear and knitted goods, n.o.p.	20 p.c.	30 p.c.	35 p.c.	25 p.c.	25 p.c.	45 p.c.	25 p.c.	16⅔ p.c.	28 p.c.
568a	Socks and stockings of all kinds and.....per each one dozen pairs	15 p.c.	30 p.c.	35 p.c.	30 p.c. $1.00	32½ p.c. $1.35	35 p.c. $1.50	100 p.c.	.....	.....
576	Window shades, mounted on rollers	20 p.c.	30 p.c.	35 p.c.	20 p.c.	30 p.c.	40 p.c.	.....	.....	14 p.c.
611a	Boots, shoes, slippers and insoles of any material, n.o.p.	17½ p.c.	27½ p.c.	30 p.c.	25 p.c.	35 p.c.	40 p.c.	42 p.c.	27 p.c.	33⅓ p.c.

Section 18 of the tariff bill before the house is as follows:

In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

Mr. Speaker, I do not believe that that paragraph is worth the ink with which it is written. I do not believe it means anything to this government or to any government in the way of control. I do not wish to condemn all manufacturers, in fact I do not wish to condemn any of them. I believe it is the wish of members on this side of the house to give our Canadian manufacturers and agriculturists a square deal, and to help them build a great industrial and agricultural Canada. I am sure it is the wish of hon. members to do what they reasonably can towards equitably helping the manufacturers not only to contribute industrially to the development of the Dominion but to do their part in the furtherance of the empire at large. But what will be the answer of a manufacturer or industrialist to the Prime Minister in a case of this kind? On being confronted with the necessity of a solemn promise that prices shall not be increased, that the public shall not be exploited, that the consuming public shall be fairly dealt with, the answer would probably be something like this: "I do hereby solemnly promise and swear that I will ever reveal yet ever conceal all the prices in connection with my business; and further I do solemnly promise and swear that I will never decrease but ever increase all the prices with which I have anything to do, so far as Canada is concerned." In other words there are two sides to this solemn and ludicrous avowal. First, the promise is made that something will be done, and the other side of the picture brings the promise the opposite will be done. The result is that the whole thing amounts to nothing. When prices will be boosted, as is bound to happen; when stocks are rising and prices naturally follow, how are we going to find out just what the facts are? The tariff board has been abolished. There is no institution outside the departments, to investigate a problem of that character; consequently it will have to be undertaken departmentally. I do not think it will be done as well; I do not think it will be as fully done, nor will it be as fairly or as openly done, as it was under the tariff board of the Liberal administration of the last six years.

Now, Mr. Speaker, by reason of the executive power given to the hon. Minister of National Revenue (Mr. Ryckman)—and I do not want to reflect on the hon. gentleman, I believe he is conscientious, I believe he will try to do his duty to the utmost—but I am confident that he will find it hard to exercise that power in such a way that it may not be detrimental to the great consuming masses of this country. There can be no doubt as to what will be the effect of this tariff measure on public opinion in western Canada. The political consequences to hon. gentlemen opposite will indeed be very serious, for western Canada will be a solid unit against them when next they appeal to the country. The increase in tariff duties, the increase in taxes, and the failure of my hon. friends opposite to play fair with western Canada will result in every riding returning a member solemnly pledged to bring about the repeal of this measure. It is all very well for the government to say that they will control prices, but they are envisaging an ideal state of affairs. They know they cannot control prices; that is impracticable. I am reminded of Tennyson's lines:

> Neither mourn if human creeds be lower than the heart's desire;
> Through the gates that bar the distance comes a gleam of what is higher.

We should like to think that "through the gates that bar the distance" we may be able to get a vision of something "higher", something better in the way of political policies, a vision that will encourage us to try to formulate policies eminently fair to all parts of Canada, policies that instead of tending to divide will tend to unite the different portions of the Dominion. But I am satisfied, sir, that this budget is not based on broad national, imperial and international lines; it is based on narrow, national lines, and therefore it is bound to fail. It must always be borne in mind that commercially this country is more intimately associated with the other nations of the world than ever before; we have become a great trading nation. Consequently our fiscal policy ought to be framed not only with a view to a more united Canada and a closer association with the empire, but also with a view to improving our relations with other countries. These are fundamental conditions of any sound Canadian tariff policy. But I submit, sir, that the tariff policy of this government will not tend to make Canada become a strong, self-reliant and powerful nation among the galaxy of nations making up the British commonwealth. Neither will it help her internationally. This being so, we should formulate a tariff policy entirely different, a policy that will contribute in no small measure to a greater and more enduring Dominion

and empire, and at the same time help to bring about a better-disposed world; in a word, our tariff ought to be an instrument—not for "blasting" purposes—but rather for the promotion of international peace.

In closing, Mr. Speaker, may I repeat my firm conviction that this tariff legislation is a grave mistake as far as western Canada is concerned, it is a grave mistake as far as the whole Dominion is concerned. It is a grave mistake in that it raises a barrier against imperial trade, and if we do not do our utmost to promote trade with the mother country and our sister dominions we are not doing our part in contributing to the upbuilding of the empire of which Canada is such an important part.

On motion of Mr. Campbell the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, September 19, 1930

The house met at three o'clock.

FREIGHT RATES TO ATLANTIC PORTS

On the orders of the day:

Hon. W. A. BLACK (Halifax): May I ask the Minister of Railways (Mr. Manion) if he has any intimation when the Board of Railway Commissioners will give their decision with regard to freight rates to Atlantic ports? The matter is of importance now with the winter season coming on, and we would like to know what the decision is in order that appropriate action may be taken.

Hon. R. J. MANION (Minister of Railways and Canals): I am afraid I am not familiar with the question, but if I understood the hon. member correctly it deals with a decision of the Board of Railway Commissioners. I will have the question brought to their attention.

PROPOSED TARIFF CHANGES

CONTINUATION OF DEBATE ON MOTION OF PRIME MINISTER FOR COMMITTEE OF WAYS AND MEANS

The house resumed from Thursday, September 18, the debate on the motion of Hon. R. B. Bennett (Prime Minister and Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the amendment thereto of Mr. Mackenzie King and the amendment to the amendment of Mr. Garland (Bow River).

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, we are gathered here in a special session to deal with the problem of unemployment which exists throughout the country at the present time. It is fitting and proper, sir, that we should be assembled here to deal with these conditions. Had a war broken out we would have been pouring out our money like water; we would have been marshalling and mobilizing all the man power of the country in one stupendous effort to win that war. Surely if we can put forward such efforts to kill men it is doubly important that we do our utmost to save men. We are engaged in a struggle to-day just as great as, if not greater than, any war, and one that calls for the very best efforts of all of us to solve.

We have voted some $20,000,000, which I assume is merely to relieve the immediate distress and is not to be considered in any way as a cure for the problem. At the present moment we are considering many drastic increases in the customs tariff, which I assume is considered by the government as at least a partial remedy for these conditions. The Prime Minister announces that he has been given guarantees by the various industries affected that they will employ at least an additional 25,000 men when these customs increases go into effect, and he has further stated that in his opinion that number will be very much augmented. It is not my desire or my intention to enter into a dissertation on the relative merits of the theories of free trade or protection. In my opinion neither of these will relieve us of unemployment or of agricultural distress.

About a year ago one of the outstanding economists on this continent, Professor Irving Fisher of Yale, made the prediction that on account of the small amount of gold being mined we were due for a period of financial distress, business depression and falling prices. He said there was not sufficient gold being mined to meet the demand of both commerce and of currency. It seems to me, sir, that this prediction is now being fulfilled; we see these conditions which Professor Fisher predicted a year ago being brought about. It seems that because there is not sufficient gold to meet the demands of commerce and of currency we must suffer all this unemployment and misery that the country is going through to-day. Gold is one of the most useless of articles. You cannot eat it; you cannot make a suit of clothes out of it; you cannot build a house with it; you cannot make a useful tool out of it. Yet we have one

of the outstanding economists telling us—and he is right—that because of the shortage of gold people must go hungry, business must languish, agriculture must stagnate and there must be misery and suffering among the people of the world. Let us carry this to its logical conclusion. Assuming there were no gold mined whatever, then I presume even with the machinery and the labour and everything necessary to produce all that the human race needs in the way of food, clothing and shelter, we must starve and freeze and perish. That would be reducing it to an absurdity. Some time, sir, I trust that this government and other governments throughout the world will call together their best business brains, their keenest minds and their best scientists to study the subject. It is not work for politicians, but for scientists. I say some of these men should be called together, the best intellects, the best brains that we have, to study this question and see if we cannot devise a system that will better serve the needs of the human family.

Now sir, coming down to the immediate question under discussion, the increases in the customs tariff, I would divide them into three great groups; the farm implements, the textiles and the farm products. I find that the duty on cultivators, harrows and drills is raised under the general tariff from 7½ per cent to 25 per cent. The duty on ploughs is raised from 10 per cent to 25 per cent. The duty on mowers, binders and reaper-threshers is increased from 6 per cent to 25 per cent. The textile items are too numerous and too technical for me to deal with here, but in general there are substantial increases all along the line. Then when we come to the farm products we find that the duty on eggs from the United States under the general tariff is increased from 3 cents per dozen to 10 cents, and there are heavy increases in the duties on meats. Butter under the British preference, which includes New Zealand and Australian butter, is increased from 4 cents to 8 cents a pound and under the general tariff from 7 cents to 14 cents, and there are increases on oats and other grains.

Now, sir, in trying to arrive at some conclusion as to the probable effect of these increases, one must take into consideration our trade relations with the particular countries involved. With Great Britain, for instance, we have a favourable trade balance. For the year ending March 31, 1929, our imports from Great Britain amounted to $194,000,000, while our exports to that country were valued at $429,000,000. For the year 1930 our imports amounted to $189,000,000 and our exports to $281,000,000. The serious drop in exports between 1929 and 1930 is due, I assume, to the fact that we failed to sell all our wheat last year.

With respect to the United States, in 1929 our imports amounted to $886,000,000 and our exports to $499,000,000, while in 1930 our imports amounted to $847,000,000 and our exports to $514,000,000. It will be seen that there is a vast difference between our trade with the two countries. In one case, with Great Britain, we have a huge favourable trade balance and with the United States we have an equally large unfavourable trade balance. It is probable that the higher tariff on United States goods may redress this adverse balance of trade. That is something only the future can tell. So far as it may do that, and so far as it may enable us to manufacture these goods at home or else divert some of that trade to Great Britain, I think it is all to the good. I will deal with the price to the consumer later on. With respect to Great Britain, however, we must consider not only the possible effect on the Canadian consumer but the effect as well on the marketing of wheat and other products in that country.

There is something else that we must take into consideration in connection with the tariff on British goods, and that is the regulation which was put into effect by the late government on February 1, 1929, which stipulated that British manufacturers must be able to prove that their manufactured goods contained 50 per cent empire labour and material before those goods were entitled to the British preference. The Prime Minister announced, if I understood him correctly, that this regulation would be modified in order to permit British manufacturers to bring in their goods under the British preference. I may say that since that regulation was brought into force on February 1, 1929, the English cotton manufacturers have not been able to get their goods in under the British preference, and the goods that did come in largely have been taxed under the general tariff, which is a very much higher rate. If this is carried into effect, as the Prime Minister evidently intends it to be, it will mean that on some of these textiles there will be a reduction, instead of an increase. Take a specific case of cotton goods; under the British preference the duty is 12½ per cent, and under the general tariff it is 22½ per cent. The duty is raised from 12½ to 17½ per cent, but if cotton is enabled to come in under the British preference rate rather than under the general rate, there will be a reduction in the duty from 22½ per cent to 17½ per cent. I trust that the government will

see to it that this iniquitous regulation is modified in such a way so that it cannot be used for protective purposes. We have protested in the house before, and I need not labour this point at this time.

We expect the government to do their utmost to stimulate trade with Great Britain and to see that some arrangements are made which will assist in the marketing of our wheat.

The government claim that they have a mandate to increase the tariff, but I am not quite satisfied that they have. It seems to me that the indifference of the late government to the problems of unemployment and agricultural distress, and the failure of that government to assist in the marketing of wheat, were very important factors in the last campaign. Tens of thousands of people throughout this country voted against the last government and in favour of Conservative candidates because of the failure of that government to do anything with respect to agriculture, unemployment and the marketing of our wheat. I believe also that many people voted against the late government because while they professed low tariff principles, they were continually jacking up the tariff by subtle regulations. A good example is the case of furniture, which was dealt with last year. This commodity was taxed a duty of 42 per cent, and caused considerable prejudice against the government. These points were emphasized in the Conservative literature which was scattered through the prairie provinces, and I do believe these factors had considerable influence upon the electorate in the marketing of their ballots. I question the arguments put forth by the government that they have a clear-cut mandate to make substantial increases in the tariff.

The marketing of wheat, of cattle, of bacon and of other farm products is the fundamental issue as far as agriculture is concerned. We appeal to the government to keep that in mind and to leave nothing undone that can be done to assist us in this particular respect.

The outstanding feature of the issue we are discussing to-day is the promise made by the Prime Minister to see to it that the manufacturers do not take advantage of the tariff to raise prices. The Prime Minister has gone further than that, and he has stated that he will stake the existence of his government upon his ability to control these prices. I do not think that we in this corner of the house are so dogmatic on the tariff but that we would be willing to concede something on this question should we feel certain that the consumer will not be penalized. We will have to wait and see just how these changes work out.

Never before in Canadian history has the purchasing power of the farmer been as low as it is at the present time. I recall reading a year ago some figures which appeared in an American journal to the effect that the farmer's dollar figured on a basis of 100 cents for 1913 had a purchasing power in 1929 of only 76 cents. That is, the purchasing power of the products he produced, measured in terms of the value of the commodities he needed, was reduced by one-third between 1913 and 1929. If those figures were correct for 1929, the figures for 1930 would show a still further drop. There has never been a time when it took as many bushels of wheat to buy a sack of flour as it does to-day. We have profiteering with a vengeance in the baking and milling business, and I suggest to the government that this matter should be looked into. One can measure and compare it with the figures of a few years ago, and he will see the vast difference there is to-day.

What are the reasons for unemployment existing to-day? One of the principal reasons is that the farmers are not able to buy. What do we read in the financial papers? We read where the Massey-Harris Company has passed its dividend, and other farm implement companies are in poor shape. Why have these dividends been passed? Simply and solely because the farmers are not buying implements; they are patching up the old ones and getting along as well as they can. Factories are closed and men are unemployed and there is a general business stagnation largely because the farmers are not able to purchase at the present time. In the ranks of the unemployed in the small towns and cities you will find many farmers who were not able to hold the land they had been working. The people in this industry cannot afford to pay higher prices for the commodities they need, and we are vitally interested in the promise made by the Prime Minister to see to it that the manufacturers will not be allowed to take advantage of the tariff to raise prices. However, on this point we must withhold our judgment until we see how it works out.

If by means of this policy the Prime Minister succeeds in redressing an adverse balance of trade with the United States, brings about the manufacturing of more goods in Canada and at the same time sees that no injury is done to our export trade, or

that the Canadian consumer is not exploited, it will be an act of statesmanship never equalled in this country. The protection of trade is not merely a matter of deciding whether or not the consumer will have to pay higher prices for the goods imported or for similar goods manufactured here, but the fact must be taken into consideration that in order to sell we must buy. Great Britain is almost the only market which we have to-day for our agricultural products and it is vitally important that nothing be done to interfere with that market. In fact, that market must be extended if the agricultural industry is going to hold its own. If the government are able to arrange a trade agreement to dispose of our farm products, they will have earned the blessings of the agricultural population.

May I again point out that in my opinion neither the cry of the Manchester school of Liberalism for complete free trade, nor the demand of the ardent protectionist, for a tariff wall as high as Haman's gallows will cure the ills of either industry or agriculture. Neither of them will lift the burden from the back of the debt-ridden farmer nor mitigate the distress of the unemployed in the cities. But it is just as well to have this old age controversy set at rest and it is possible that it may be settled, at least in part, a year form now. We hope that at that time we may be able to see some of these theories either proved or disproved.

The leader of the opposition (Mr. Mackenzie King) in his speech accused the hon. member for Kindersley (Mr. Carmichael) of inconsistency when he stated that he was not able to vote for the Liberal amendment because it was a motion of want of confidence in the government, and at the same time that he proposed to vote for our own amendment. The leader of the opposition pointed out that the amendment moved from this corner of the house was equally a motion of want of confidence. May I say to the right hon. gentleman that in order to get a clear view of the matter, one must examine the motives behind the two amendments. There is no question that the amendment moved by the opposition is intended as a motion of want of confidence. I think the leader of the opposition will frankly admit that. In this section of the house we do not hold such views at all. When we moved the first amendment to a budget, I think it was in 1922, it was made clear from this section of the house —and it has been reiterated time and time again—that it was not intended as a motion of want of confidence; we moved it to put our views before the house as an alternative to the policy of the government, but if we desired to move a direct vote of want of confidence in the government, we would move it as such, and not simply as an amendment to the budget. Therefore I say that the hon. member for Kindersley was quite right in stating that our amendment is not a motion of want of confidence while that of the opposition is.

The leader of the opposition in belittling our amendment stated that there was no panacea for unemployment. It was that attitude on the part of the former Prime Minister and his party towards agricultural distress and unemployment that relegated him to the shades of opposition and put the Conservative party on the treasury benches. The leader of the opposition is a philosopher; he is a student of social science and political economy, and I had expected something better from him. I would have expected him to say that the situation is something for which we can find a remedy, and that if we get our students to work, if we sit down and study the matter, a remedy will be found. During the election a colleague of the former Prime Minister put forward a suggestion for eliminating unemployment. I refer to the former Minister of Railways. He told the farmers in the west that if they would raise a crop of 500,000,000 bushels of wheat this year there would be no unemployment. That was his cure for the problem. There are in western Canada farmers delivering their wheat at the elevator to-day and securing as low as thirty-eight and forty cents a bushel for it, paying taxes, cost of operation and threshing charges out of that. What would the situation have been if we had raised a crop of 500,000,000 bushels when for the small crop we have, we have those low prices? With a large crop we would have had a still worse unemployment situation than we have with a small one. On account of this attitude of the former government an enraged agricultural and working people arose in their might and drove that party from office on the 28th July. I take it that that was the main issue in the election.

Years ago there were those terrible plagues that devastated Europe, that cut the population in half and carried away millions and millions of lives. There were then leading men, religious leaders, heads of the state, who said: This is a visitation of God over which we have no control, and they allowed the people to die without effort to save them. But there were quiet men, students like the leader of the opposition, and scientists who went to work and said: There is some way

whereby we can combat this terrible evil. They worked in their laboratories until they produced ways and means of combating those terrible plagues. Not so many years ago there were people who said that there was no cure for small-pox when that terrible scourge would sweep over countries and depopulate towns, villages and countrysides, carrying off the greater part of the people. But there were studious men then who went to work and found remedies, and because of the work of science in the last few hundred years we are now in a position where we can combat these plagues such as small-pox, diphtheria and so on, and we are not facing the danger from them that we were many years ago.

There are many to-day who say that there is no cure for cancer, perhaps they think that it is a visitation of God; but I say that no hon. member doubts that at some time, and probably before very long, a cure for cancer will be found. In my opinion the situation is just the same with respect to our social and economic ills. Let us not say that these are visitations of God; let us not say that there is no panacea for unemployment. I believe there are panaceas for those ills. Let us set our scientists at work; let us study these things, and I would expect the leader of the opposition would be in the front rank of those advocating such studies. In that way, some day we shall find ways and means of dealing with these problems.

Perhaps to typify the attitude of the opposition I might refer to an election pamphlet. I hold in my hand a pamphlet, thousands of copies of which were distributed throughout my constituency during the election campaign. I will hold it up so that hon. members can see it. There is a cornucopia, a horn of plenty, pouring forth a shower of golden dollars on Canada's broad acres from Halifax to Vancouver. I ask the members of the house in all sincerity as I asked my constituents during the election campaign: Is that a fair representation of conditions in Canada in the month of July, 1930? It is a mockery, an insult to the people who are offered it. When the hungry in the cities and the distressed farmers in the country came to the government, they were told to look at this; here are some statistics; if you study them, you will be prosperous. It was that mental attitude that drove the former government into the shades of opposition. There is a moral in this not merely for the Liberal party but for the Conservative party as well. Let me remind the government that if ever they get into the same attitude and treat agricultural distress and unemployment in the cities with the apathy and indifference exhibited by the late government, the time will most surely come when an enraged electorate will drive the present government from the treasury benches and treat them in the same way as they did the former administration. Let me appeal to the Prime Minister now and at any time that may be necessary in the future to place all the resources of the state behind an honest effort to relieve agricultural distress and the sufferings of the unemployed.

The hon. member for Bow River (Mr. Garland), in his speech yesterday, referred to a bill brought down in the house in 1926 by the then Minister of Finance, providing for the elimination of the excise tax on home manufactured automobiles, but leaving the tax on the imported car. It increased the protection to the manufacturer by 5 per cent. At that time the then minister made a definite commitment to the house that the manufacturers would not be allowed to use that in increasing the price. He told us he had definite assurances from the manufacturers that that difference would be passed on to the consumer. As the hon. member for Bow River (Mr. Garland) pointed out, the minister broke his pledge in that regard. About a year after the pledge had been given the hon. member for Macleod (Mr. Coote) informed the house that the companies were taking full advantage of the five per cent excise on foreign cars. The minister entirely disregarded the promise and nothing was done about it. However I am not going to offer that as a reason why we should disregard the pledge of every public man. At that time the attitude of the group in this section of the house was that while we were suspicious of it, while we were doubtful of it we would take the word of the Minister of Finance, and would give him the benefit of the doubt. We took the attitude that we would not oppose the measure, but that we would permit his proposal to go through. On the other hand if he failed to live up to his promise we would condemn him. I am now prepared to take the attitude previously taken by the group to which I belong. I am not going to assume to-day that because a previous Minister of Finance broke his promise the present minister and every other one will break their promises. Therefore in view of the emergency of the situation, in view of the government pledges and consequent effort to deal with unemployment, and in view of the speech of the Prime Minister wherein he stated that the manufacturers will not be

allowed to take advantage of the tariff in setting prices, I am prepared to withhold my final judgment on the matter under consideration until the policy has been given a fair trial.

Hon. W. D. EULER (North Waterloo): When the Minister of Finance (Mr. Bennett) announced his tariff changes, their extent and number were surprising to many of us who were quite prepared to cooperate with the government to make the present session a short one in view of the fact that it is the desire of the house and the country that the Prime Minister should be given the opportunity to attend the economic conference in London. A session was called for the relief—yes, I believe it was for the cure of unemployment. I think the government will admit that little delay was caused by those of us on this side of the house in connection with the voting of $20,000,000 for the relief of the unemployed. Speaking for myself and I think for hon. members on this side of the house, it is our wish that no one shall suffer during the coming winter, and we were quite willing to vote a fund to relieve distress. The dumping amendments also were carried with very little opposition. True I felt as did some others that section 4 of the bill containing the amendments to the Customs Act gave to the government greater authority than was necessary. It took from parliament the tariff making and taxing powers. However the measure has been adopted and we can only hope that the government will not abuse its power. I have no quarrel with the proposals to amend the tariff; in fact in previous parliaments and during previous sessions I have said that a revision of the tariff was overdue, and it is true that the late government made some progress towards a scientific revision. I have no fault to find with the attempt on the part of the present government to revise the tariff, nor do I find fault with the attempt to revise it upward. I do not agree, however, that in view of the very numerous items which have been included in the proposed revision that it is possible in the period of two or three days to give intelligent consideration to the revision of those items. I think hon. members will admit that I have always been in favour of a reasonable tariff, one which would give our own manufacturers and producers a fair chance in the Canadian market. Just how far we can go and still retain our foreign trade is a very difficult problem to decide, and one which requires the most careful consideration. In the city from which I come, an industrial city, the foreign trade constitutes a most important part of our business. I could give the name of one industry in which 40 per cent of the product is exported. I should not like to do anything or to assist in doing anything which would imperil that business. The government claims a mandate to increase the tariff. In the last election there were many factors which contributed to the success of the present government; I need not enumerate them. If, however, I were to place my finger on the one factor which proved to be the most potent I would select the question of unemployment.

Mr. HANSON (York-Sunbury): And New Zealand butter.

Mr. EULER: We will admit that also. The success of my hon. friends opposite is greatly attributable to the promise of the present Prime Minister that the increase in the tariff would assist or in fact cure unemployment. To be frank I think the people of Canada were in the attitude of mind in which they said, "Well, we will call in another doctor to see what he can do." While that is true, the government will not claim that although they received a mandate to increase the tariff they were given an absolutely blank cheque to fill out as they pleased. I do not think they will say that the representatives of the Canadian people should be prevented from scrutinizing most carefully the legislation which is brought down.

The tariff changes are much greater in number than I had expected in so short a session. There are about one hundred and thirty of them, and they are tremendously far reaching. They are so extensive that most of us have not been able to appreciate their magnitude in the short time we have had to study them. We have had very little opportunity to hear from our constituents, and from those who are in control of our home industries. I know that some of the manufacturers in the city of Kitchener have stated with regard to their own businesses that they are unable as yet to learn what the effect of the changes will be upon their respective concerns. If that be true in connection with individual manufacturers surely it is quite impossible for me to gain an intelligent conception of what the various changes may mean to the industries in my own constituency. There are many factors to consider. It has often been said that what is one man's finished product is another man's raw material. Some things which might very well have been included have been entirely omitted. Those things might well have been

included if it is the intention to relieve distress or unfortunate conditions in which manufacturers have found themselves.

I might give some examples. First we will consider tapestries which are used in the manufacture of furniture. The tariff as now proposed will actually increase the duty to 100 per cent of the value of the article imported. I am not saying it should not be so, but it represents a very great departure from the present price. The duty on glass, another article which enters into the manufacture of furniture, has been increased to a great degree. I have no fault to find with giving assistance to those who are producing woollen cloth. I understand we manufacture in Canada woollen cloth selling at about $1.50 a yard, but in the case of imported cloth selling at 50 cents a yard, which is used mainly for cheap clothing, the new tariff will increase its cost to about 75 cents a yard, and this increased cost must surely be reflected in turn in the cost of the finished article purchased by the workingman.

I do not know to what extent our foreign trade may be prejudiced by the evident intention to close, almost absolutely, the door against all importations. I have in mind my friends from the west. Surely their case is a good one, when they plead that nothing shall be done to prejudice the sale of their wheat abroad. Something was said by the Minister of Finance in connection with the importation of cotton goods from Great Britain. In the last parliament, the then finance minister and I applied what is known as the 50 per cent British content regulation. That is, the British preference could not be availed of by British manufacturers unless the product contained at least 50 per cent British labour and material. The cotton manufacturers of Great Britain contended that they could not meet that requirement, saying that about 50 per cent of the cost of their product consisted of raw cotton. Representations were made to the then government and the matter was referred to the tariff board. (The abolition of that board, by the way, I very much regret). Although the late chairman of the board can speak for himself, I think I may say that it was ascertained that the claim of the British cotton manufacturers that they must purchase their raw cotton in the United States, and that therefore it could not enter into the British content, was not founded upon fact. But apart from that altogether, I may be allowed to give a little personal testimony. I happened to be in London last year and was instructed to have a conference with the Right Hon. J. H. Thomas, a member of the British Government, with respect to this matter. To make a long story short, he suggested that the cost of the raw cotton should be excluded entirely from the calculation, we will say it represented 50 per cent of the finished article, and that as to the remaining 50 per cent they were willing that we should require 80 per cent British content. Well, 80 per cent of this remaining 50 per cent is 40 per cent. So that even according to their own wish we could have fixed the British content at 40 per cent and they could still compete in our market. I say that in view of the fact that the Minister of Finance has suggested that the British content should be reduced to 33⅓ per cent. I do not think in the interests of our own people that it is necessary.

We have heard considerable argument with regard to the dumping of foreign goods into Canada. I could never understand the reason for the peculiarity in the customs law, that where goods were imported into Canada on consignment, the dumping duty could not be applied except by order in council in each case. I cannot for the life of me see why any exception should be made of goods brought to Canada on consignment. I think they should be treated for customs purposes in exactly the same way as goods sold directly. I would suggest to the Minister of Finance that the clause be repealed.

I have said, Mr. Speaker, that there are omissions of some items which possibly might also be included but were not considered. We heard a good deal last session about furniture. The furniture men were in some distress and I was accused of favouring them—one in particular. That accusation was not justified, but there is a condition among our furniture manufacturers that deserves consideration. I tried at the time in my own humble way as Minister of National Revenue to give some relief. What was done was entirely under the law, and in no other way. There was considerable misinterpretation of the facts, but into this I need not go at the present time. My hon. friend, then leader of the opposition, objected to what I was doing and urged it should be done by amendment of the tariff.

Mr. BENNETT: At the time I was looking for statutory authority for the doing of it, and I have been looking for it since.

Mr. EULER: I do not like to go aside very much from my argument, but I will answer my hon. friend's implied question. The complaint was, and we found it justified—my hon. friend the Minister of National Revenue (Mr. Ryckman) can verify my statement—that

these goods were being sold in many instances at a less price than that at which they were being sold in the United States. For that reason we appraised the goods at a higher value. We did not raise the rate of duty, we merely saw to it that they paid on the proper valuation. As a matter of fact, because of undervaluation they were actually paying 20 per cent duty instead of the tariff rate of 30 per cent.

Mr. BENNETT: Will the hon. gentleman allow me to ask him this simple question: Is there any difference between that procedure and section 43 to which he refers?

Mr. EULER: Yes.

Mr. BENNETT: What is the difference?

Mr. EULER: Section 43 becomes effective provided the goods are sold here at less than the price at which they are sold in the country of origin.

Mr. BENNETT: No, section 43 provides that the minister may for this purpose fix the value just as my hon. friend did for the furniture; that is, the value at which they were entered was unsatisfactory, and he had the value fixed at a higher figure, which of course made the duty higher.

Mr. EULER: That does not come under 43.

Mr. BENNETT: No, I am looking for the section under which it was done.

Mr. EULER: I do not remember the section, but my hon. friend knows perfectly well there is a provision, the dumping clause, apart from section 43, under which goods sent into Canada at a price lower than that at which they were sold in the country of origin are subject to a new appraisal. If that condition of distress existed among the furniture manufacturers—and I am sure the Minister of Finance has been told of that fact, and waited upon in regard to it—if that condition existed—and he advised the late government to correct the statute—then I wonder why he has not included furniture in the list of amendments to the tariff.

Mr. BENNETT: I have made a note to speak of that.

Mr. McGIBBON: Why did not the hon. gentleman apply the same rule to the importations of hardwood flooring that I brought to his attention last session?

Mr. EULER: When my hon. friend made the complaint I had an investigation made immediately through the commissioner of customs—and I think nobody in this house will accuse him of any disposition towards free trade or low tariff. His report to me was that there was no basis for the complaint made by those who brought the matter to the notice of my hon. friend from Muskoka-Ontario (Mr. McGibbon). I assure him now, as I did then, that if it had been shown that the conditions were exactly the same as in the case of furniture, exactly the same remedy would have been applied.

Mr. McGIBBON: The evidence of the man himself who said he saw the deal put through was furnished to the minister in writing.

Mr. EULER: The evidence being submitted in writing was no proof of the alleged facts. The investigation was made, I assure my hon. friend, in good faith, and it was reported by the commissioner of customs that there was no ground for the complaint made.

Mr. McGIBBON: The hon. member says in effect that the statement of the man who said he saw the deal put through was not true.

Mr. EULER: I am not going to add to what I have said. I have stated the facts. I regret very much the abolition of the tariff board. There must be a mass of information in the records of the board compiled at great extent and great effort, and surely it would be valuable. I should like to ask my hon. friend whether that information was used when he framed his new tariff?

Mr. BENNETT: In part, so far as it was useful, having regard to what it cost.

Mr. EULER: There are a good many omissions that might very well have been considered in the framing of this new list. I am surprised at the omission of furniture. Perhaps my hon. friend intends to do something in regard to that. I am surprised that he has not included even the item of buttons in that list. Perhaps he will include it also later on.

Labour apparently is opposed to what is being done, and the farmers as represented here are opposed to these proposals. I am not opposed to the proposals that are made as they stand now, because I do not altogether comprehend their meaning; and my whole purpose now in rising is to say this: that with proposals that are so numerous and far-reaching, proposals that may have a tremendous effect on business, proposals that are not comprehended by the members of the house or by the members of the government, every consideration and every opportunity for

examination and discussion should be given before they are finally passed and placed definitely upon the statute book.

It may be that the Minister of Finance, when we go into committee, will be able to give us all the information that would satisfy us. But I am very certain it is not possible for him to do so in the short period of two or three days. He considers the matter urgent; I have no fault to find with that. But I should like to call his attention to something which he knows, and which the members of this house know, that the changes he proposes are already in force and that there could be no particular urgency to hurry the matter through without due discussion.

For my part, if he insists that these changes should go through quickly, within two or three days, and if he insists that he must be present when these matters are being discussed, I am quite willing to take my share of responsibility in saying that it is his business to remain at home in Canada to look after these matters rather than to go to Great Britain to attend the imperial conference; because I believe this is more important than anything he can possibly accomplish at that conference. But it is not necessary. A most reasonable suggestion has been made and I will press it upon the consideration of the Prime Minister and the cabinet. These changes, these increases in tariff which are intended to do so much in the cause of unemployment and in the assisting of industry, of which, offhand, I am not complaining at the moment, are already in force. I think, however, every member of the house will admit that when changes of such far-reaching importance are proposed they should be given the fullest examination and every possible opportunity for discussion should be afforded. Therefore it would be perfectly proper and reasonable, if the Prime Minister must go to Great Britain—and I think he should—to attend the conference, to adjourn the house and allow the hon. gentleman to go and there discharge his duty to Canada, and then return, re-assemble the house, and decide this important business in a reasonable way and with the deliberation which so important a matter deserves. And if he then desired to make further changes by way of revision of the tariff, which he has forecast for the next session, it would be eminently reasonable and proper for him to do so at that time.

Mr. W. H. MOORE (Ontario): During the debate the other day the Minister of Trade and Commerce (Mr. Stevens) referred to the tariff board as having had too much theory presented to it. The minister was quite right, but I should like him to bear in mind that we had no closure, not even a forty minute rule. There was grave difficulty at the commencement as to what should be discussed. Those who came before us seemed to think that there could be no discussion in regard to the tariff if they did not bring in one of several theories that are commonly held.

I find myself quite impatient with a theoretical discussion of the tariff so far as practical legislation is concerned. To me the schedule is what it is. Here are the items and here are the rates. We have in this country what is called commonly a three-decker tariff, provision being made for three rates. It seems to me that all we have to do in a tariff discussion is to decide what rates shall be applied to the various items, and that our one guiding principle should be: Is it good business for Canada? That would seem to be the kernel of the whole situation—is it good business for Canada?

When a tariff rate is fixed it usually means sacrifice; it is never undertaken unless it is thought to imply advantage in some direction. So that in tariff-making—I am speaking now only for myself—you must attempt to balance sacrifice and advantage. And I say, Mr. Speaker, that you can do so properly only by having the facts before you. You may do it by trial and error or, as some would have us do it, by hunches or by theories. But in my opinion the safest and best way of doing it is to have first an investigation of the facts.

Now I find myself in the same difficulty as the hon. member for North Waterloo (Mr. Euler), namely, the difficulty of arriving at or giving an intelligent decision without a knowledge of the facts. We are assured that there will be no sacrifice; we are assured that those who are receiving protection have given undertakings that there will be no increase in prices. I wonder if that can be carried out? It would be an ideal arrangement if we could make tariff regulations without sacrifices, but I know of no machinery anywhere in the world by which that is done. It may be that hon. gentlemen opposite may devise it; if so they will deserve the congratulations of the country.

Hon. gentlemen opposite have brought down a very pretentious tariff. It affects the basic industries of the country. I have the greatest sympathy in the world for the woollen industry. The woollen industry in this country—and by the woollen industry I mean the woollen and worsted industry—is not prosperous; it is anything but prosperous. But there is no prosperity in the United Kingdom in the woollen and worsted industry; nor is there any prosperity in the United States. I doubt that there is prosperity anywhere to-day in that industry. Comparison has been made

between conditions of years ago and conditions as they are to-day. During the past several months statistics have been given to show the decline in the number of mills employed in the industry in Canada. And there has been a decline in the number of mills. But I venture to say that if you were to take the statistics of the United States, as compared with population, you would find exactly the same proportion of decline in the number of mills. There is this difference, however, that there are greater imports in Canada than in the United States. It seems to me inevitably that must be so.

We can divide cloths, woollen fabrics if you like, into three classes. There is the very expensive fabric which we do not make in Canada to any extent and which we cannot make until we have a sufficient population to have diversity of pattern and of product. Then you have the medium class of goods, shall I say, which is the bread and butter of the Canadian manufacturer. We compete the best in the medium class of goods. Then you have the third class, the cheaper fabric in which again we find it difficult to compete for this reason. These goods, as I take it, are largely made with what is called shoddy; that is, they contain shoddy and are made from rags, and our manufacturers find it difficult to compete with the manufacturers of Europe or of the United Kingdom, where they have the advantage of an international rag market. In addition, I fancy on the whole they are better manipulators of rags.

Why have I said these things? I have done so because I find it difficult to decide just what the effect of the proposed tariff arrangement will be in regard to these three classes of goods. The proposed tariff contains, as you know, ad valorem duties plus specific duties ranging throughout the three ratings. What the effect will be I cannot say, and I sincerely trust that when we get into committee we may have the information supplied as to the effect of the addition of these specific duties to the ad valorem value.

Amendments are suggested in regard to the cotton schedule. Cotton is in a different position, and I think deserves a different treatment. Wool we grow in this country; cotton we can never grow. We have to recall that it is an exotic material, an exotic plant, but I frankly confess that should not prevent us from encouraging our cotton industry. Curiously enough, Mr. Speaker, we seem to do best with foreign materials. We have annual exports from this country of iron and steel products amounting, as I recall it, to about

$80,000,000, and we do not use a pound of our own iron ore. We have huge exports of rubber tires and rubber goods and of course rubber is not a material indigenous to this country. We also do rather well in aluminum. I say we should not stand aside, but we ought to have the information as to what the changes mean in regard to cotton goods before we are called upon to support them or to oppose them.

Now, Mr. Speaker, these changes have been discussed from this side of the house mainly in the interests of the consumers. I think I could add nothing to the information which has been given the house in regard to the effect on the consumers but I would like to call your attention to the fact that in all probability the great majority of items within the customs schedules are items that have a play between manufacturers themselves. The manufacturers of this country are the main importers of this country. There is a fine adjustment between the steps of production, and I sincerely trust that before this bill was brought down all parties to the production of a single commodity were given an opportunity to make their representations. Industry is complicated; the tariff necessarily must be complicated. I sincerely trust that these complications have been carefully weighed and that provision is made for all of the various factors concerned. The main factor, however, is labour; that is the main thing to be considered at this session. This, as I take it, is a special session called for a special purpose, to relieve unemployment.

I was interested the other day in the remarks of the hon. member for Winnipeg North Centre (Mr. Woodsworth) when he said that unemployment is a tragedy and that all the hon. members of this house, no matter upon which side they sat, should bend their efforts towards the ending of that tragedy. I agree with him. I think we are all ready to do what we can, but we want to know and ought to know what this schedule contains for labour. Each commodity has a labour content; some commodities have more labour content than others. We all want to cooperate, but I am quite sure that we all want to cooperate not blindly but intelligently. I come from a riding where there has been, where there is and where I fear there will be for some time grave unemployment and grave distress. I believe that I am expected to support any and all measures for the relief of that unemployment, but I believe that I am expected to do it after a knowledge of the facts. I have said,

and I repeat, that I have tried to take little of the time of the house, because I feel that so soon as possible we should enter into a discussion of the items and try to give them as careful a decision as possible, supporting those which we believe will relieve unemployment, and so discharge the mandate given us by our electors.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, it is not my purpose to keep the house very long in discussing the motion, the amendment and the subamendment which is before us, but there is one phase of this situation which in my judgment has not been clearly brought before this house. I purpose taking a few moments to call the attention of the hon. members to this matter.

This session was called primarily for the purpose of providing relief for unemployment, but when we see the proposed tariff schedules which are before us, I am afraid we must realize that it was merely an excuse to say that this session was called to deal with unemployment. The present government have not given any consideration to agriculture, none whatever. It has been intimated in a roundabout way that the government will later on give some consideration to the distress to be found among the farmers, but I cannot refrain from calling the attention of the house to this very grave delinquency.

Instead of the proposals offered in this budget assisting agriculture, they are going to place a greater burden upon the farmers even though the Prime Minister and his colleagues have made the promise that they will see to it that the price levels are not increased because of these increased duties. I believe that they have tackled a most difficult problem, and one which will prove to be the most difficult ever attempted to be solved by any government. I am somewhat dubious of the possibility of controlling prices by legislation, orders in council and things of that nature.

Let me emphasize one point which has been brought out in this discussion. When the price levels of agricultural products are taken into consideration along with the price levels obtaining for the commodities required by the farmer, it will be seen that instead of prices being stabilized, there should be a tremendous reduction. I maintain that the labour of the farmer is just as important as is the labour of any other class of producer, and I will not take a back seat to any class of producer. If you take the price levels and the labour content in manufactured goods and compare them with the price levels of agricultural products, taking into consideration the labour content in those agricultural products, I am satisfied that you will find that the farmers to-day are contributing about three hours of labour for every hour of labour they secure in return in manufactured goods. That is the trouble with agriculture; we have too great a disproportion of time element entering into the production of these goods, and until that time element is made more equal there will be no hope for agriculture. But what will be the result of these schedules which the government has brought before the house and which they expect to have passed within two or three days? They are increasing the disparity of the labour time included in manufactured goods as against the time element in connection with agricultural products. Although this session has been called primarily for the purpose of dealing with unemployment, these increased duties merely ask the farmers of this country to accept the burden of solving that problem.

I would like to deal with one or two items in the new schedules in order to show just what consideration this government has given to agriculture, and in view of the statements which I have made already as to the disparity of the labour time and the value of agricultural products in relation to manufactured goods.

Let us look at item 409b, reading as follows:

> Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing.

This item covers a list of agricultural implements which every farmer must have. Under the old tariff these goods were admitted free under the British preferential rate, and this government has had the irony to allow them still to come in free under that British preference, knowing that none of these goods come from Great Britain. When we come to the intermediate schedule, we find that the old rate was 7½ per cent, but it has been raised to 15 per cent; under the general tariff the old rate was 7½ per cent, but this government has had the audacity to increase that to 25 per cent.

Mr. MANION: May I ask the hon. gentleman a question?

Mr. GARDINER: Yes.

Mr. MANION: What difference does the percentage make if the prices do not go up?

Mr. GARDINER: That is where we have a difference of opinion. They have raised the price levels of these items in the general list, and it is under that classification that most agricultural implements enter the country.

Mr. MANION: Not the price levels, the customs levels.

Mr. GARDINER: The customs duties, rather. Item 409c reads as follows:

Ploughs: farm, field, lawn or garden rollers; soil packers; complete parts of all the foregoing.

In this instance the rate under the general tariff has been raised from 10 to 25 per cent. Then item 409d, which reads:

Mowing machines, harvesters, either self-binding or without binders, binding attachments, reapers, harvesters in combination with threshing machine separators, including the motive power incorporated therein, and complete parts of all the foregoing.

This item carried a rate of 6 per cent, but it has been raised to 25 per cent. Then we come to item 409e, which reads:

Spraying and dusting machines and attachments therefor, including hand sprayers; fruit or vegetable grading machines and attachments therefor; apparatus specially designed for sterilizing bulbs; pressure testing apparatus for determining maturity of fruit; pruning hooks; pruning shears; and complete parts of all the foregoing.

The general rate on these machines which are necessary to the fruit industry has been raised from 10 to 25 per cent. The next item is 409f, which reads:

Hay loaders, hay tedders, potato planters, potato diggers, fodder or feed cutters, ensilage cutters, grain crushers and grain or hay grinders for farm purposes only, post hole diggers, snaths, stumping machines and all other agricultural implements or agricultural machinery, n.o.p., and complete parts of all the foregoing.

This item has been raised from 10 to 25 per cent, and so the list goes on.

Then we come to a very strange provision contained in the schedules, dealing with internal combustion engines. This provision reads as follows:

The governor in council may by order in council direct that there be substituted for tariff item 409m in schedule A of the customs tariff, 1907, and the several rates of duties of customs set opposite said item in schedule A, the following:

Internal combustion traction engines for farm purposes, valued at not more than fourteen hundred dollars each; traction attachments designed and imported to be combined with automobiles in Canada for use as traction engines for farm purposes; and complete parts of all the foregoing.

The duty under the general tariff has been raised to 25 per cent.

An hon. MEMBER: From what?

Mr. GARDINER: I have not the original list. Portable engines have been raised from 15 to 25 per cent; washing machines from 25 to 35 per cent; traction engines and complete parts thereof, from 15 to 25 per cent, and so on. I believe I have given enough of these items to show that in considering the new duties very little consideration has been given to agriculture. In view of the fact that we are forced to sell our surplus products on the markets of the world, the cost of agricultural implements is very important. This is important not only to the farmer, but to Canada as a whole because when agriculture is not in a flourishing condition it is impossible for any other class in this country to have any great prosperity.

I would call attention to a situation which has developed recently and which in my judgment is the real reason for this session being called. We had a considerable deflation in 1920 and up to 1924, but we have never had such a stock market inflation as occurred during 1928 and 1929. Let us consider the different companies who are securing higher protection under these schedules. From the year 1926 until the time of the extreme deflation in 1929, most of those large companies were reorganizing, their share capital was being increased and not one dollar was being put in. All that was being done was to water the stock. What is the situation to-day? When the deflation took place, these watered stocks had no value, and they are to-day in the treasuries of those companies or in the hands of brokers. This legislation is simply to prop up these watered stocks and put some value into them. That is the real reason for the present proposed increases in the tariff schedules. It is because it is the purpose of the government to put value into these shares in order to please the big interests, the banks, the mortgage companies, and the financial interests that are controlling them, that we are to-day considering these tremendous increases.

Mr. MANION: That is just ordinary nonsense.

Mr. GARDINER: Very well. I will give an example to show whether it is nonsense or not. If my hon. friend does not withdraw that remark after I have given one example dealing with a company that manufactures agricultural implements, I shall be surprised at the hon. gentleman's lack of common sense. I am going to deal with one company only, the largest manufacturer of agricultural machinery in this country and, indeed, I believe in the British Empire. I refer to the Massey-Harris Company. I am going to give an outline of the figures and show how water has been injected into this

company and how the Canadian farmers will have to pay for their agricultural implements prices which will make those shares very valuable stock to hold.

In 1925 the capital stock of this company consisted of $24,179,800 worth of common stock. That is the only stock that this company had in 1925, and it represents the whole value of the stock as it stood on their books. At that time they had a surplus of $2,359,883. They had a contingent account of $230,000. If we add these three amounts together, they represent a book value of $26,789,683. But in 1926 they reorganized the company, and let us see what happened after the reorganization took place. They first of all created a funded debt of $12,000,000; they issued preference stock to the extent of $12,089,900; they issued common stock to the extent of $12,089,900, and they created a surplus account from somewhere of $5,123,418, making a total in all of $41,303,218 as against a little over $26,000,000 in 1925. In the year 1927, not satisfied with the reorganization they had effected, they split their shares four to one. Every person who held shares, either preferred or common, in the company got four shares instead of one, and at the same time they gave the shareholders the privilege of subscribing at $60 a share at the rate of one share for every two shares held. See how the thing was pyramided.

Mr. McGIBBON: Is the hon. member blaming that on a Conservative government when it took place under the former Liberal administration?

Mr. GARDINER: I did not blame any government. My hon. friend will remember I was showing what was happening in giving stock a value that does not exist.

Mr. McGIBBON: He did blame the present government.

Mr. GARDINER: No, I said that the government by increasing the tariff on these items, were evidently bolstering up watered values in stock.

Mr. McGIBBON: Is that not blaming the government?

Mr. GARDINER: Well, if you want to take blame, you can have it. I do not want to stop you from doing so.

Mr. McGIBBON: Put the blame where it belongs.

Mr. GARDINER: Before I proceed further, in order that the members of the house may be quite satisfied as to the source of my information, I may say that I took it from the Financial Post Corporation Service which is a reputable organization. Let us see what the gross income of this company was. The figures are as follows:

Year	Gross Income
1923	$ 1,120,937
1924	1,065,180
1925	2,346,542
1926	3,005,220
1927	3,866,601
1928	4,908,133
1929	4,868,906

It will be noticed that the gross income of this company rose from 1923 to say, 1928, from $1,120,000 to $4,908,000. The profits of the company had increased enormously with the better times that prevailed, consequently, they had to have some means whereby they could distribute those profits without calling the attention of the people of Canada to the fact that they were securing large dividends on the actual capital invested in the company at that time. That is why in 1926 they reorganized the company and why in 1927 they issued four shares for one in order that the profits might be covered up.

In 1923 they placed in the depreciation account $174,000, but in 1929 the depreciation account was increased by the amount of $745,000. In this way again they were trying to bolster up their watered stock. In 1923, after they had paid all their outstanding liabilities, it is true they had a deficit, but in 1929, after meeting all obligations including the $12,000,000 of bonded debt, they had a profit of $2,800,813. What does that mean? This is very important to remember. This is what the company did just as soon as they were able because of better times and because of farmers buying more machinery, to increase their profits so enormously even under the old rates of duty then in existence. What are they going to do under the proposed new rates? Can we depend upon the government to take a company like this and say that they will not be permitted, because of higher tariffs, to take dividends for this watered stock? If so, we have not yet had any such suggestion made by members of the government.

Mr. MULLINS: Does the hon. member know that the Massey-Harris Company have passed their dividend?

Mr. GARDINER: I would rather fancy that after watering their stock as they did, they ought to pass their dividend. It would be an insult to Canadian intelligence if they paid a dividend in times like this.

I have no more to say on this subject. I merely wanted to bring before the house an important point that has evidently not been

considered very seriously, namely that this new tariff schedule will have the effect of making valuable hundreds of millions of dollars worth of shares that do not at present represent any tangible assets.

The house divided on the amendment to the amendment (Mr. Garland, Bow River), which was negatived on the following division:

YEAS

Messrs:

Bourassa,
Bradette,
Campbell,
Carmichael,
Coote,
Gardiner,
Garland (Bow River),
Gershaw,
Hanson (Skeena),
Heaps,
Irvine,
Kennedy (Peace River),
Lucas,
Luchkovich,
MacInnis,
Munn,
Neill,
Reid,
Speakman,
Spencer,
Vallance,
Weir (Macdonald),
Woodsworth.—23.

NAYS

Messrs:

Ahearn,
Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Barrette,
Beaubien,
Beaubier,
Belec,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Bertrand,
Bettez,
Beynon,
Blair,
Bothwell,
Bouchard,
Boucher,
Bowen,
Bowman,
Boyes,
Brassett,
Brown,
Buckley,
Burns,
Bury,
Butcher,
Cahan,
Cantley,
Cardin,
Casgrain,
Casselman,
Cayley,
Chaplin,
Charters,
Chevrier,
Cormier,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Denis,
Deslauriers,
Desrochers,
Dickie,
Dorion,
Dubois,
Duff,
Duguay,
Dumaine,
Dupré,
Dupuis,
Duranleau,
Edwards,
Elliott,
Embury,
Ernst,
Esling,
Euler,
Factor,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Fournier,
Fraser (Cariboo),
Fraser (Northumberland, O.),
Gagnon,
Ganong,
Garland (Carleton),
Geary,
Girouard,
Gobeil,
Gordon,
Gott,
Goulet,
Guthrie,
Hackett,
Hanbury,
Hanson (York-Sunbury),
Hay,
Hepburn,
Howden,
Hurtubise,
Ilsley,
Jones,
King, Mackenzie,
Laflèche,
Lapointe,
Larue,
Laurin,
LaVergne,
Lennox,
Loucks,
MacDonald (Cape Breton South),
Macdonald (Kings)
Macdougall,
Mackenzie (Vancouver Centre),
MacLaren,
MacLean,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGregor,
McIntosh,
McKenzie (Assiniboia),
McLure,
McMillan (Huron South),
McPhee,
Malcolm,
Maloney,
Manion,
Marcil,
Matthews,
Mercier (St. Henri),
Moore (Chateauguay-Huntingdon),
Moore (Ontario),
Morand,
Motherwell,
Mullins,
Murphy,
Myers,
Nicholson,
Parent,
Peck,
Perley (Qu'Appelle),
Perley (Sir George),
Perras,
Pettit,
Pickel,
Plunkett,
Porteous,
Pouliot,
Power,
Quinn,
Ralston,
Rennie,
Rhéaume,
Rhodes,
Rinfret,
Roberge,
Robinson,
Robitialle,
Rogers,
Ross,
Rowe,
Rutherford,
Ryckman,
Ryerson,
Sanderson,
Sauvé,
Seguin,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Edmonton West),
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Taylor,
Tétrault,
Thauvette,
Thompson (Simcoe East),
Thompson (Lanark),
Totzke,
Turnbull,
Veniot,
Verville,
Weese,
Weir (Melfort),
White (London),
White (Mount Royal),
Willis,
Wilson,
Wright,
Young.—193.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

McGillis,
Bell (St. Antoine),
Macphail (Miss),
Raymond.

The house divided on the amendment (Mr. Mackenzie King) which was negatived on the following division:

YEAS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Bettez,
Blair,
Bothwell,
Bouchard,
Boucher,
Bourassa,
Bradette,
Brassett,
Brown,
Buckley,
Butcher,
Cardin,
Casgrain,
Cayley,
Chevrier,
Denis,
Deslauriers,
Desrochers,
Dubois,
Duff,
Dumaine,
Dupuis,
Elliott,
Euler,
Factor,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Fournier,
Fraser (Northumberland, O.),
Gershaw,
Girouard,
Goulet,
Hanbury,
Hanson (Skeena),
Hepburn,
Howden,
Hurtubise,
Ilsley,
King, Mackenzie,
Lapointe,
Mackenzie (Vancouver Centre),
MacLean,
McIntosh,
McKenzie (Assiniboia),
McMillan (Huron South),
McPhee,
Malcolm,
Marcil,
Mercier (St. Henri),
Moore (Ontario),
Munn,
Neill,
Parent,
Perras,
Pouliot,
Power,
Ralston,
Reid,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Rutherford,
Sanderson,
Seguin,
Stewart (Edmonton West),
Taylor,
Thauvette,
Totzke,
Vallance,
Veniot,
Verville,
Weir (Macdonald),
Young.—78.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Beynon,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Cahan,
Cantley,
Chaplin,
Charters,
Cormier,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Dupré,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Fraser (Cariboo),
Ganong,
Garland (Carleton),
Gobeil,
Gordon,
Gott,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Hay,
Jones,
Laflèche,
Larue,
Laurin,
LaVergne,
Lennox,
Loucks,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdougall,
MacLaren,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGregor,
McLure,
Maloney,
Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Perley (Sir George),
Pettit,
Plunkett,
Porteous,
Quinn,
Rennie,
Rhodes,
Robinson,
Rogers,
Ross,
Ryckman,
Ryerson,
Sauvé,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Turnbull,
Weese,
Weir (Melfort),
White (London),
White (Mount Royal),
Willis,
Wilson,
Wright.—118.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Black (Halifax),
Bell (St. Antoine),
Casselman,
Fortin,
Geary,
Gagnon,
Johnstone,
Kennedy (Winnipeg South Centre),
Lawson,
Short,
Tummon,
Stinson,
Rowe,
McGillis,
Harris,
Price,
Smith (Victoria-Carlton),
Motherwell,
Raymond,
Howard,
Fafard,
Mercier (Laurier-Outremont),
Boulanger,
Donnelly,
Dubuc,
Gray,
Heenan,
St-Père,
Hall,
Lacroix,
Macphail (Miss),
Jacobs,
Urquhart,
MacInnis.

Mr. St-PERE: I was paired with the hon. member for South Hastings (Mr. Tummon). Had I voted I would have voted for the amendment.

Mr. DONNELLY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. Johnstone). Had I voted, I would have voted for the amendment.

Mr. HALL: I was paired with the hon. member for Victoria (Ont), (Mr. Stinson). Had I voted, I would have voted for the amendment.

Mr. MOTHERWELL: I was paired with the senior member for Halifax (Mr. Black). Had I voted I would have voted for the amendment.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted, I would have voted against the amendment.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted, I would have voted against the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted against the amendment and against the sub-amendment.

Mr. GAGNON: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted, I would have voted against the amendment.

Mr. KENNEDY (Winnipeg): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted against the amendment.

Mr. LAVERGNE: The member for North Winnipeg (Mr. Heaps) has not voted.

Mr. SPEAKER: The vote having been recorded and declared, it is too late now to call attention to any failure to vote.

The question is now on the main motion.

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

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Beynon,
Black (Halifax),
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Cahan,
Cantley,
Chaplin,
Charters,
Cormier,
Cotnam,
Cowan (Port-Arthur-Thunder Bay),
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Dupré,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Fraser (Cariboo),
Ganong,
Garland (Carleton),
Gobeil,
Gordon,
Gott,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Hay,
Johnstone,
Jones,
Laflèche,
Larue,
Laurin,
LaVergne,
Lennox,
Loucks,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdougall,
MacLaren,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGregor,
McLure,
Maloney,
Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Perley (Sir George),
Pettit,
Pickel,
Plunkett,
Porteous,
Quinn,
Rennie,
Rhodes,
Robinson,
Rogers,
Ross,
Ryckman,
Ryerson,
Sauvé,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Cumberland),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Turnbull,
Weese,
Weir (Melfort),
White (London),
White (Mount Royal),
Willis,
Wilson,
Wright.—121.

NAYS

Messrs:

Ahearn,
Beaubien,
Bertrand,
Bettez,
Blair,
Bothwell,
Bouchard,
Boucher,
Bourassa,
Bradette,
Brassett,
Brown,
Buckley,
Butcher,
Cardin,
Casgrain,
Cayley,
Chevrier,
Coote,
Denis,
Deslauriers,
Desrochers,
Donnelly,
Dubois,
Duff,
Dumaine,
Dupuis,
Elliott,
Euler,
Factor,
Ferland,
Fiset (Sir Eugene),
Fontaine,
Fournier,
Fraser (Northumberland, O.),
Gardiner,
Garland (Bow River),
Gershaw,
Girouard,
Goulet,
Hanbury,
Hanson (Skeena),
Heaps,

Hepburn,
Howden,
Hurtubise,
Ilsley,
King, Mackenzie,
Lapointe,
MacInnis,
Mackenzie (Vancouver Centre),
MacLean,
McIntosh,
McKenzie (Assiniboia),
McMillan (Huron South),
McPhee,
Malcolm,
Marcil,
Mercier (St. Henri),
Moore (Ontario),
Motherwell,
Munn,
Neill,
Parent,
Perras,
Pouliot,
Power,
Ralston,
Reid,
Rhéaume,
Rinfret,
Roberge,
Robitaille,
Rutherford,
Sanderson,
Seguin,
Spencer,
Stewart (Edmonton West),
Taylor,
Thauvette,
Totzke,
Vallance,
Veniot,
Verville,
Weir (Macdonald),
Woodsworth,
Young.—87.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Bell (St. Antoine),
Casselman,
Fortin,
Geary,
Gagnon,
Kennedy (Winnipeg S. C.),
Lawson,
Short,
Tummon,
Stinson,
Rowe,
McGillis,
Harris,
Price,
Smith (Victoria-Carlton),
Raymond,
Howard,
Fafard,
Mercier (Laurier-Outremont),
Boulanger,
Dubuc,
Gray,
Heenan,
St. Père,
Hall,
Lacroix,
Macphail (Miss),
Jacobs,
Urquhart,
MacInnis.

PRIVILEGE—MR. GARLAND

Mr. E. J. GARLAND (Bow River): Mr. Speaker, before you leave the chair I find it my duty to rise to a question of privilege. Yesterday in the concluding remarks of the leader of the opposition (Mr. Mackenzie King) he, I am quite sure inadvertently, referred to myself and said:

Not only did he not read this last paragraph, but the mover of the subamendment himself did not say a word about it during the whole of his speech.

The latter part may be relatively true, but the first part is not true. I did read the full subamendment, and I am quite sure this is either a typographical error or an inadvertence on the part of the leader of the opposition.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, unless the text is entirely different from what I had in mind when I was speaking, my reference to an hon. member not having read the last paragraph was directed to the hon. member for Labelle (Mr. Bourassa) and not to the hon. member for Bow River (Mr. Garland). The hon. member for Labelle did not read the last paragraph. The hon. member for Bow River read the last paragraph, but he did not speak on it.

WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. LaVergne in the chair.

1. Resolved, that it is expedient to amend the Customs Tariff, being chapter forty-four of the revised statutes of Canada, as amended by chapter thirteen of the acts of 1930, by repealing section six thereof and by substituting the following therefor:—

"6. In the case of articles exported to Canada of a class or kind made or produced in Canada, if the export or actual selling price to an importer in Canada is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada, or is less than the fair market value or value for duty thereof as determined under the provisions of section thirty-six of the Customs Act, or is less than a fair market value thereof as fixed by the governor in council under the provisions of section thirty-seven of the Customs Act, or is less than the value for duty thereof as determined by the minister under the provisions of paragraphs (a) and (e) of section forty-one of the Customs Act, or is less than the fair market value thereof as fixed by the minister under the provisions of section forty-three of the Customs Act, there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

Provided that the said special duty shall not exceed fifty per cent ad valorem in any case; and the following goods shall be exempt from such special duty, viz:—

Goods of a class subject to duty under the Excise Act.

Provided, notwithstanding, that on importations from Australia under The Australian Trade Agreement Act, 1925, the said special duty shall not exceed fifteen per cent ad valorem in any case.

Notwithstanding anything in this act contained the levying and collection heretofore of special or dumping duty in cases where the fair market value of goods was determined by the minister, acting or purporting to act under the provisions of section forty-seven A of the Customs Act, as enacted by section three of chapter eighteen of the statutes of 1922 (section forty-three of the Customs Act, R.S., 1927), is hereby ratified and confirmed."

Mr. YOUNG: Would the minister mind giving us a clear definition of what is meant by "fair market value"?

Mr. BENNETT: That, I think, is defined by the statute itself.

Mr. YOUNG: This resolution refers to a number of different sections and I would like a clear definition of "fair market value," so that it can be understood by an ordinary person.

Mr. BENNETT: Parliament has undertaken to define it by section 35 of the act. I have not the act before me, but I will send out and get it. This matter was so thoroughly discussed that I should have thought there would be no need to go over it again. The Customs Act is the enabling act and this is the application of the enabling act to the Tariff Act. The question of definitions, of course, comes up in the discussion of the Customs Act and not in the discussion of the Tariff Act. The Customs Act is the enabling act; it indicates under what circumstances taxation may be imposed. This statute imposes the taxation in pursuance of the authority thus given, and the question of definition is a question fixed by the Customs Act and not by this act.

Mr. YOUNG: When we were discussing the Customs Act I tried repeatedly to get the minister to give us the definition, but he did not do so.

Mr. BENNETT: This is the Tariff Act.

Mr. YOUNG: I say when we were discussing the Customs Act I could not get the definition, and I would like it now, because the ordinary man finds it hard to understand what it is all about.

Mr. BENNETT: I shall not do more than indicate the will of parliament which is recorded in section 35 of the statute which has been under discussion for several days, namely the Customs Act. Section 35 says:

> 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.

Then follow the subsections. As a matter of fact I do not desire in any sense to decline to answer reasonable questions, but these questions are not directed to matters which arise out of the Tariff Act. They arise out of the Customs Act, which engaged the attention of this house for two days. I can do no more than say that this statute under no circumstances purports to be definitive. This statute merely purports to utilize for revenue purposes and otherwise the provisions of the Customs Act. I cannot be clearer than that, and I have read what parliament has said shall be the determining factor in taking the action which it has taken in connection with tariffs.

Mr. YOUNG: When section 43 of the Customs Act was being amended I asked the minister if he would furnish us with information as to the number of times dumping duty had been collected and refunded during the past year, and if I remember correctly he promised to do so before we were through with the amendments. Could the minister do that now?

Mr. RYCKMAN: Mr. Chairman, my hon. friend is not quite correct. I told him that I would endeavour to obtain the information, but the very moment I returned to the house I stated that there were thousands of cases. My hon. friend also has a question upon the order paper; but let me tell him now that there are thousands of cases of dumping and it is almost impossible to bring down a return within the time limit.

Mr. YOUNG: I am not insisting on a return of all the thousands of cases; I shall be satisfied if the hon. minister will give me the particulars in reference to a few. It is my information that in the vast majority of cases where the dumping duty has been imposed, it has been collected unlawfully, or at least in respect to shipments of goods into Canada which could not properly be regarded as having been dumped. In many instances the duty was refunded. The charge that dumping is taking place is being made in order to bring about public sentiment in favour of such laws as this, when in reality there is no justification for the statement. I think the people are entitled to know whether or not actual dumping is taking place.

Mr. RALSTON: This clause is of particular interest to me, because it is the clause under which, as I understand it, the governor in council or the minister may transfer to the dutiable list goods already on the free list. In other words, goods on which no duty is imposed at all may by this section be made dutiable.

Mr. BENNETT: No, that is wrong.

Mr. RALSTON: That principle has been adopted, and was in the old section. The old section contained a certain limitation which was very definite and much less far-reaching than the present section. Under the old section if it were found that goods sold in the country of origin at a fair price were being

sent into this country free of duty to be sold on the bargain counter at a lower price the minister could step in and say that those goods should pay as a special or dumping duty the difference between the price at which they were being sold in the country of origin and the lower bargain price at which they were being imported into this country. In other words, the Canadian consumer was made to pay at least as much as the consumer in the country of origin. As I have pointed out, in this provision the condition is entirely reversed. Even if the goods are being imported into Canada at the same price as that at which they are sold in the country of origin, the minister is to have the right to say that the price at which they are being sold in the country of origin is not the true price but that an arbitrary value, governed to a considerable extent by the cost of production in Canada, shall be fixed in respect to such goods. Then the government would impose on goods which otherwise would be free the difference between the invoice price upon entry into Canada and the arbitrary value fixed by the minister. That is a very different principle, and much more far-reaching in its effect upon the consumer, from that previously followed. It is an entirely different thing to make the consumer in Canada pay on the basis of the cost of production in Canada regardless of the conditions under which the manufacturing is carried on I protest against this provision, and I protest against the extension of it.

This provision will apply, for instance, to fishermen's rope, which now comes in free. Under the law as it has been, unless it is being invoiced into Canada at a lower price than that at which it is sold in the country of origin, it is not liable to dumping duty; now it will be liable to have a dumping duty imposed sufficient to bring the price up to the cost of manufacture in Canada. The old dumping clause contained a limitation to the effect that the duty to be imposed must not be more than 15 per cent ad valorem, but this provision provides for as much as 50 per cent. This is the most far-reaching clause with which this committee will have to deal. It will have a very serious effect upon the consumers, the exporting producers and industries of this country, and I am afraid upon the fishermen in the constituency and in the province from which I come.

Mr. BENNETT: May I point out that under normal conditions no hon. member would think of discussing on a tariff measure what is now being discussed.

Mr. YOUNG: These are abnormal conditions.

Mr. BENNETT: Under abnormal conditions there would be still less reason for discussing it. The fact is that we have discussed already the amendment to the Customs Act and we know now, because of a message which was read to this house, that it has been passed also by the Senate.

Mr. RALSTON: Would my hon. friend permit me to interrupt him? The amendment to the Customs Act provides for valuation of goods which are dutiable; this amendment adopts that provision and provides for a duty on goods not otherwise dutiable.

Mr. BENNETT: That is just what I was going to read. The imposition of the duty is predicated upon two things.

Mr. RALSTON: My hon. friend means the dumping duty.

Mr. BENNETT: The imposition of the dumping duty is predicated, first, upon the application of the provisions of the statute as passed, and, second, the fixing of the rate to be imposed. The words found in lines 25 to 30 on the first page of the statute are as follows:

> —there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty, equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof; and such special or dumping duty shall be levied, collected and paid on such article although it is not otherwise dutiable.

In other words an article made free under the conditions I have indicated shall now pay a dumping duty because as a free article it came into the country under circumstances which would not have permitted it to come in free had the conditions which operate at the moment of the duty being charged been known to have existed. That is the theory upon which we proceed, and it is the only way the matter can be dealt with. The Tariff Act merely indicates what the impost shall be if the conditions of which this house has approved by a majority are known to exist. Surely my hon. friend will be fair enough to realize that any discussion as to the soundness or unsoundness of what has taken place is hardly relevant when you come to apply the impost permitted by statute. The question whether the rate shall be 15 or 50 per cent is a matter which might be discussed by this committee. Under this statute the maximum is set at 50 per cent, although

in many countries it is as high as 75 per cent. In the republic to the south of us it was fixed at 75 per cent; in one of the countries of Europe it is higher than that, and my memory is that in Japan it is also 50 per cent. We have adopted the theory and have provided that it shall not exceed 50 per cent, and certain goods are exempted. In other words, an effort is being made to prevent dumping, that is all.

Mr. RALSTON: I want to make myself clear, if I can, and to assure my hon. friend that I have no intention of discussing anything which is not actually before the committee. What this enactment does is to use the provisions of another statute passed for an entirely different purpose. That of fixing the market value in connection with goods which were dutiable. This proposal takes the provisions of that statute and puts them into this measure and says that the minister shall now, have power, under the new dumping legislation, to fix an arbitrary selling price in the country of origin and subtract from that arbitrary value the invoice price on which the goods enter this country, and require that the difference is to be paid by the Canadian consumer. All I am discussing is the quantum of the duty. I admit with my hon. friend that a dumping duty is no new principle. A special or dumping duty on otherwise non-dutiable goods, has already been established. But it is a principle which we ought to restrict very carefully and not extend beyond the point where it was under the previous act, which made the consumer in this country pay as much as the consumer in the country of origin. By this legislation the minister or the governor in council can virtually impose a tariff on goods otherwise free and make the price of those goods—not what they are selling for in the country of origin, plus the duty, but whatever arbitrary amount the Minister of National Revenue may decide. That is what I am protesting against, and it is in that connection that I object as well to the change in the limitation from 15 to 50 per cent.

Mr. BROWN: It will be noted that in the original act there were certain exceptions:

(a) Goods whereon the duties otherwise established are equal to 50 per cent ad valorem.
(b) Goods of a class subject to excise duty in Canada.
(c) Sugar refined in the United Kingdom.
(d) Binder twine or twine for harvest binders manufactured from New Zealand hemp, istle or tampico fibre, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measure not exceeding 600 feet to the pound.

[Mr. Bennett.]

I protest against the removal of those exceptions, particularly sub-section (d) referring to binder twine. Binder twine is a very considerable item in farm expenditures. As I pointed out when I spoke on the main motion to go into committee of ways and means, what right has the government to assume that the fifteen cents a pound we have been paying for binder twine this year is a fair price? We have a right to look not merely for a maintenance of prices but for a reduction in prices. When this act is put into force and subject to the guarantees given by the manufacturers, if the price of binder twine is still maintained at the price we have been paying this last season, we will still consider it an imposition on the agricultural industry, and in the name of agriculture I protest against binder twine being removed from the list of exceptions.

Mr. BENNETT: The hon. member for Lisgar will remember the New Zealand treaty which is being abrogated on the 12th October next. If he seeks the reason, he will find it in that. With respect to sugar, circumstances have arisen with which everyone is familiar. The removal of that item from the section of the statute is in the interests of the industry, both cane and beet sugar.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. BROWN: When the committee rose at six o'clock I was inquiring about subsection (d) under the old clause in the list of exceptions. The Prime Minister referred to the New Zealand treaty, and I take if from his remarks that binder twine made in New Zealand from other materials than those named is not excepted. Is that the explanation?

Mr. BENNETT: I did not hear the hon. gentleman.

Mr. BROWN: Hon. members will recall that the Prime Minister referred me to the New Zealand treaty as indicating the occasion for these exceptions and the cause of the removal of binder twine from the list of exceptions. I had not seen any connection between the New Zealand treaty and the removal of binder twine from the list of exceptions. Perhaps the hon. gentleman would explain the relationship.

Mr. BENNETT: I shall. If I remember correctly, section 6 is the one referred to. There are special provisions under the treaty

with New Zealand giving special rates of duty, and at the time this tariff was prepared they were excepted as is the case in connection with all other items subject to treaty. With the abrogation of the treaty I am informed there is no necessity for this further appearing.

Mr. BROWN: But binder twine for many years has been on the free list.

Mr. BENNETT: Yes.

Mr. BROWN: Does this affect binder twine in general or a particular kind of binder twine?

Mr. BENNETT: Binder twine has been on the free list, and there was a provision in the New Zealand treaty with respect to it which is no longer necessary. So far as the proposed tariff is concerned, if my friend will just look at the item I think he will find that there has been no change whatever in connection with it. My memory is that it is not affected in any way by the tariff. If he will look at the section he will see that the special duty shall not exceed 50 per cent ad valorem in any case, and, to quote:

The following goods shall be exempt from such special duty.

Obviously in that case the treaty goods were exempt. The hon. member for Lisgar will recall however that in consequence of the language of the agreement with Australia, to which I may refer during the evening, we did impose a dumping duty of six cents a pound upon butter from that Dominion. It will be remembered that this agreement caused a great deal of discussion and some heartburning. As a matter of fact this provision merely removes that exemption. If circumstances should arise which would necessitate its operation, it would be operative against New Zealand as it would be against any other community with respect to any commodity whatever. Is that clear to my hon. friend.

Mr. EULER: No.

Mr. YOUNG: That is not clear.

The CHAIRMAN: Mr. Young has the floor.

Mr. YOUNG: Is it not a fact that under this legislation the minister will have the power to put binder twine on the dutiable list?

Mr. BENNETT: No.

Mr. BOTHWELL: Is it not a fact that under the provisions of this clause all goods of every description coming into Canada may be subject to a duty with the exception of goods subject to duty under the Excise Act?

Mr. BENNETT: And such other goods as are mentioned in the section itself. It is not correct to say that the governor in council can impose a duty; it would be correct to say that the provisions of the dumping clauses may be made operative against certain goods if the conditions obtain which make them dumped goods.

Mr. YOUNG: And that condition is that the price is not satisfactory to Canadian producers.

Mr. BENNETT: That is hardly a fair way to put it, I may say to my hon. friend that I do not purpose to enter into a discussion of a bill which already has passed this house, has passed the Senate and is awaiting royal assent. We are now dealing with the application of a rate to a condition. The condition has been defined, and the rate is now being fixed.

Mr. YOUNG: I have repeatedly asked the Prime Minister to give us exact information as to when these goods would be dutiable under the dump, and it seems that we have to put our own interpretation upon it; that is to say, when the price is not acceptable to Canadian producers the dumping duty can be put on.

Mr. BENNETT: That is not correct.

Mr. YOUNG: Well, would the hon. gentleman give an exact statement of the fact?

Mr. BENNETT: When the conditions prevail which parliament has provided by law, then the dumping duty will operate.

Mr. YOUNG: Would the hon. gentleman outline those conditions?

Mr. BENNETT: I have read the section, and I had not intended to read it again. I am sure my friend from Weyburn (Mr. Young) will at least admit that I have been reasonably patient. It is not quite fair however to ask me to continue to read—

Mr. YOUNG: No, I do not wish you to read.

Mr. BENNETT: —from a section of a statute which has passed this parliament and now awaits royal assent.

Mr. YOUNG: No, do not read the section. Put it in your own words, but put it clearly and concisely.

Mr. BENNETT: I am bound to say if I did that, Mr. Chairman would rule me out of order. The interpretation of the law rests with the judiciary, not with the executive.

Mr. YOUNG: We should have some idea what is meant before they go to the judiciary.

Mr. STEWART (Edmonton): The provisions of the amendment will allow the imposition of duty on any class of non-dutiable goods or goods which are on the free list. Therefore in the case of binder twine coming into Canada at a reduced value, the minister, or whoever is to have the authority to fix the value, could increase the value and a duty would be imposed upon it. Am I not correct?

Mr. BENNETT: This statute merely provides that a rate may be imposed upon goods which fall within the terms of the statute which has been passed. Free goods do fall within that class. Therefore free goods may be subject to the dumping law; that is not new.

Mr. STEVENS: It always has been the case.

Mr. STEWART (Edmonton): I have a great deal of sympathy with the minister.

The CHAIRMAN: Shall the resolution carry?

Mr. YOUNG: No. Before six o'clock the member for Lisgar asked some questions concerning the removal of sugar from the list of exemptions. I have before me an extract from the evidence taken before the tariff board in connection with an inquiry into sugar. I refer to reference 57, hearing of October 25, 1927; the second hearing took place on May 17, 1928. The extract which I am about to read reveals more clearly than anything else I have seen exactly how this dumping duty has been made to operate against the interests of the people of Canada. I should like to read it.

Mr. STEVENS: From whose evidence is the hon. member going to quote?

Mr. YOUNG: That of Mr. Legault. If I had said it was from the evidence of Mr. Deachman my friend would not accept it.

Mr. STEVENS: I am afraid my hon. friend is too touchy.

Mr. YOUNG: I find the following:

Mr. Deachman: Now taking the Canadian export price on October 1, what was the domestic price in Canada at that time?
Mr. Legault: $6.45.
Mr. Deachman: So that we could pretty well export that sugar to England and then bring it back?
Mr. Legault: Yes, if you figure a price of $3.05 f.o.b. Montreal for export to England, and pay freight 2s. 6d., say about 60 cents both ways, and $1.89 for freight, plus one cent wharfage, $1.90 in all $2.50, and if you take a price of $6 which is what it would come to at $3.50 you have a price 45 cents less than what it is selling for here.
But you cannot do that because there is the dumping duty of 75 cents again protecting them. It is made that way; on sugar refined in the United Kingdom, even if the export price is cheaper than the home consumption price, there is no dumping duty, but with our own sugar which you consign to England you must pay 75 cents dumping to buy it back.

That is to say, we could refine sugar in Canada, ship it to England, bring it back and sell it in Canada cheaper than it could be bought at the door of the refinery. The Department of Customs, however, under cover of the dumping act as it previously obtained, by the imposition of a 75 cent dump would put a stop to that and would prevent the buying of Canadian sugar in England and its being brought back here. The present proposal tends to make matters much worse. Our sugar refineries were being protected so far as dumping is concerned.

Mr. BENNETT: When I was in the west a few days ago I met a delegation of beet root growers from southern Alberta. They have an investment of $1,000,000 in a beet sugar refinery at Raymond. They asked for a slight increase in the duty on sugar that they might be able to erect another mill. They are prepared to supply the entire beet sugar requirements of the country between the lakes and the mountains. Any one who knows just what the beet sugar industry means in the way of industrial requirements—from the limestone in the mountains and the coal in the mines, the movement of trains and the repair of cars, the use of man power in the fields in the summer, the harvesting of the crop and the making of the sugar—realizes how valuable an asset to a country any such industry is. It will be observed that the sugar tariff has not been dealt with as it possibly should be, but in this instance that item as it stood in the tariff, as the hon. member for Lisgar indicated, has been taken out, being a proviso that the special duty should not apply to the cases mentioned. One of the exceptions at one time was sugar, which is now being removed from that category in the reprinting of the section.

Mr. YOUNG: Did the sugar refiners at Raymond give an undertaking that they would not advance prices?

Mr. BENNETT: As a matter of fact the question was not discussed at all from that angle. They were merely presenting their case for the purpose of showing that under

existing conditions, without some slight rise in the tariff they would not be able to carry forward their undertaking, they owning already one refinery. In the northern Alberta tract—which I may say is largely owned now by the government of Alberta, as perhaps my hon. friend the former Minister of the Interior (Mr. Stewart) will tell this committee whenever there is an acreage sufficient to warrant the erection of a refinery they are prepared to go forward, but they asked for this slight upward grading of the tariff to ensure the stability of their enterprise. If I had had time, I have no hesitation in saying to this committee that I should have endeavoured to meet that wish. But time did not permit dealing with that very complex schedule, as most hon. gentlemen know the sugar schedule is. That one industry alone will support a community of not less than 10,000 souls.

Mr. BROWN: This will raise the price of sugar.

Mr. BENNETT: No, it will decrease the price.

Mr. MACKENZIE KING: My hon. friend promised that when in committee he would give the assurances he has received from manufacturers and others as to there being no increase in prices. Perhaps this would be a convenient time to let us have them.

Mr. BENNETT: I thought as each item was called I might do that.

Mr. BOTHWELL: Is it not possible under the provisions of Bill No. 3, which has been passed, and under this section, for the governor in council or the minister to impose either an excise or a dumping duty on all classes of goods that come into Canada?

Mr. BENNETT: It will be observed this section provides for the imposition of a dumping duty, and that duty can be applied only where the conditions warrant its application. That is a matter which, as I have said, is settled by the Customs Act, not by this act; but the proviso we are now discussing in terms indicates that the special duty, that is the dumping duty, shall not apply in the following cases. That is to goods that are subject to duty under the Excise Act, the Australian treaty and so forth. Then paragraph 2 indicates how the duty shall be computed when the occasion arises; paragraph 3 deals with the customs duties of the United Kingdom, and paragraph 4 is a reproduction of the existing schedule. My hon. friend as a member of the legal profession knows perfectly well that we are now dealing with the exercise of the power, not with the conferring of the power; that happened the other day, and I am not going to discuss it now.

Mr. BOTHWELL: Let me repeat my question: Is the hon. gentleman of the view that taking into consideration the legislation which is now on the statute books and Bill No. 3, which possibly has not yet received the approval of the other house—

Mr. BENNETT: Yes, it has.

Mr. BOTHWELL: Is not my hon. friend of the view that with this clause 1 it will be possible for the governor in council or the minister to impose either a customs duty or a dumping duty upon goods of every description coming into this country? Is not that the fact?

Mr. BENNETT: Neither statement is correct.

Mr. BOTHWELL: The hon. gentleman referred to goods of a class subject to excise being exempt. May I read the clause:

> Provided that the said special duty shall not exceed fifty per cent ad valorem in any case; and the following goods shall be exempt from such special duty, viz:—
>
> Goods of a class subject to duty under the Excise Act.

Now, those are goods that are paying a duty.

Mr. BENNETT: Tobacco, for instance.

Mr. BOTHWELL: Those goods, whatever they may be, are dutiable. That is apparently the only exception. Under the Australian trade agreement of 1925 a duty of 15 per cent ad valorem may be imposed. So far as the other is concerned, it does not grant any exemption at all. Is it not a fact that goods of any description may be taxed by way of customs duty or dumping duty if this section goes through?

Mr. BENNETT: All I can say is, if this country imports nothing but goods that are dumped goods within the provisions of the Customs Act this section applies, and not otherwise.

Mr. BOTHWELL: That is rather an evasive answer. The fact remains nevertheless that all goods would be dutiable or could be made dutiable if this section goes through. Is not that the fact?

Mr. BENNETT: That is not the fact.

Mr. YOUNG: It is.

Mr. STEVENS: It is not.

Mr. BOTHWELL: I should like to know the reason why.

Mr. STEWART (Edmonton): I do not like any more than my hon. friend does to repeat what was said when the amendment to the Customs Act was going through, but as a matter of fact every piece of goods coming into Canada, if dumped within the meaning of the provisions of this amendment, would be subject to it. That is the conclusion I came to the other day. If, of course, the minister finds that a complaint is not well founded, that no injury is being done, he will not take action under this amendment; but if in his opinion any class of goods coming into Canada, free or otherwise —I make no distinction—are dumped goods, then the provisions of the act can be applied.

Mr. BENNETT: If the hon. member for West Edmonton (Mr. Stewart) says that any class of goods that falls within the legal determination of dumped goods is subject to the provisions of this section, he is correct.

Mr. STEWART (Edmonton): I am curious to know wherein the difference exists between the Prime Minister's statement and my own. I cannot see any. A complaint is made by somebody that goods are being dumped, and those goods of whatever class or kind will have the provisions of this act applied to them if in the opinion of the minister there is dumping.

Mr. BENNETT: Surely of all members of the committee the hon. member for Swift Current (Mr. Bothwell) realizes how idle it is for anyone to endeavour to interpret a word when he has no obligation or responsibility with respect to its interpretation. The function of the judiciary is to interpret the statutes passed by this parliament; and, under our rules of interpretation, what is said in this house is not admissible in evidence to aid in the interpretation of a statute. I suppose that is well known to most members of the committee, certainly to all legal members. The reports in Hansard of the proceedings, the discussions, that take place in this house may not be admitted in the courts in interpretation. The hon. member for West Edmonton is endeavouring to place his construction upon two statutes. I am asked a question which my training necessitates my answering in just one way: whenever goods fall within the legal definition of dumped goods under the Customs Act, then under this section of the Customs Tariff the dumping tax applies. That is all.

Mr. BOTHWELL: And the minister shall have power to say when goods are dumped.

Mr. BENNETT: No.

[Mr. Bothwell.]

Mr. BROWN: The Prime Minister says that it is not for us to interpret statutes in this house; that is for the judiciary. But surely those who bring legislation before this house and ask us to pass it should have some clear idea in their own minds as to what such legislation proposes.

Mr. BENNETT: They have. That point has already been explained exhaustively to the committee. Indeed, I was under the impression that the house was tired of listening to it. It has all been explained, so much so that this afternoon we heard a message from the other house to the effect that that legislation had been passed there. Let me put the case to the hon. member for Lisgar (Mr. Brown), who sometimes endeavours to be fair. If you had a law defining an offence, an offence under the criminal code, and another law defining the punishment which would follow upon a violation of that section of the criminal code, and if you asked me when the second provision would apply, I would tell you—whenever the effence described in that first statute had been committed. In this case I am asked a very simple question: When does this apply? My answer is, whenever the conditions prevail which are described in that statute that passed this house the other day.

Mr. BOTHWELL: And that means this:

> If at any time it appears to the satisfaction of the governor in council on a report from the minister that goods of any kind are being imported into Canada, either on sale or on consignment, under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the governor in council may authorize the minister to fix the value for duty of any class or kind of such goods, and notwithstanding any other provision of this act, the value so fixed shall be deemed to be the fair market value of such goods.

Taking that section of the bill we have already passed, and reading it in conjunction with the first provision we have before us at the moment, I come back to the original question I asked: Is it not possible for the governor in council or the minister to impose a duty, either a dumping or a customs duty, on goods of every class and description that come into this country?

Mr. BENNETT: It is not.

Mr. BOTHWELL: In what way is it not? Surely the Prime Minister can explain, if that is not the fact.

Mr. BENNETT: He already has.

Mr. YOUNG: Coming back to the question of sugar. I have not the figures before me, but if I remember rightly the Canadian refineries control 99 per cent of the Canadian market for sugar. The prairie market is supplied from the refineries in the east and in the west; we do not get any imported sugar there to speak of. Now the Prime Minister proposes under this legislation to encourage a new sugar industry at Raymond, Alberta.

Mr. BENNETT: I did not say under this legislation.

Mr. YOUNG: Well, this is supposed to help it. These people have asked for assistance and the minister proposes to give it to them. Where will they get their market without affecting the refineries already in existence? My hon. friend proposes now to encourage home industry for the purpose of relieving unemployment, and he is doing so by taking something from certain established Canadian industries and giving it to certain industries to be established.

Mr. BENNETT: I know my hon. hon. friend does not wish to be deliberately unfair. I did not suggest that under this section assistance would be secured. I said there was not opportunity or time to deal with the complex sugar tariffs but that they would be dealt with at the session next year.

Mr. YOUNG: And you will give them some more later on?

Mr. BENNETT: I shall hope to enlighten my hon. friend to the extent of my ability, but I doubt whether I shall satisfy his curiosity.

Mr. STEWART (Edmonton): I know of the establishment of this industry and the success it has been in the locality, and I know how valuable it is to the farmers there. I know also that they have for a year or two been asking that some consideration be given them in the way of more protection. Their machinery, which was secondhand in the first place, was brought into Canada free of duty, and we did lend them some assistance in that regard. I may say to my hon. friend that any information I could obtain with respect to their ability to carry on and to make reasonable profits under the existing duties seemed to be well borne out, and I do know that they intended to expand. I think that perhaps, even without further assistance in the way of a duty, they will expand.

Mr. BENNETT: This is perhaps beside the question, but my hon. friend has brought it up. It is true that the machinery was secondhand, but it was also the last word in machinery for the production of beet sugar, and the plant represented an expenditure of about $1,000,000. I went through it on one occasion, paying a great deal of attention to detail, having previously seen modern factories elsewhere, and I did not think that anything could be added to it. But they showed me that they had not so far made a satisfactory profit on their investment, although they were willing to expend and put in another unit. And they were asking, not so much for protection as for some assurance that they would not be destroyed by unfair competition, which they regarded as possible under the circumstances that prevailed. They were perfectly frank about the matter. My hon. friend knows better than I do that the security of the government is menaced by any failure to utilize those irrigated lands in that district. They must be utilized if interest is to be paid on the very large investment made by the province in assisting irrigation in that section, and it was from that standpoint that these gentlemen were dealing with it. It is a complex problem dealing with beets, harvesting them, caring for them and so forth.

Mr. YOUNG: There is a considerable body of men in this country engaged in the import business. They are conducting a legitimate business, rendering service to society. I do not think anyone in this house has stated more often than my hon. friend that no business can be conducted without some assurance of stability. A man must know where he stands, and that is particularly true of the importer. If he is to bring in shipments of goods he must have an idea what they are going to cost before he orders them. Under this legislation no importer will have any idea of the duty he will have to pay on the goods he brings in. The rates may be as high as you like. Very well, he might adjust himself to that condition, but under the provisions of this proposed legislation when his goods arrive they can be given an arbitrary value by the minister on the representation of some man in this country who does not care to compete with him, and because of that an entire shipment of goods can be so advanced in price that the importer cannot handle it. The result may be that a large body of importers will be completely put out of business. I ask the minister if that is his intention.

Mr. BENNETT: I suppose, Mr. Chairman, no one knows better than my hon

friend from Weyburn that no such specious argument as that should be set up in this house.

Mr. YOUNG: It is a fact.

Mr. BENNETT: Not only is it not a fact, if I might challenge my hon. friend, but I suggest that if he will review his inner consciousness he will conclude that he knows it is not a fact. If he will look at the section he will find it confirms the action taken by a previous administration with respect to many matters, including furniture. That is no new power; it is merely an exercise of power that has been in our Customs Act since the very passing of the first act, but it was a power that was exercised with respect to appraisal. It made no difference, hon. gentlemen will recall, when we received goods through the customs house whether or not we appraised them at their correct value; the ultimate valuer was the appraiser's department in the customs house. My hon. friends will recall that when they went to a customs house with their invoice the authorities looked at the goods, and if the customs officers thought the invoice did not correctly indicate the value, they always appraised that value. That power of appraisal has been the basis of all our customs legislation. But difficulties were experienced in that connection, and I mentioned one the other day, though for reasons that I think every member of this house will appreciate I did not mention the community, the nation or the people. However, goods have been offered from that country to people in this country at a price less than the cost of the raw material in Canada. Under these circumstances there must be a power somewhere between the power of prohibition and the power of free entry. The power of prohibition is provided for in another section, but the power of regulation, of valuation, as against free importation, is a power which in that case could not be exercised because of lack of knowledge and inability to secure it.

Therefore the power I mentioned the other day is vested in the executive, which is responsible to this parliament. Everything that has been said by my hon. friends opposite, sometimes with much iteration and reiteration, sometimes with vehemence almost approaching hysteria, sometimes with gravity and sometimes with levity, can be said with regard to every power that is obligated to the executive. There can be no conduct of government unless the agents of government, that is the executive, are entrusted with power. How that power is exercised must be approved by this parliament. If the power is abused, parliament will censure and remove; it has done so before and it will do so again. Ministers have risen and fallen; they have fallen because of the abuse of power, and in this instance the conferring of the power in the manner indicated was the only method of which I know or which any hon. gentleman can suggest by which the regulatory appraisal value essential to the administration of a customs act could be adequately utilized unless there is to be no middle course between free entry and prohibition. I need hardly say to my hon. friend from Weyburn that in the conduct of ordinary business there comes a point at which some one man must be entrusted with authority to do things, and the giving of that authority must rest upon faith and confidence and belief in his integrity, his honesty and his ability. In this instance the state, acting through parliament, has granted power to its servants, the executive, with confidence in their integrity and their ability to discharge those duties, knowing that if they fail properly to discharge them they will merit the just condemnation of parliament and removal from the office which they hold.

I had not intended to deal with the matter at such length, but that is the whole sum and substance of it. It is essential for the administration of a difficult department. Being essential it is there, and if it is not properly exercised you and I and the others will see that those who improperly exercise it depart from power and place.

Mr. YOUNG: I have every confidence in the integrity and the honesty both of the Prime Minister and of the Minister of National Revenue. But this legislation says that in carrying out his duties, in determining what value he shall place on goods for customs purposes, the minister shall be guided —by what? By the interests of Canadian producers. If the price at which these goods are being imported is not acceptable to the Canadian producers of similar goods, then his integrity and his honesty are called in—never mind anything about his ability—to fix the price of these goods at a point that will make it impossible for them to enter.

Mr. HANBURY: Mr. Chairman, under this section I understand that goods which otherwise enter free may become dutiable. I would just like to know in what way the rate on such goods can be set.

Mr. BENNETT: I knew my hon. friend would be misled by the statements that have been made in this committee by hon. gentlemen opposite. He thought the hon. gentlemen really meant what they said, and he took it for granted that they knew what they

were talking about. He asks how these rates are to be fixed, and he wants to know what rate is to be put on these goods. We were talking about free goods. They still remain free, but if dumped they have to pay the penalty of being dumped, which is the dumping duty, so called, provided for by this act. There is no question about a customs tariff duty; they are still free goods, but the provision having been taken advantage of and the goods having been dumped upon the market, they then pay the penalty for that evasion of the law.

Mr. VENIOT: Not a penalty.

Mr. BENNETT: Absolutely; it is a penalty up to 50 per cent.

Mr. VENIOT: It is an imposition of duty.

Mr. BENNETT: It is a special or dumping duty, so called, under the statute itself, not under the customs tariff. I do not wonder that the observations which have been made should have misled my hon. friend, but I think he understands the situation clearly. I will put it this way. A dozen pocket knives, which are entitled to free entry, are imported. They come in and apparently properly enter free. Bought at 10 cents on the dollar, however, they come in competition with the products of our own country or with importations from another country at $1. The power is given here to impose upon such goods the special dumping duty provided by this section. That is all.

Mr. VALLANCE: Up to 50 per cent, which would make it 15 cents.

Mr. BENNETT: Yes, and my hon. friend will see how just it is. I said the goods were imported at 10 cents. Fifty cents on that would be 60 cents, which would mean that they would still sell for 40 cents too little. Does my hon. friend see?

Mr. STEWART (Edmonton): My hon. friend fixed his first price too low.

Mr. McMILLAN: The statements made by the Prime Minister a moment ago confirm the opinion held on this side of the house that in the last resort absolute power rests with the Minister of National Revenue to set the valuation. That is what we have contended.

Mr. YOUNG: I would like to ask the minister for some information as to the enforcement of this act. Let us suppose that a shipment of goods from the United States is entered at the port of Vancouver and a similar shipment of the same kind of goods is entered at Toronto. The customs collector at Vancouver understands that these goods are being valued lower than the selling price in the States, and he imposes the dumping duty. The customs collector at Toronto, not understanding that such is the case, does not impose the dumping duty. Is there any provision under the new legislation to make this duty universal in its application in order that everyone may be treated alike? I have tried many times to obtain information at the customs house as to whether or not dumping duties were being collected, but they never seemed to know, and the officials at Ottawa did not know until some months had passed. The collector at one port might be collecting the dumping duty while the same goods were being entered at another port, perhaps only a few miles away, without the imposition of that duty.

Mr. BENNETT: I imagine that some of the legal members of the committee will remember the old doctrine that there is no estoppel against the crown. It has often happened that importers who concluded that they had successfully evaded the law found themselves compelled to pay months afterwards. The hon. member for Weyburn (Mr. Young) has mentioned a particular case. This being a large country, the collector at Vancouver might impose the dumping duty, while the officer, say at St. John, might not for the moment, be as well informed. The importer in that city congratulates himself upon getting his goods through the customs, but one morning somebody comes into his place of business and informs him that in checking over the invoices certain discrepancies have been discovered and he is asked to pay the money he should have paid when his goods passed through the customs. My friend speaks about universal application, but it is hardly necessary for me to say to him that all laws are universal in their application unless there is an exception in the terms of the statute itself. There being no exception in this instance, the law will be universal in its application. In a country as large as this the officials may find it difficult to administer the act quite to my friend's satisfaction, but in the end it will be found that the Department of National Revenue, whether administered by one man or another, is enforcing the universal application of this or any other statute. This department is manned by an efficient staff of permanent public servants, who carry on a continuous checking of invoices and who hold constant audits, so that

in the end it will be found that the laws are, shall I say, enforced by universal application of the statute.

I have personal knowledge of a case which occurred in the prairies. A certain gentleman went to the customs house on a public holiday, and representing that he had plenty of wealth and so on, succeeded in getting certain articles out of the customs house, and the customs officer who permitted the goods to go out had to pay the duty. Confiding officers in the end have to pay for their misplaced confidence, but in the main the law is universally and, shall I say, successfully, applied by the permanent officials of this country.

Mr. POWER: The Prime Minister (Mr. Bennett) has on several occasions mentioned evasion of the law and the penalty for such evasion. I can readily understand that under the old dumping act an importer might realize that he was evading the law because the goods were being brought into Canada at a price lower than the selling price in the country or origin. Under the new act, however, a different condition arises. I think this is best illustrated by the question which has been asked by my hon. friend from Weyburn (Mr. Young). An importer might in good faith bring certain goods into the country but later on the Minister of National Revenue, under the authority conferred by a section of the act we have just passed, might conclude, and properly so, that the importation of such goods was prejudicially affecting a Canadian producer or manufacturer. It cannot in all conscience be said that that importer was endavouring to evade the law or that he was endeavouring to dump goods in the ordinary sense in which we understand that term. I submit that a great injustice might be done to an importer if post entries were permitted. Post entries were properly and legitimately applied under the old act, but it would be most difficult to apply them under the present legislation. I think the Prime Minister understands the point I am trying to make, and I would appreciate it if he would throw some light on it.

Mr. BENNETT: Mr. Chairman, knowing the hon. member for Quebec South (Mr. Power) I am sure that the dark recesses of his mind would not be illuminated by any observations which I might make. I would remind him that there has been no change in the section with respect to evasions; the section in the Customs Act with respect to evasion is the same as in the old act. My friend has raised a question which I suppose he intends to discuss in the committee, although I hope not. The House of Lords decided some years ago that there is no evasion of a law provided that what one does under it is warranted by the law. Sometimes the word "evasion" is used loosely; that is, if a man succeeds in doing something under a law we say that he has evaded it, but such may not be the case. The highest court in the realm has said that if what that man does is sanctioned by the law, it is not an evasion of the law.

Mr. RALSTON: They say that it is avoided instead of evaded.

Mr. BENNETT: Let me put it this way; the form of evasion mentioned in this taxing statute is covered by a subsection definite in its terms. In no sense do I reflect upon my hon. friend when I say that his high intelligence requires no observations from me to indicate to him just what it means.

Mr. STEWART (Edmonton): It seems to me that the government has gone a very long way when it removes the method of discovering values and takes unto itself the power of arbitrarily fixing such values, thus placing the importer under a very great handicap should he happen to have purchased goods at a discount. Under the old provision the rate was fixed on the basis of the selling price of the goods in the country of origin.

Mr. BENNETT: Originally on the invoice.

Mr. STEWART (Edmonton): I think we said enough about that the other day.

Mr. BENNETT: I think so. It must be very well known that the court of customs appeals in the United States has had to deal with a tremendous number of problems of this kind. Anyone who has been at the port of New York and has watched the arrival of transatlantic liners will realize just what I mean. Anyone who reads in the United States Daily the decisions made by the court of customs appeals must realize just how useful this provision is. The court of appeal in this country is parliament.

Mr. VENIOT: Not on goods without invoice, goods carried by passengers.

Mr. BENNETT: Goods with or without invoices. The whole trade we carry involves millions of dollars, and there is not an hon. member present who does not know that all these problems are incidental to a customs act. This is the story: The other day, after much discussion, we passed a statute setting

forth a description of what dumping is and how it arises. We are now imposing the penalty. I suggest to the committee that it is not quite fair to go back to the former legislation and have it all discussed again. Surely the house did justice to itself the other day. Some hon. members think the rate is rather high. In this country it is 50 per cent, while in the United States it is 75 per cent, and this provision is made for one purpose. There are several purposes for which all laws are passed. This is passed with the idea that not only the punitive provisions but the deterrent power of the law should operate, and in cases of this kind the deterrent power of the law is almost as great as its punitive power, because one of the factors in deterring men from doing things is fear of the punitive power. The statute is aimed at that end, to prevent things from being done, because the threat of the punitive power is always there and it acts as a deterrent against a violation of the statute. Does the committee not think it had better let this clause pass?

Mr. STEWART (Edmonton): I think we thoroughly understand that definition. This is our complaint: As the act stands now, an importer dare not take the chance of importing goods unless he is absolutely sure they are going to be comparative in value with goods produced in this country. We might just as well recognize that fact. All the discussion we have had on this matter has only served to confirm that statement. No one can import goods in the future without first assuring himself that in doing so he will not in any way affect prejudicially goods manufactured or offered for sale in this country.

Mr. HANSON (York-Sunbury): He can still import, but if he evades the law, under the act he has to pay a penalty. He may pay a higher rate of duty, but he does not have to pay a higher price.

Mr. YOUNG: I must come back to my original question. In how many cases during the past twelve months has this dumping duty been collected and afterwards refunded? I attach great importance to that question, because time and time again men have been made to pay dumping duty when there was no justification for making them do so. This is how it comes about: A man is bringing goods into this country. Some competitor who does not want those goods to come in will go to the Customs department and say: Those goods are being dumped, and immediately the customs officer will clap the dumping duty on—

Mr. EULER: No, no.

Mr. YOUNG: —and the man will be compelled to pay the duty. He will pay the duty, add it to the price of his goods and thus pass it on to the consumer. Later he will demand a refund from the department and will get it, but that refund is not passed on to the consumer. If he wins his case and secures a refund, it is so much velvet to the importer. But because he never knows how he stands, because he does not know at what moment the dumping duty will be imposed, and because these decisions are often retroactive, he will set his prices high enough to cover his risk. For instance, he may bring in goods. Later on a customs official may come along and say to him: Those goods were dumped and you must pay an additional duty on them. If the people could be thoroughly informed of the systematic persecution that is carried on in regard to Canadian trade by our customs officials under cover of the dumping provision, they would not tolerate this legislation for a minute. I have heard it said that the proper definition for dumping is this: It is the bogey man protectionists use to frighten the people of one country out of trading with the people of another. It is a magic word, the "close sesame" of international trade. When you have worked up a nice trade with your neighbours across the line after long years of trouble and expense, somebody comes along and cries, "dumping!" and immediately all your ports are closed and your trade dislocated. Later on an investigation is held and it is discovered that no dumping took place. The ports are open again but the trade has disappeared. This legislation makes possible the systematic trade persecution which has been carried on in the past and which, if we allow this legislation to pass, will be carried on to a greater extent in the future.

Mr. BENNETT: The former Minister of National Revenue has already answered that question. The present minister has been in office since, I think, the afternoon of August 7, and it is quite obvious that my hon. friend refers to the administration of the past nine years. With respect to that I cannot speak with any degree of certainty except to say that we thought it desirable by this very statute to ratify and confirm the action that was taken by the late government in its endeavour to protect, shall I say?—that is a word my hon. friend likes—the furniture industry. In that case an appraisal was made by the proper authorities who believed that the appraisal that was on the invoices representing the price paid was wholly unfair to

Canadian industry because the goods in question were manufactured under conditions with respect to labour and other matters that made it unfair competition. The officials directed an appraisal at 40 per cent in excess of the invoice value. There might be some little question as to whether or not technically the power of direction of appraisal extends that far. It will be observed that in this legislation an effort is made to ratify and confirm action with respect not to furniture but to natural products, and I shall endeavour to do something in the same direction with respect to other matters.

I do not quite agree with my hon. friend that there has been an attempt to persecute. I know from first-hand information he thought the law was being too severely enforced on the boundary where he resides, but that is no reason why he should say that everybody persecutes who desires to enforce the act. I know he made strong representations as to the undesirability of the method by which at least one official endeavoured to enforce the law. That of course happened prior to the 28th July, and while my hon. friend speaks with authority, as I was on the outside then I speak with the same authority. The present minister of the department he has been criticizing has not been for many years at the head of that department; the hon. member for North Waterloo was the minister who at the time referred to by my hon. friend discharged the difficult task of administering that department, I believe with an eye to the public service and without fear or favour. My hon. friend says he permitted it to be a source of persecution. Who is persecuting? The hon gentleman's friends.

Mr. YOUNG: I will tell you in a minute.

Mr. BENNETT: If the hon. gentleman tells it all, it will be an interesting story.

Mr. YOUNG: I will tell it all.

Mr. BENNETT: Will he tell whether the gentleman who enforced the law remained at his post or was removed? Did the hon. gentleman assist in having him removed? Did the hon. gentleman ask that he be removed?

Mr. YOUNG: Certainly I did.

Mr. BENNETT: Exactly. And now, having asked that an officer who enforced the law fearlessly should be removed, he comes into this high court of parliament and says that is persecution.

Mr. EULER: I had not intended to enter what seems to me at least in some respects a more or less purposeless discussion, but the remarks made by the hon. member for Weyburn cast a reflection on the previous administration. In all kindliness I take exception to the remarks of my hon. friend from Weyburn to the effect that the department engaged in a persecution of Canadian imports or Canadian trade. There is absolutely no truth in it. When he intimates that the department was constantly intent on exacting dumping duties rightfully or wrongfully, he is wholly wrong, and I resent such a statement even from the hon. member from Weyburn.

There was a practice in this country of importing goods at prices lower than they should be imported. There was a great deal of what is known as double invoicing; it may be that it continues—I can say that it is almost impossible to have such a practice eradicated. However the officers of that department were instructed to watch very closely and if they found that that sort of thing was being practised they were to stamp it out with measures as strict as the law would allow. That was done, and nothing more, and in my opinion it was rightly done. I believe in the necessity for anti-dumping legislation; I hope that the practice is not as bad now as it was at one time. However I assure my successor, the Minister of National Revenue (Mr. Ryckman), that he will have to keep his eyes open, and instruct his office to do so, to see that this vicious practice does not continue. I say to my hon. friend (Mr. Young) through you, Mr. Chairman, that when he makes the accusation by language and by inference that the department has been guilty of persecuting Canadian business men he is badly mistaken, and it is not true.

Mr. YOUNG: Mr. Chairman, my attack was not intended—

Some hon. MEMBERS: Oh no, no.

Mr. YOUNG: —as a reflection upon the previous administration or on the hon. gentleman in charge at the present time. My attack is aimed at the law which allows officials entrusted with its enforcement to do the things about which I complain. I do not complain of the officials personally; it may be that other men in the same position would have done the same thing. My hon. friend has referred to a preventive officer whom I tried to have removed. I admit that I did try to do that, and I do not regret it; I am guilty and unrepentant. I will tell you the circumstances.

The CHAIRMAN: Order.

An hon. MEMBER: Oh, never mind.

Mr. YOUNG: Out in my constituency—

An hon. MEMBER: This talk is costing money.

Mr. YOUNG: My hon. friends have asked for it.

An hon. MEMBER: Save the country's money.

Mr. YOUNG: My constituency extends along the Montana border for a considerable number of miles, and customs offices a year or two ago were sometimes as far as eighty miles apart. Binder twine is on the free list, and because of that a man is entitled to bring binder twine into this country duty free. However the customs regulations require that when a man crosses the border he must report at the nearest customs office. Allow me to paint you a picture. A farmer is living near the American border, thirty or forty miles from a Canadian town and five or six miles from an American town. He is located twenty or thirty miles from the nearest customs house and he is cutting a crop of grain. When the evening comes this particular farmer learns that his supply of twine is almost exhausted. Hitching his horse to the buggy he drives to the nearest town across the border and secures the necessary binder twine to tie his crop. He does not report to the customs office because as I have stated he lives about twenty or thirty miles distant. His action cannot be termed smuggling because binder twine comes in duty free. Next morning an officer from the customs department pays him a visit, deprives him of the twine and forces him to leave his grain loose on the ground. What would hon. members do with an officer such as that? Would they not try to have him dismissed? That is what I did, and it took me a long time to do it.

Mr. BENNETT: The hon. gentleman got it done just before the election.

Mr. YOUNG: I had been trying to do it for a long time.

Mr. BENNETT: Exactly, but the hon. gentleman did not succeed.

Mr. YOUNG: I am afraid the hon. member knows too much.

Mr. BENNETT: Yes.

Mr. YOUNG: When I spoke of the persecution of Canadian trade I did not refer to small things which have occurred in my own constituency; I referred to things which occur throughout this country. I shall relate to my hon. friend—

An hon. MEMBER: No, No.

Mr. YOUNG: A certain man in the United States—

Some hon. MEMBERS: No, no.

The CHAIRMAN: Order.

Mr. YOUNG: A certain man in the United States was manufacturing rugs; I may state this occurred before my friend became Minister of National Revenue. A certain man in the United States—

Mr. EULER: Which minister do you mean?

Mr. YOUNG: This particular man was manufacturing rugs. He manufactured two qualities, one which sold at $100 and the other at $70. They were very similar in appearance but there was a difference in quality. He sold all his $100 rugs and some of the $70 rugs in his own country. However he had a market in this country for some of his cheaper rugs and was doing a very good business. Some one came along and reported that this man was dumping, and immediately the dumping duty was applied. He went to the customs officers and said that he was not dumping and could prove it. They said, "Very well, prove it." As a result he furnished proof to the effect that the rugs he was selling in this country for $70 were being sold in the United States for the same price and that no dumping was being practised. "Very well" they said "you are not dumping; that is satisfactory to us. However in order that there can be no doubt about it we will ask you to send one rug of each quality to every customs port of entry in this country so that the collectors at all points will have samples and through comparison will be able to ascertain whether goods are being dumped." Is that not systematic persecution of Canadian business? What did that man do? He said, "I shall not bother with Canadian trade," and he immediately stopped it.

Mr. STEVENS: That was good.

Mr. YOUNG: I have one thing more to say. I have received a telegram from Toronto, and I would like to read it.

The CHAIRMAN: Order.

Mr. YOUNG: "Woollen hosiery manufacturers—"

The CHAIRMAN: Order.

Mr. YOUNG: "—already give notice of advance prices."

The CHAIRMAN: Order. The other day I ruled that documents such as that should not be read in the house.

Mr. YOUNG: This is a telegram. I heard the ruling of the Chairman as regards newspapers, but this is a telegram.

The CHAIRMAN: All documents which come from outside the house which reflect upon the debate are out of order.

Mr. STEWART (Edmonton): Hon. members on this side of the house will have to take issue with a ruling of that character. I do not purpose to do so to-night, but when Mr. Speaker is in the chair we certainly shall take objection. The ruling of the Chairman is a complete departure from the practice which has obtained for the past nine years.

The CHAIRMAN: Undoubtedly, but the rule is very clear. If my hon. friend will refer to Bourinot and May he will see the reason for my ruling.

Mr. EULER: Let us have a ruling.

Mr. RALSTON: My hon. friend the Prime Minister read several telegrams during the course of the debate the other night; no objection was taken and there was no suggestion that the hon. gentleman was out of order. Telegrams are coming in all the time from everywhere. The only suggestion in the rules with respect to telegrams is that they should not be allowed where they reflect upon the proceedings of the house. These telegrams do not reflect upon the proceedings, but they refer to the tariff of this country. The rule has regard to the privileges of the house; it does not refer to legislation before the house.

The CHAIRMAN: I do not claim that I am absolutely infallible, but I have to apply the rules. I do not pretend that when I make rulings I am always right. No doubt I can err, but I am trying to be as fair as I can.

Mr. RALSTON: Would the Chairman be kind enough to read the rule?

The CHAIRMAN: I refer to paragraph 306:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside the house and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the house.

Mr. RALSTON: That is it.

The CHAIRMAN: This rule refers to Bourinot at page 336 and May thirteenth edition at page 317. I think if my hon. friends will read those authorities they will find that the rules are stronger than they think.

Mr. RALSTON: The Chairman read the words, "reflecting on proceedings within the house." It must be something which has to do with the privileges of the house, and does not refer to something which shows what is taking place in the country. For instance in connection with a discussion about unemployment a telegram could be read stating that there were 1,000 unemployed in Nova Scotia or British Columbia. That would have regard to the matter under discussion in the house but would be no reflection upon the proceedings of the house. All my hon. friend read was a statement as to what was being done by certain interests as a result of this tariff, and such a telegram has no reflection upon the proceedings in the house. The matter to be ruled out must be something more or less in the nature of contempt, and there is nothing of that nature in the telegram in this instance.

Mr. BENNETT: May I, Mr. Chairman, with all deference; say that I think there is a slight confusion between the privileges of this house and the rights of members in debate. No member has a right, as I have always understood the rules, to read any document that reflects upon the house or upon a member of the house, nor has he any right to read a document that reflects upon our conduct of business, or to read any document that is calculated to influence the conduct of members in the house. But I cannot think that that rule extends to prevent any hon. member from reading a telegram that he may have received as a fact that something has happened. I think he has a right to do that. That is my view.

The CHAIRMAN: I am quite willing to withdraw my ruling if that is the feeling of the committee, because I am always glad to acknowledge any error.

Mr. YOUNG: Thank you, Mr. Chairman. The telegram is very short:

> Woollen hosiery manufacturers already give notice of advance prices.

I ask the government what they are going to do about it.

Mr. BENNETT: We will discuss that when we come to it.

Paragraph 1 agreed to.

2. Excise duties or excise taxes shall be disregarded in estimating the market value of goods for the purposes of special duty when the

goods are entitled to entry under the British preferential tariff, intermediate tariff, or any tariff more favourable than the general tariff.

Mr. STEWART (Edmonton): The other day the Minister of Trade and Commerce (Mr. Stevens) passed some very severe strictures upon the late administration with respect to the imposition of the 50 per cent content in regard to British goods enjoying the preferential tariff. Now we are asked to do something of a similar character in respect of foreign wines bottled in England for export to Canada.

Mr. BENNETT: The hon. member is referring to section 3.

Mr. STEWART (Edmonton): Yes.

Mr. BENNETT: My hon. friend will recall that this is merely giving statutory form to what was done last session. There is a treaty between Portugal and the United Kingdom, and this merely gives effect to that, embodying in a statute what was done last session.

Mr. DENIS (Translation): Mr. Chairman, I am astonished at such a restriction being included in the budget resolutions, at present under consideration, and stipulating that the excise duty will not be added in the valuation of foreign goods. This special session, which is approaching its end is held with the sole aim of relieving unemployment existing in Canada. The purpose sought, in increasing the tariff on certain items, is to help the manufacturers in such a way as to allow them to compete advantageously against foreign goods. In order that this policy be equitable, I think that one should consider the excise duty or tax in the appraisal of the market value of products taking into account the special duty to be imposed. In so doing, the government would prove its sincerity to the people of this country and show its real desire of relieving unemployment in Canada.

Mr. BROWN: This is the same clause as we debated at considerable length last session, is it not? I take no exception to it, but as a matter of curiosity I should like to know how the Prime Minister got his hon. Secretary of State (Mr. Cahan) to agree to it. I think he fought it very vigorously last session.

Mr. BENNETT: Not this one.

Mr. BROWN: The same one.

Mr. BENNETT: I think not. This has to do with a treaty.

Paragraph agreed to.

The CHAIRMAN: Paragraph 3.

Mr. MALCOLM: Mr. Chairman, I should like some information from the Prime Minister or the Minister of National Revenue (Mr. Ryckman) before I am satisfied that paragraph 2 shall carry. I do not think that at any time in our parliamentary history has such drastic and autocratic legislation as this been presented to the House of Commons, and I should like to know something more about the intention of the government before this section is passed. The paragraph reads:

In the case of articles exported to Canada of a class or kind made or produced in Canada,—

Mr. BENNETT: That section has been passed.

Mr. MALCOLM: That section is not passed. It is part of No. 2.

Mr. BENNETT: It has been passed.

Mr. MALCOLM: I was called out of the house when it was being discussed. I should like to know what interpretation the government will place on those words. I have been asked by importers of lumber whether the government is going to rule that oak, mahogany and walnut shall be classified as lumber which is produced in Canada, and whether the Minister of National Revenue is to be empowered to set a value on such lumber—which is now free of duty—and thereby exclude it; or whether the specific kinds of lumber shall govern. Mahogany lumber is not produced in Canada, but lumber is produced here. What is the interpretation to be placed upon these words? The House of Commons has always had the opportunity of discussing these tariff items specifically so that importers know where they stand. Under this clause there is such wide power conferred on the Minister of National Revenue that I can assure the Prime Minister and his colleague that the amount of grief coming to them on the interpretation is not going to be small, neither will the amount of grief coming to the Canadian business man be small?

Mr. BENNETT: Why?

Mr. MALCOLM: Because power is being given the Minister of National Revenue to interpret these words any way he likes. It means taking out of the hands of parliament knowledge of what duties we are to pay on imports and putting into the hands of the Minister of National Revenue a power which was never intended at confederation when the House of Commons was empowered to settle the fiscal policy of this country. I think my hon. friend the Prime Minister has been led

into a very bad position by certain men. I am prepared to say to him now, that with the general idea that we should not be made the dumping ground for surplus American products I am thoroughly in accord; but let me warn him that he will be stirring up an endless amount of trouble for himself, for his Minister of National Revenue and for his party if his minister is to be given power to decide what commodities shall come in free of duty, and what commodities shall come in at higher rates of duty, simply because somebody uses pressure. The Prime Minister has abolished the tariff board, he has no fact-finding body, he has nothing left but political pressure to influence his opinion. That is what he has left. And in all kindness and sincerity, as a man who is an importer and manufacturer, a man who has given some thought to tariffs, I say to the Prime Minister that if he leaves as broad an interpretation of the Customs Act on items that are free, he is not going to have an easy task in settling with the people of the country who wish to continue doing business with foreign raw material.

As the late chairman of the tariff board said to-day, Canada's success in manufacturing has been built up largely on materials not indigenous to this country. Much of it I admit has been built up on material indigenous to Canada; In proportion to our ability to import raw material and semi-manufactured materials and parts which we require in Canadian industry will our export trade be successful. What is my hon. friend doing in this legislation? He is putting it absolutely into the hands of one man to ruin an industry or part of an industry and to give to another industry advantages which the people of Canada do not wish it to have. I am free to say to my hon. friend the Minister of National Revenue (Mr. Ryckman) that I believe that he will exercise his power honestly. But my hon. friend is putting on the statute books of Canada what in my opinion is most corrupt legislation, legislation susceptible of the worst interpretation.

An hon. MEMBER: Whoa, whoa.

Mr. MALCOLM: I do not need to whoa; I studied tariffs before the hon. gentleman was ever interested in them. I trust the Prime Minister, but he is making it possible for unscrupulous ministers to use the tariff to ruin absolutely one industry and help another. That was not democratic government as conceived by the fathers of confederation.

[Mr. Malcolm.]

Against section 2, I wish to register my most vigorous protest. I appreciate the Prime Minister's ideals, and I agree with him that we should not be made a dumping ground for American merchandise at such time as manufacturers there have surplus production. But I do not think he ever intended, when an industry was in an advantageous position to import commodities to be fabricated in Canada, giving work to Canadian workmen, that because someone in Canada produced something nearly like that commodity, he could go to the Minister of National Revenue and say, "These goods are of a class made in Canada and I want this dumping duty applied."

This session, as has been said so often, was called to deal with unemployment. Now unemployment is going to be relieved as we have opportunities in Canada for men to work. And we shall have opportunities in Canada for men to work if we make it possible for our industrialists to manufacture at prices at which they can sell their goods in world competition. No man in this house has ever done more than I have done to encourage Canadian industrialists to get their products into foreign markets. No man, I say, has done more than I have along that line. That was the task assigned to me when I was made Minister of Trade and Commerce. I know that my hon. friend who has succeeded me (Mr. Stevens) has in mind the very same purpose, of endeavouring to secure world markets for manufactured goods. The records speak for themselves. We have had the cooperation of Canadian industrialists for eight or ten years—men who realized the importance of Canadian export trade in manufactured goods. Now I ask this question: If we are not to import our raw materials on as favourable terms as competitors, how are we going to take advantage of our cheap power and our favourable geographical location to compete in world markets? How can you ask men to come to Canada to manufacture for export trade when you cannot tell them what customs duties they will have to pay on their raw materials? How will you induce men to come here when you tell them that the rate of duty they will have to pay on their raw materials is entirely subject to the interpretation which the Minister of National Revenue may put upon the act? That is the situation. The rates are not set out in the customs tariff.

In every instance where I have approached either a British or an American manufacturer to come to Canada to manufacture for export

trade the first questions I have been asked invariably have been: What rate of duty shall I have to pay on my raw material entering Canada; what are the general power costs; what are the general labour conditions; what are the steamship rates from Canada to the foreign country in which you say I shall be able to sell my manufactured goods? The first question is the cost of raw material. That is the question which the Minister of Trade and Commerce will have to answer when he discusses with foreign capital the conditions surrounding manufacturing in Canada.

Under this legislation, I protest, the Prime Minister cannot answer such a question; he can only reply that it is in the hands of the Minister of National Revenue, who will decide whether certain goods are to be free or not. Now the Prime Minister has ample power under other sections. He does not need to leave such vast power in the hands of one man, as he is doing in this section. I appeal to him as a business man—and he is a business man—that, leaving our tariff in the position in which it stands under this section, he is taking away from this House of Commons the right which the House of Commons undeniably has, to say what material shall enter Canada free and what material shall not.

Let me return to a question of considerable interest. Is all lumber, for instance, to be classed as of one kind or as of various kinds? The act states, "of a class or kind produced in Canada." Certainly lumber is produced in Canada. But mahogany is not, nor is teakwood, nor walnut in commercial quantities, nor gumwood; nor are any of the woods growing in Australia, of Fiji islands, a British possession, which the Minister of Trade and Commerce will try to encourage trade in if he is to encourage empire trade. These woods we could use in Canada to quite an extent, probably to the exclusion of material from non-empire countries. Are these various kinds of lumber to be excluded because lumber is produced in Canada? Is the minister to have the power to apply the dumping duty against all lumber? Are all importers of oak lumber who are making oak flooring for shipment to different parts of the British Empire to have their raw material excluded because someone wants to sell birch flooring? Again I ask, what is the interpretation to be? The section leaves it wide open, and I protest to the Prime Minister again that the house has a right to be given a good deal more in the way of an explanation than has been so far offered before this clause should be allowed to pass. I make this protest in the interests of Canadian business men.

Mr. BENNETT: My hon. friend does not realize that the statute was passed several days ago, the Senate having given its approval. That fact was indicated from the Speaker's chair to-day; I am sorry my hon. friend was not present. I think he will agree that it is not right to take up too much of the time of the committee discussing what has already been done this session.

Mr. MALCOLM: I think the Prime Minister wishes to be fair. I think he realizes that the point I have raised with reference to the interpretation of goods produced in Canada is a serious matter to every woodworking industry in the country, and it is only fair to the country that I should have from the Minister of National Revenue his answer as to what is the interpretation of "goods produced in Canada," with regard to the commodity, lumber. Is "lumber" to be any kind of lumber, or is it to be a specific kind of lumber? This affects the whole wood-working industry, in which I am free to say I am personally interested, along with a great many other people in this country. I think an answer should be given.

Mr. RALSTON: I do not think the Prime Minister is being quite frank, if I may say that, with regard to this clause. This clause was not passed, unless it was passed to-night.

Mr. BENNETT: It was passed to-night.

Mr. RALSTON: My hon. friend was referring to an act which has gone to the Senate. That is not this clause. The measure which has gone to the Senate had to do with a tariff which had been expressly imposed by the authority of parliament, in a tariff schedule. This proposed legislation has to do with goods which may not be subjected to tariff and on which by reason of the other provisions of the clause now before this committee a special or dumping duty may be imposed. I submit that my hon. friend is not correct when he states that this clause was passed or that the principle to which my hon. friend from North Bruce has just referred has been accepted or has gone to the Senate.

I repeat that this clause introduces a new principle. Formerly a dumping duty was imposed when it was found that the price in the United States, for example, was say $12 to the consumers there while similar goods were being invoiced to consumers in Canada at $10. It was provided that even though those goods came in free of duty a valuation could be placed upon them of $12, and the difference

between $10 and $12 could be imposed as a special or dumping duty. That was dumping; that was a case where Canada was being made a dumping ground for goods which were being sold at higher prices in the country of origin. This legislation expressly reverses that principle. It pays no attention to the price at which goods are being sold to the consumer in the United States, but says that if the price at which the goods are being invoiced to people in Canada, even though it be the same price as that at which they are sold to consumers in the United States, is not as high as the cost of production in Canada, then the Minister of National Revenue may put an arbitrary price on those goods and make the consumer in Canada pay the difference. That is the difference between the two clauses, and the act which was passed the other day has nothing to do with the new principle embodied in this act which changes the whole effect so far as the amount is concerned.

I refer again to what my hon. friend from Quebec East said just a moment ago and what my hon. friend from North Bruce emphasized, that it makes for absolute uncertainty so far as importers of goods are concerned. They will never know until the goods get here what valuation will be put on them by the Minister of National Revenue. Previously they could know, because they knew what the goods were selling at in the United States, and they knew that if they took the risk of having them enter Canada invoiced at a lower price than that at which they were being sold in the United States, they might have to pay the difference. Now they know nothing; if the goods are invoiced at the same price as that at which they are selling in the United States someone here may say that an industry is being "prejudicially affected." I do not know of any broader term which might have been used. Any industry might say it was being prejudicially affected if goods were being brought in at 50 cents less than the amount for which they were able to manufacture the same goods. The minister might say: we will put on a special or dumping duty on what are otherwise free goods in order to see that this industry is protected.

I gave an instance the other night, not of lumber but of an ordinary household article which could be made in the United States and sold there and in Canada for $12.60 a dozen. I was referring to washtubs, of which the jobbing price of the Canadian made article was $17.60 per dozen. My hon. friend, under the arbitrary power provided in this act, and without any authority whatever from parliament or any provision in the tariff schedules, can increase the price of these articles, which are commonly used by the people of this country, in order to bring them up to the Canadian manufacturers' price of $17.60, subject only to the 50 per cent restriction. That is the power against which we are protesting, and it is a power which has not yet been passed upon by the Senate. That is the power that I say should not be passed by this committee, and my hon. friend ought not to insist on our going on with this clause as it is.

Mr. MALCOLM: I should like to know whether the Prime Minister of Canada and the Minister of National Revenue want it to be announced to the people of Canada to-morrow morning that they refuse to say that because some class of lumber not grown in Canada is lumber in the general meaning of the word, they have the power to apply this dumping duty to it even though it be free under our customs tariff, because that particular class of lumber prejudicially affects the sale of some other class of lumber grown in Canada. I think the people of Canada have a right to know; I think the lumber industries of this country and the consuming lumber interests are important enough to have a right to an answer to that question, as to whether the interpretation shall be on the material "lumber" or on the specific kind of lumber.

Mr. RYCKMAN: I am unwilling that my hon. friend from North Bruce should be under any undue apprehension in regard to the clause that has been passed. If he has difficulty I would like to clear it up for him if I can. I have been asked for my opinion as to how I would rule. I do not know that I shall have the opportunity to rule, but as I understand the legislation it provides for the governor in council directing the minister as to how the duty is to be fixed and determined. The act that was before the house the other day stated that the governor in council would authorize—I think that was the word—the minister to fix the duty. An authority given implies a power of attorney, and a power of attorney contains the definitions of the power given. I think the house and the country, for which my hon. friend is so zealous, could expect that the fixing would be done with all the intelligence that the hon. gentlemen present, members of the council, might be able to bring to the decision of the question.

However, I think my hon. friend has fallen into an error which he should have avoided. He has read the first two lines of this section 6, which are as follows:

In the case of articles exported to Canada of a class or kind made or produced in Canada . . . .

And so on. I think it would occur to any man outside a lunatic asylum that pine lumber and mahogany lumber are not the same. That would be my view.

Mr. MALCOLM: Those are two extremes.

Mr. RYCKMAN: That would be my view. It seems extreme to me for the hon. gentleman to say that there would be any difficulty in the interpretation of the clause. I could imagine other difficulties, but I could imagine no difficulty in the determination of the class or kind of lumber.

Mr. MALCOLM: How would my hon. friend decide between Georgia pine and British Columbia fir? I think the reply of the minister is very unfair. Anyone who knows anything about lumber knows that there would be no question that mahogany is a hardwood while pine is a softwood, but the point comes in on the two lines of hardwood.

An hon. MEMBER: The minister took the materials my hon. friend mentioned.

Mr. MALCOLM: I was talking about mahogany, which is known as a hardwood, and the minister was talking about mahogany and pine, which is a softwood. The difficulty will arise not as between mahogany and pine but as between gumwood and birch, between lumbers which are more or less similar. I would like to know, on behalf of certain people who have asked me to find out, whether we are going to take a broad interpretation on lumber or whether we are going to state the specific kinds of lumber in applying the dumping clause.

Mr. SPOTTON: You will have to trust us.

Mr. MALCOLM: Well, I have hope but not much faith in my hon. friend.

Paragraph agreed to.

3. Customs duties of the United Kingdom shall be disregarded in estimating the market value of wines for the purposes of special duty when the same are entitled to entry under the intermediate tariff or any tariff more favourable than the general tariff and are bottled in bond in the United Kingdom and imported direct therefrom.

Paragraph agreed to.

4. "Export price" or "selling price" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to Canada.

Paragraph agreed to.

5. If at any time it appears to the satisfaction of the minister that the payment of the special duty by this section provided for is being evaded by the shipment of goods on consignment without sale prior to such shipment, the minister may in any case or class of cases authorize such action as is deemed necessary to collect on such goods or any of them the same special duty as if the goods had been sold to an importer in Canada prior to their shipment to Canada.

Paragraph agreed to.

6. If at any time it appears to the satisfaction of the minister that any person owning or controlling or interested in a business in Canada and also in any other country, or any person carrying on a business in any other country and owning or controlling or interested in a business operating in Canada, and by reason thereof is enabled to import goods for further manufacture or assembling or for resale, and while complying with the legal requirements on importation disposes of such imported goods, whether in the form as imported or as further, processed, assembled or manufactured, at prices below the duty paid value thereof as entered at customs plus, if any, the cost of processing, assembling or further manufacturing in Canada, the minister may declare that goods of such class or kind were and are on importation subject to an additional special or dumping duty not exceeding fifty per cent and authorize such action as is deemed necessary for the collection thereof.

An hon. MEMBER: Explain.

Mr. BENNETT: It will be observed that this subsection provides for businesses which are branches of undertakings in other countries. If a portion of the legitimate product is forwarded by the main branch or office to the branch in Canada there shall be no resale thereof if the parts come in at a price wholly out of keeping with the price of the completed article to enable sales to be made entirely below the cost of production in this country.

Mr. RALSTON: It is entirely new?

Mr. BENNETT: It is new as a section but it is part of a regulation with respect to which I think there is some doubt as to the statutory authority. In order to remove all doubt it is put in its present form.

Mr. VENIOT: It has been in existence for some time.

Mr. BENNETT: Yes, as a regulation.

Paragraph agreed to.

7. If the full amount of any special duty of customs is not paid on goods imported, the customs entry thereof shall be amended and the deficiency paid upon the demand of the collector.

Paragraph agreed to.

8. The minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

Mr. BOTHWELL: Subsection 1 provides:

—there shall, in addition to the duties otherwise established, be levied, collected and paid on such article, on its importation into Canada, a special or dumping duty.

Subsection 8 reads:

The minister may make such regulations as are deemed necessary for carrying out the provisions of this section and for its enforcement.

Subsection 7 of the old act reads as follows:

Such regulations may provide for the temporary exemption from special duty of any article or class of articles, when it is established to the satisfaction of the minister that such articles are not made or sold in Canada in substantial quantities and offered for sale to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade.

Subsection 8 of the old act reads as follows:

Such regulations may also provide for the exemption from special duty of any article when the difference between the fair market value and the selling price thereof to the importer as aforesaid amounts only to a small percentage of its fair market value.

It would appear from subsection 1 that the minister would not have the power to make regulations as mentioned in the two subsections in the old tariff. Would it not be advisable to have those two clauses inserted in this new tariff?

Mr. BENNETT: It is in order to meet a situation which I thought to be unsound but which hon. gentlemen opposite have spent two days in supporting that these sections are omitted. The old sections conferred upon the minister the power to pick and choose; they conferred upon the minister the power to which the former Minister of Trade and Commerce (Mr. Malcolm) raised such exceptions. It is an illustration of the absolute necessity of having legislation so broad and general as to permit the exercise of power by those charged with the administration of the Customs Act. Subsection 7 in the old act provided for the temporary exemption from special duty of any article or class of articles when it was established to the satisfaction of the minister that such articles were not made or sold in Canada in substantial quantities. In practice that became a very difficult thing to do in connection with some importations, and those charged with the administration asked that that section should be omitted. Subsection 8 provided also for exemption under certain conditions, and for the same reasons it is being removed from the act.

[Mr. Bennett.]

Mr. BOTHWELL: We still contend that the powers conferred by this new tariff bill should not be given to the minister. Subsections 5 and 6 give certain powers to the minister, whereas under the old act those powers were given to the governor in council on a report from the minister. Since certain powers are being conferred on the minister, why not give him an additional power which might be of possible protection to some importers?

Mr. BENNETT: Because from an administrative standpoint it is not regarded as being desirable.

Mr. RALSTON: Does my hon. friend think, as a matter of law, that the powers conferred upon the minister by subsections 7 and 8 in the old act were in effect any wider than those conferred by subsection 1 of this act?

Mr. BENNETT: I should think he had power to grant temporary exemption.

Mr. RALSTON: It is the same thing. By refraining from imposing the duty, he will do the same thing.

Mr. BENNETT: This is to permit there being no possibility of favouritism in connection with the matter.

Mr. RALSTON: I will put it in this way: the Minister of National Revenue will refrain from making a valuation in a particular case.

Mr. BENNETT: I think he is bound to do so if the matter is referred to him.

Mr. RALSTON: The governor in council acts on the first finding of fact which the minister has to make as to whether or not any particular industry is being prejudiced or injuriously affected. He may refrain from making that finding and thereby accomplish the same purpose.

Mr. COOTE: I would like to ask the Prime Minister whether the regulations which are mentioned in subclause 8 would be available to the public?

Mr. BENNETT: They are at the several customs offices of the country, because they are sent to them. That is the extent of their availability so far as the public is concerned. I believe when they are made they are published in the Canada Gazette, but frequently they have to be amended to meet exceptional

circumstances, and that is the reason for empowering the minister to make regulations, because immediate action may be preferable in routine to waiting for the governor in council.

Mr. COOTE: I want to be sure that on application the regulations would be available. We have sometimes heard in the past that some of the regulations made by the minister or the commissioner were not available to the public.

Paragraph agreed to.

Resolution agreed to.

2. Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirteen of the acts of 1930, be further amended by adding thereto the following sections:—

17. The governor in council may, from time to time, prohibit the importation into Canada of any goods exported directly or indirectly from any country not a contracting party to the Treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919.

Mr. DUFF: Will the Prime Minister explain what clause 17 refers to?

Mr. BENNETT: It means exactly what it says.

Mr. DUFF: I do not doubt that.

Mr. BENNETT: I do not mean that in an offensive sense. It means the passing of an order in council to prohibit goods from any country that is not a contracting party to the treaty of peace.

Mr. DUFF: Does that mean that coal coming from Russia could not be imported if the governor in council or the government so decided?

Mr. BENNETT: It certainly means that the importation of coal from any country that is not a contracting party to the treaty of peace might be prohibited.

Mr. MACKENZIE KING: Under this clause would it be possible to prohibit the importation of any article from South America?

Mr. BENNETT: South America was a contracting party to the treaty of peace.

Mr. MACKENZIE KING: Not all parts of South America. This is the treaty of Versailles that ended the war?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Will my hon. friend give a list of the countries that were contracting parties to the treaty of Versailles, so that the matter may be clear?

Mr. BENNETT: The following countries were contracting parties:

The United States of America.

Mr. MACKENZIE KING: That is on the 28th day of June, 1919?

Mr. BENNETT: Yes.

The United Kingdom of Great Britain and Ireland; the British dominions beyond the seas, including the Dominion of Canada, the Commonwealth of Australia; the Union of South Africa, the Dominion of New Zealand and India; France, Italy, Japan, Belgium, Bolivia, Brazil, China, Cuba, Ecuador, Greece, Guatemala, Haiti, The Hedjaz, Honduras, Liberia, Nicaragua, Panama, Peru, Poland, Portugal, Roumania, The Serb-Croat-Slovene State, Siam, Czechoslovakia, Uruguay, Germany.

Mr. YOUNG: What is the object of prohibiting goods from coming from other countries?

Mr. BENNETT: I think my hon. friend knows. Earlier this evening I tried to explain that in this measure there are two sections which are designed to meet a very difficult situation, and one concerning which we know none too much except as we see the visible evidences of the result of it. Between free imports and prohibition there is of course a great gulf. The section which has been attacked so strongly to-night is one that was inserted in the Customs Act to enable the situation to be met by regulation. This section enables it to be met by prohibition.

Mr. YOUNG: Why does the hon. gentleman want to do this?

Mr. BENNETT: The answer is; otherwise it is detrimental to the interests of Canada.

Mr. YOUNG: A country might have something that we want.

Mr. BENNETT: That is true.

Mr. YOUNG: The government will prohibit such goods from coming in. That will not be in our interests.

Mr. MACKENZIE KING: My hon. friend has read a list of countries, but it does not begin to comprise all of the countries of the world. Under this clause my hon. friend and his colleagues have power to prohibit the importation of any goods coming from any of those other countries. That is what that section means.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: That is going pretty far.

Mr. BENNETT: The power of prohibition, as my right hon. friend knows, is mentioned in the customs tariff in connection with many

goods, but there is with respect to prohibition a discretionary power, limited in its application, that is always reposed in the governor in council. The limitation here is wider, if I may use that term, than is usual, but it is to meet the possibility of an unusual situation that may arise between now and the next session of parliament. It is the only method that it is thought will meet the situation without incurring the criticism of, in a statute, anticipating, shall I say, discourtesy to any peoples with respect to the export of their commodities. It stands in the mere position of being there as an instrument for national well-being if it is desirable for that purpose to use it. Otherwise, of course, it will not be used.

Mr. MACKENZIE KING: I can understand there may be and undoubtedly are on occasions reasons of a national character that make it wise to avoid mentioning certain names, but this section is applicable not to goods but to countries, to all goods coming from all countries other than those the list of which my hon. friend has read. I say that that is a very wide and dangerous power for any government to possess. I hope my hon. friend will give the assurance that it will be exercised with the utmost caution and care.

Mr. BENNETT: I assure my right hon. friend that I agree wholly with what he has said. However to endeavour to mention goods is, as I think my right hon. friend will agree, a somewhat difficult thing to do having regard to the condition which possibly we both have in mind but which it is undesirable at this time to discuss at length in the house. After some thought the government decided it was desirable to frame the clause in this general way, although I fully agree with my right hon. friend that very wide powers are conferred. I wish to say to him and to this house it is a power which will be used with very great regard to the danger involved in the use of such a power. I can assure hon. gentlemen opposite that the use of this power will be very very sparing, if at all.

Mr. DUFF: Do I understand from the Prime Minister that when the government considered this clause of the resolution they had no special case in mind? Do I understand him to say it is only a general clause and may refer to anything? Was there any special import to be affected by this clause?

Mr. BENNETT: I wish to say to the hon. member (Mr. Duff) that the government had in mind a situation which might arise. It did not add this section to the tariff as a pastime but added it to meet a situation which may or may not arise. If such a situation does arise we will endeavour to meet it.

Mr. DUFF: Would the Prime Minister tell the committee about what situation he speaks, and what situation the government had in mind when they drafted this clause?

Mr. BENNETT: It is undesirable to make a statement in that connection.

Mr. DUFF: Probably it is not in the public interest.

Mr. STEWART (Edmonton): I was of the opinion that the very drastic and unusual powers conferred upon the government by Bill No. 3 and supplemented in the tariff resolutions would provide machinery to prevent the import of goods from any country. I do not know why they now ask parliament to put the power of absolute exclusion in their hands. It seems almost inconceivable that a government would ask parliament to confer powers of that character. There may be some situation which the government has in mind, but surely the very drastic powers which they have asked for and will receive from parliament would cover every situation which might arise. I know my hon. friends opposite cannot be thinking about coal; that cannot be the only matter about which they are thinking. There must be something else in their minds or they would not ask parliament to pass this clause. I wish again to protest, much as I respect hon. gentlemen opposite and much as I admire their ability. There is one thing certainly for which they can be admired; they certainly have the courage to come to parliament and to ask for things which in my opinion they have no right to be given. Under any other circumstances I for one would be prepared to stay here for weeks to prevent them from getting that which they have asked. It is almost an unheard of thing deliberately to come to parliament and ask for power to prohibit imports even from designated countries. They have already acquired that power to an unprecedented degree by the provisions contained in the amendments to the Customs Act, and again to-night in the amendments to the tariff. Hon. gentlemen opposite are smiling; of course they have the greatest amount of confidence in themselves; there can be no question about that; it is very evident. And certainly they must have a great deal of confidence in our willingness to grant such powers. I do not wish to delay the proceedings of this committee but I want the country to realize that we are giving away an inherent right of parliament and are placing

it in the hands of a few gentlemen, admirable as they may be. My only hope would be that we will not regret our action. I know that hon. gentlemen say, "You may object if you like, but we are going to put it through anyway." It has been well said by my hon. friend in the corner that parliament has the authority, and that for the time being the parliament is the Conservative party. Hon. members on this side of the house are aware of that fact, but even so we are not prevented from doing our duty, nor are we prevented from protesting most vigorously against this sort of procedure. I have been trying to imagine the language which would have been used by the Prime Minister if he had been sitting as leader of the opposition; I wonder also what my hon. friend the Minister of Trade and Commerce (Mr. Stevens) would have said. What would my hon. friend the Minister of Railways and Canals (Mr. Manion) have said? There would have been more than red-blooded Canadianism talked about, if we on this side of the house had attempted to put through any such legislation.

Mr. MANION: Will my hon. friend allow me to explain why I was smiling? I was wondering—

Mr. STEWART (Edmonton): Oh, I have no objection to it.

Mr. MANION: I was wondering how a man who looked so honest could be so suspicious.

Mr. STEWART (Edmonton): I have heard that statement made before. However, one of the reasons I happen to look honest is because I have been suspicious of some people. Otherwise my honesty would not have served me very well.

I wish to protest against the government usurping the rights of parliament. There are other methods which could be used to meet every contingency. If there is anything in the way of autocratic authority which hon. gentlemen opposite have missed in the amendments to the Customs Act, they have made up for that omission in the amendments before the house to-night. Under this further amendment the house is delegating to the government the right to say to any country which does not happen to be a signatory to the treaty of Versailles that without consulting parliament and without consulting anybody they can shut out the imports of that country to Canada. I just wish to say that they are using very drastic power in a very democratic parliament.

Mr. BAKER: In the near future this clause might turn out to be very beneficial to this country because one of the parties which did not sign the treaty of Versailles unfortunately may very soon attempt to ship wheat into this country.

Mr. MacLEAN: There is no doubt that this clause is aimed at the importation from Russia of anthracite coal. I think there was a report read in this house a few days ago that the total import of Russian anthracite coal into Canada amounted to 157,000 tons. I have before me some startling campaign literature stating that Mr. Bennett would stop the importation from Russia of 125,000,000 tons of coal. It states that this coal is mined by the Soviet, an enemy of Christianity.

Mr. BENNETT: Who said that?

Mr. MacLEAN: There is a slight difference in—

Mr. BENNETT: Who said that?

Mr. MacLEAN: It appears in campaign literature which I have on my desk.

Mr. BENNETT: The hon. gentleman will not connect that language with me.

Mr. MacLEAN: No, I am not saying that.

Mr. BENNETT: I just wished to make that clear.

Mr. MacLEAN: The literature tells the people to vote for Mr. Bennett and they will receive these benefits. It also contains the startling information that 125,000,000 tons of Russian coal were brought into Canada last year. A return placed on the table of this house showed that the correct figure was 157,000 tons. Of course there is a slight difference of only about 124,000,000 tons. Our hon. friends opposite hoodwinked the people of this country with such information as that. Coal is coming in in competition with our coal from the maritime provinces; it is hard coal that is needed in this country. No doubt this literature is intended to prevent the Russian coal from entering Canada. I have no brief for Russia but in fairness to Canada I say no such provision should be placed on the statute books of this country.

Mr. YOUNG: You are going to prohibit imports from certain countries. At the same time do you intend to prohibit exports from Canada to those countries?

Mr. STEWART (Leeds): That is their business.

Mr. YOUNG: That is our business.

Mr. BENNETT: I had not contemplated prohibiting exports.

Mr. YOUNG: You still intend to export—if you can. The Minister of Trade and Commerce (Mr. Stevens) is very busy these days trying to sell our wheat in the markets of the world. The Prime Minister is going to prohibit exports to us from certain countries. Is he going to send emissaries into those countries to ask them to buy our wheat? Let him answer.

Mr. MACKENZIE KING: I do not wish to appear to be asking a question already answered, but sometimes mention of a concrete name does serve to bring home the significance and force of the situation. May I ask my hon. friend whether under this section the governor in council will have power to prohibit the importation into Canada of any article from Norway, Sweden, Denmark and Holland?

Mr. BENNETT: If those countries are not contracting parties to the treaty of peace, that power is conferred by this section.

Mr. MACKENZIE KING: My question was framed as it was to avoid that general answer. I think I am right in saying that under this section the governor in council is being given the power to prohibit the importation into Canada of any article from Norway, Sweden, Denmark, Holland, Spain, Mexico and many other countries that Canada is trading with. Does the government believe that a clause of this kind is going to help international trade? The tariff restrictions are bad enough, but a total prohibition applied to countries in friendly trade relations with us, a prohibition which may be applied by the government that happens to be in office with respect to any article coming from those countries, is a most drastic, far-reaching and outrageous business.

Mr. MANION: It would be if applied.

Mr. DUFF: Mr. Chairman, I asked the question whether this subsection was placed in the resolution for a specific purpose. I had hoped that it referred only to the article I mentioned, but the Prime Minister in his answer gave us to understand that it is broad enough to cover importations from any country which has not signed the Treaty of Versailles. It seems to me, as has been said by other members, that this is a very drastic power. I think that in the year of Our Lord one thousand nine hundred and thirty we should, perhaps, for some purposes try to forget that there ever was a treaty of Versailles, and certainly we should try to do business with every country in the world, whether it signed that treaty or not. I submit that no legislation of this kind should pass the parliament of a free country.

Mr. FACTOR: Would it not be advisable, Mr. Chairman, to add these qualifying words:

If such importation injuriously or prejudicially affects Canadian business.

Mr. BENNETT: It is reasonably clear, I think, that the power would be exercised only in circumstances of the gravest character, and it must be taken for granted that no government would exercise the power except under those conditions. For instance, a commodity called wheat is being sold on the market in large quantities by one country in the world at a price equivalent to 66 cents a bushel Canadian money. We have no power to control that, but it has a most injurious and serious effect on this country's sale of its wheat. This power would be exercised only in the case of its becoming absolutely essential to do so, and I assure the hon. gentleman that one does not contemplate the exercise of this power except under circumstances which, I think, have engaged the attention of most thoughtful men not only here but in Europe as well, who look upon the future with grave misgivings if all the reports we read are founded on fact.

Mr. YOUNG: I think we are entitled to know something about this. The Prime Minister asks us to give him the power absolutely to prohibit imports from half the countries of the world, and he tells us there is a grave danger. There is a ghost somewhere. Let us know what it is. Surely we can hear it safely. Without furnishing us that information he has no business to ask us to pass this clause. Let him tell us what the danger is.

Mr. VENIOT: For the sake of information may I ask the Prime Minister if he can tell us if there is any other country in the world that has a prohibitory clause similar to this.

Mr. BENNETT: I am sorry my knowledge does not extend sufficiently far to enable me to give an answer to that question. I do know that some of the countries of the world so prohibit, and I happen to know that some of them have exercised that power against our own country with respect to some of our commodities. How far they have power by statute or decree I cannot say.

Mr. VENIOT: But that power refers to commodities, not to countries, such as the prohibition of narcotics.

Mr. FACTOR: Am I right in assuming that if the governor in council are of opinion that the economic or political life of another country is not in agreement with their views they can prohibit the importation of goods from that country?

Mr. STEWART (Edmonton): I still do not understand why my hon. friends have not sufficient authority—the Lord knows their provisions are drastic enough—under the Customs Act and under the proposed amendments to the tariff. Under those provisions they have taken away from parliament power enough to prohibit any importation. I wonder what the effect will be of publishing to the whole world that the parliament of Canada thinks so much of the judgment and wisdom of the government of Canada as to hand over to that government the right to prohibit absolutely the importation of goods from countries that do not happen to be signatories of the treaty of Versailles. The hon. leader of the government has mentioned the danger of the importation of wheat from certain countries into Canada.

Mr. BENNETT: No, not the importation into Canada; importation into other countries.

Mr. STEWART (Edmonton): Under the powers already obtained by the government they can shut out imports not only from countries not signatories of the treaty of Versailles, but from every country in the world.

Mr. BENNETT: No.

Mr. STEWART (Edmonton): Yes. I do not think hon. gentlemen opposite feel very comfortable about having asked for this drastic authority. I do not know what powers they are going to ask for in the next session of parliament, but they will not then be going to any imperial conference, and I promise we will give them a warm time if they come asking for any such legislation. I do not very often take such strong ground, but I am taking strong ground now, and I say this to the leader of the government, if I could conceive any situation in which hon. gentlemen required such drastic powers, having received what they have already been given by parliament, then I should be willing to concede something in this direction. But I do hope that the leader of the government will reconsider the matter.

Mr. BENNETT: I may remind my hon. friend that the city of Toronto had power to regulate peddlers in a given area, and declined to give a licence to peddlers. The privy council decided that they had no such power. The power to regulate negatives the power to prohibit, and in this instance the power of regulation conferred by the section of the act which passed the house a few days ago is a vastly different thing from conferring power to prohibt. There may arise —I hope not—a situation in which the exercise of this power may become essential, and to possess the power may be of infinite value to the Canadian people. And it is put there for that purpose and that purpose only.

Mr. MACKENZIE KING: In the course of many of his public utterances my hon. friend said he intended if he got into power to make tariffs fight for us no matter what the particular industry or country was; he would blast a way into different countries by means of the tariff, and so forth. I can see how under a clause giving the governor in council power to prohibit the importation of any article into Canada from certain countries, such a provision might be made a weapon which would prove all powerful in the hands of an administration in threatening another country. There is very grave danger in having in the statutes any power of that kind given to the governor in council. Let us assume for example that my hon. friend is annoyed at Norway, or Sweden, or Holland, or Denmark, for having altered its fiscal policy in some particular which is not pleasing to some of the interests which are his particular concern. He can under this clause intimate to these countries that unless they immediately change their fiscal policies in the particular he desires he has power to prohibit the importation of any of their products into this country at any time. I should like to accept in the best faith everything my hon. friend says, but he has called us together in session to deal with the question of unemployment, and we find ourselves dealing not with unemployment so much as with a proposal for changing the fiscal policy of Canada by a drastic upward revision of the tariff with respect to most of the important commodities imported into this country. In these circumstances we have to be more cautious than ever in accepting assurances as to the powers being given to the governor in council under any act which his government may propose. If I speak of these things it is because I wish to anticipate and if I can, to prevent the possibility of anything of that sort

happening. I hope my hon. friend will let us understand clearly that this clause at least is not to be made one of those weapons which are to be used for blasting this country's trade into some other land.

Mr. BENNETT: The observations of the right hon. gentleman (Mr. Mackenzie King) divide themselves into two parts: one deals with statements made myself which I cannot conceive at this moment are important in connection with this legislation; the other deals with the substance of these proposals. I shall direct my attention to the second only.

To-day the question of reducing the initial payment on wheat of western Canada is seriously engaging the attention of those charged with the responsibility of marketing that commodity. It is almost impossible to sell wheat, despite the greatest efforts made; it is difficult to sell anywhere. The competition springing from other countries is of such a character that the price is fixed as low as 66 cents Canadian money for the quality of wheat grown in this country. This country must, like other countries, be prepared to deal with a situation which, international in its character, is and will become of increasing gravity. That is my profound conviction. How to deal with it is a matter which every responsible head of a government must consider and every government must determine. We have concluded that the only way, without courting difficulties and without giving offence —and it would be, shall I say, a lack of international comity to mention any country's name in a measure such as this—is the way I have indicated. One might suggest some other test; but in the ultimate analysis, when you begin to exercise any power to prevent unfair conditions in your own country, you must make a decision. And in this instance we have limited the decision in the manner I have stated.

No one knows better than the right hon. gentleman opposite that there never has been and never will be any thought of prohibiting trade from the countries he has named—none. And by a process of elimination of all other countries you might ultimately get down to one, and we might then be sitting in this parliament discussing the affairs of that one. I am not prepared to do that. But I think that in the interests of the Canadian people it is essential that some such provision as is here proposed should be available. Whether or not it will accomplish the purpose aimed at, time alone will tell. But I assure this house that if I am alive and have anything to say about it, and if a condition arises that may easily arise, that power will be exercised. That is all I can say. The power is not provided out of any ill will towards anyone but for the purpose of safeguarding this country against a competition which I say is unfair in every possible way and which, if given unrestricted effect to, would result in greatly increasing unemployment.

I could elaborate if I so desired, but those members of this house who have been giving time and attention, as many hon. gentlemen have done, to a study of the progress of international events during the last two years, and who realize the conditions that prevail throughout the world, will have no difficulty in arriving at a conclusion as to why this legislation is being sought. They will realize also that it is not being sought by a party but by a group of men who for the moment happen to constitute the government of Canada and who believe it is their solemn duty to have some provision such as this on the statutes of the country, to protect this people if it becomes essential so to do. And that power will be exercised if in their judgment the condition arises.

Mr. MACKENZIE KING: In the course of my remarks I said I thought I understood what my hon. friend had in mind when he had this section drafted. But his suggestion at the moment is that it has some special relationship to the importation of wheat—

Mr. BENNETT: No, far from it.

Mr. MACKENZIE KING: I understood him to say that.

Mr. BENNETT: No. The effect of wheat sales in the world has been to depress the value of Canadian wheat to-day to the point I have indicated. I did not refer to the importation of wheat into Canada.

Mr. STEWART (Edmonton): I wish to make my position perfectly clear. I quite appreciate, or at least I hope I do, all that the leader of the government has said with respect to the difficulty Canada may encounter from certain countries who can produce very cheaply, but that is not the object of my attack, not for a moment. I cannot conceive of any situation arising with regard to which this government will not have an opportunity of consulting parliament. They do so every six months, and the importation of coal, of wheat or of any other commodity will not ruin Canada in six months. What I am objecting to is the government asking—and because they have the power voting to themselves—this very unusual power and taking

it away from parliament altogether. I cannot conceive of any situation arising that will be so disastrous to Canadian interests as to ask this power from parliament and then, because you have the voting power on that side of the house, wrest it from parliament. That is what you are going to do. There is no use evading the situation; we might as well speak in plain language. That is exactly what this government is going to do, because they have the majority on that side of the house.

Hon. gentlemen applaud this situation, but I fear they do not really understand what it means. We talk about constitutional responsibility but we are surrendering every vestige of it to eight or ten men. I have great respect for them and I do not believe they would take advantage of it, but that does not detract from the fact that they are taking it from parliament because they have the necessary majority. I do want hon. gentlemen on that side of the house and the country to understand exactly what this autocratic government means, and what hon. members are doing when they surrender this right. That is my position.

Mr. YOUNG: If I understand the explanation of the minister it is that a certain country possesses vast quantities of certain commodities which it is trying to sell in the world markets, and that Canada also has vast quantities of similar commodities which we also are trying to sell in the world markets. I understand the minister to say that the other country can undersell us and that in order to enable us to get a larger share of the world market the government proposes to take power to prohibit that country from shipping goods into this country. If that country is not allowed to ship her surplus goods to this country they will be shipped to the markets of the world, where they will lower the price, and we will have to meet their competition anyway. So, Mr. Chairman, I do not see how the situation is to be bettered one iota by this prohibition. I would like the minister to explain how we are going to benefit by closing our markets to this country in this way.

Mr. ELLIOTT: There is a question I would like to ask the Prime Minister. Does he not consider that under the existing legislation which this house has already passed he now has the authority to prohibit goods from coming into Canada from any other country, by means of the tariff? Then may I ask him this further question. Are not some of the tariff schedules which we are about to consider, which were introduced by the Prime Minister, clearly intended to prohibit the entry into this country of certain of the goods to which they apply?

Mr. BENNETT: Not prohibition, in the sense in which the word is used in this section. If my hon. friend, as an exporter, desired to send goods into this country over any tariff, he might do so and lose money. That would be his business. There are those who think that some people in the world who are exporting goods into other countries must be losing money, but that is their business at the moment. The one is regulation; the other is prohibition. Tariffs are regulatory; prohibition means exclusion.

Mr. ELLIOTT: I just want to make myself perfectly clear, if I can, and I should like the Prime Minister to make himself clear. I take it from some of the tariffs in the schedule that they are already intended not merely to restrict but prohibit entry into Canada of the goods upon which a high tariff has been placed. Does not the Prime Minister—perhaps my hon. friend would listen.

Mr. BENNETT: I am listening.

Mr. ELLIOTT: I have not pressed very many questions upon my hon. friend.

Mr. BENNETT: I assure my hon. friend that the last word he said was "Prime Minister" and he asked me whether I did not think the schedules were prohibitory in their character. I was listening to what my hon. friend said.

Mr. ELLIOTT: Yes, I understand that perhaps my hon. friend heard that portion of my remarks. Does not the Prime Minister think that if the tariff is made high enough, goods will be prohibited from coming in? Does he think the people of any other country will ship in goods at a great loss if he puts the tariff as high as he could put it under the present regulations?

Mr. BENNETT: The one is prohibition and the other is regulation.

Mr. MACKENZIE KING: I am sorry I do not know, so may I ask my hon. friend whether there is any requirement here that orders in council passed under this section shall be published immediately in the Canada Gazette, or if there is any clause which will require the tabling of those orders within a certain number of days after parliament meets?

Mr. BENNETT: Certainly, I should be glad to agree to that. There is no such suggestion, but if it is thought desirable it could be added to this clause.

Mr. MACKENZIE KING: I think it would be well; there should be a provision that any order in council passed under this section should be immediately published in the Canada Gazette.

Mr. BENNETT: I suggested that as a general rule last session. The right hon. gentleman thought well of it, and I still believe it is a good rule. It is not here through an oversight, and I should be very glad indeed to endeavour to remedy that omission.

Mr. RALSTON: With regard to the extent of the power which has been given I cannot add anything to what has been already said. I feel it is not proper that a government should be entitled to embargo the importation of goods, particularly in view of the fact that we are able to call a special session of parliament if any emergency should arise, so that parliament may be consulted. The very fact that we are here discussing a special emergency in this country leads one to think that if such emergency should arise which the Prime Minister seems to contemplate, then parliament could be called together.

On the other hand, I just want to put on record, and to remind the Prime Minister, the members of this house and this country, just what the countries are against which my hon. friend will be able to exercise this power. He has suggested that he had some delicacy about offending certain countries and therefore he thought of this as a way out of the difficulty. I submit to my hon. friend, leaving to one side the argument that he should not have the power at all, that the selection he has made of the test which he will apply to determine which countries he may shut out and which countries he may not shut out is most unfortunate. He suggests, that we should not offend certain countries. I have before me the treaty of Versailles, and I have the list of countries who are parties to that treaty and whose feelings he is so careful to spare. Bolivia, Ecuador, the Hedjaz, Liberia and Siam are some of them. Against these we cannot impose any embargo. The countries who are not contracting parties to that treaty are countries such as The Netherlands, from which we import goods to the value of about $9,000,000, according to the latest 1930 year book, and to which we export goods to the value of about $44,000,000; Switzerland, from which we import nearly 8 million dollars of goods; the Argentine, from which we imported $7,400,000 worth and to which we sold $14,400,000; Colombia, from which we bought $6,800,000 and to which we sold over one million dollars worth of goods; Sweden, from which we bought goods to the value of about $2,000,000 and to which we sold goods to the value of nearly $5,000,000; Mexico, from which we bought goods to the value of $1,000,000 and to which we exported goods to the value of about $2,600,000; Norway, from which we imported goods valued at about $1,000,000, and to which we exported goods valued at about $7,700,000; Denmark, to which we exported $5,900,000 worth of goods, and Spain, which bought from us $5,700,000 worth These are some of our good customers with regard to which my hon. friend seems to feel no difficulty in naming and making them the subjects of an invidious distinction. He takes the signatories to the treaty of Versailles and places upon them the stamp of special approval of this government; he states that they are countries against whom no embargo can be placed and he suggests that countries with whom we have not only a large import trade but an export trade, are countries against whom the governor in council may impose embargoes.

Mr. YOUNG: It seems to me that the Prime Minister (Mr. Bennett) is trying to scare us with a bogey-man. He talks of some terrible danger, but surely we are not children and we can be told what that danger is. A man has no cause to fear something he understands, and we would not be afraid of this thing if we understood it. He is trying to frighten us as though we were children.

Mr. WOODSWORTH: Mr. Chairman, it seems to me that we should have a very definite reason for this regulation. I do not understand why the signatories of the treaty of Versailles should be singled out in this way. If there is any particular nation against whom we want to act, that nation should be named. If it were asked that we should not trade with any nation outside of those who are members of the League of Nations, then I could understand it. That would seem more reasonable, but I cannot understand why the signatories of the treaty of Versailles should be taken and then leave out other nations who might be signatories to other treaties, such as those that ended the war on the eastern front. I do not know whether or not it is correct, but I have been told that this is a roundabout way of giving the minister power to shut out Russian coal. If that is the

case, we ought to know it. We heard considerable about that during the elections and considerable propaganda has been carried on since then. It would be a very serious thing if we should thus interfere, not merely with the importation of coal into this country, coal that we need, but also with the shipping from this country of a very considerable amount of exports which in turn would reflect seriously upon the unemployment situation. If Russia is the country aimed at, I think it is only right that the Prime Minister should say so in so many words and not ask us to vote something the meaning of which is hidden or which is only hinted at. I should like to ask the Prime Minister if it is Soviet Russia that is aimed at, or what is the underlying reason why the resolution has been put in this particular form. If it is Russia that is aimed at, I want to say a word or two in regard to that.

Mr. MALCOLM: Mr. Chairman, I would like to make one observation, if the hon. member for Winnipeg North Centre (Mr. Woodsworth) will pardon me for interrupting. The Prime Minister tells us quite candidly and quite casually that he is predicting a certain situation which may arise and states that the government should have the power to deal with it. Let us assume that a situation might arise whereby some commodity detrimental to Canadian trade might be shipped into this country at a price very far below the Canadian cost of production. There are two ways of dealing with the situation and having the commodity prohibited, I suggest to the Prime Minister that he is not taking the way which will be helpful in expanding our trade with certain friendly countries such as those mentioned by my friend from Shelburne-Yarmouth (Mr. Ralston). Does he suppose that Chili, from whom we buy nitrates, or Peru, from whom we buy oil, will not be fearful of what may happen should this resolution carry? I submit to the Prime Minister that it is a wrong method to mention countries which are not signatories to the treaty of Versailles; he should come out honestly and ask this house to agree that he be given power to prohibit the import of certain articles from any country, as was done by the Prime Minister of Australia. Let him name the commodities he is afraid of, and then let us give the government power to prohibit their entry from any country.

An hon. MEMBER: Such as furniture.

Mr. MALCOLM: My hon. friend is not being fair to himself in trying to make a joke out of what the Prime Minister says is a serious situation. I am suggesting to the Prime Minister another method by which he may accomplish his end without offending the countries with whom we trade. It would be infinitely better to name a list of commodities the import of which he is fearful may be very detrimental to Canadian trade. If he will name the commodities, I will give him my wholehearted support in conferring from one parliament to another the power of prohibiting the imports of those commodities. This does not seem to me to be a very good method of encouraging our foreign sales to Latin American countries. We are saying to many of those countries that we have the right to prohibit the import from them of any article.

Mr. WOODSWORTH: Mr. Chairman, I have a few more remarks to make with regard to the matter I mentioned a moment ago, that of Russian coal. From what has been said outside, I am firmly convinced that it is against the importation of coal from Soviet Russia, that this section is aimed. Going on that supposition—we have no more than a supposition to go on—I would like to point out certain important considerations.

I see no reason why Russian coal should not be imported into Canada. As I understand it, that coal would not come into competition with the coal from Nova Scotia. Russian anthracite is of a high grade; no bituminous coal is being shipped to this country. The competition might be said to be against Welsh coal, or other British coal, but according to the statement made by Mr. Thomas when he was in Canada, at the present time Great Britain is not able to supply much more anthracite coal than she is at the present time sending to Canada. Apparently there would be no trouble so far as British coal is concerned; the competition would be with American coal. I am not very much concerned about where we get the coal so long as it is satisfactory and up to quality, but we have been told that we should have a coal supply in this country which would make us independent of America. If that is so, why not accept this coal which comes from outside?

Mr. STEVENS: Would the hon. gentleman permit one very brief interruption?

Mr. WOODSWORTH: Certainly.

Mr. STEVENS: I know the hon. gentleman has a desire for accuracy, but he quoted the Right Hon. J. H. Thomas to the effect that Great Britain was exporting to us all

the anthracite coal she was able to supply. The statement is correct so far as he quotes the Right Hon. Mr. Thomas, but I felt it my duty a day or two ago to cable to the old country to obtain a check on the correctness of that statement and I am informed on very high, in fact, unimpeachable authority, that we can secure much more anthracite from the British Isles.

Mr. WOODSWORTH: I am glad to have that statement. I know some such statement was made by Mr. Thomas with regard to the supply of anthracite.

Mr. STEVENS: I have read the statement. The quotation was quite correct.

Mr. WOODSWORTH: So far there has not been competition with British anthracite coal, and the competition at the present time, at least, would be with United States anthracite. The coal which we would get from Russia is decidedly superior to the United States anthracite and is of much the same quality as that which comes from Great Britain.

Mr. MACDOUGALL: How many hours a day do the miners who produce this coal in Russia work, and what are they paid?

Mr. WOODSWORTH: I have had no personal knowledge of this, but I happen to have under my hand a memorandum which was supplied to me only a few days ago by Lieut.-Colonel Mackie.

Mr. MACDOUGALL: Is that the man?

Mr. WOODSWORTH: This would seem to be quite in line with some of the information which I have had from English papers with regard to this matter. I am prepared to give my source of information in this regard, and if the hon. gentleman is really interested, I should be glad to give him the statements respecting the amounts paid and the time worked by the miners in Russia.

Mr. MACDOUGALL: What is Lieut.-Colonel Mackie doing? Is he not trying to sell Russian coal in Canada?

Mr. WOODSWORTH: I presume he may be an interested party, but I suggest that the fact that a man is interested in selling something in Canada does not necessarily mean that his statements are not correct. Colonel Mackie is sufficiently well known in this city and throughout Canada and his knowledge of Russia and his opportunities for obtaining information regarding Russia have been fairly wide, so that I think we can give some credence to what he says in this regard.

[Mr. Stevens.]

The memorandum states with regard to this very point:

> The daily wage of an experienced miner in Russia is reported as about $2 as against $9 to $11 for American miners.
>
> Similar statements have been made even in official circles. While the figure quoted presents more or less accurately the direct money wage received by the Soviet miners for the short work day prevailing in the mines in the U.S.S.R., it is entirely misleading when taken by itself as a basis for comparison with the wages of American miners or the miners of any other country. For, from the point of view of labour cost of production, it is important to ascertain not what the daily wage of the worker is, but rather his hourly wage, and not alone the direct money payments, but also other payments in kind which are, either directly or indirectly received by the workers and paid for by the mining concern.

There are many of these indirect forms of payment which are enumerated in this memorandum. This is the concluding paragraph on this point:

> While the total expense of the above items will naturally vary somewhat from mine to mine, depending upon local conditions it will in no case be less than a sum equal to 17 per cent of the total pay-roll and it will in most cases amout to a sum equal to 27 per cent of the total pay-roll. Thus, the total additional payments in kind made by the Soviet Mine Trust to their workers, amount to between 40 and 50 per cent of the total pay-roll or to between 14.4 cents and 18 cents per hour of work.

As to the hours, I am informed that they are six hours from pithead to pithead.

Mr. MACDOUGALL: The information is from Colonel Mackie, I suppose.

Mr. WOODSWORTH: I stated that I was quoting a memorandum given to me by Colonel Mackie. I hope the hon. gentleman is clear in this regard.

I want to come to another consideration. Not only should we take anthracite coal which we need in this country if we can get it, but further, I would point out that in return for that coal we are sending goods to Russia. We always pay for imports by exports and for a good many years we have been exporting considerable quantities of goods to Russia, especially agricultural implements.

Mr. MACDOUGALL: How much last year?

Mr. BENNETT: Would the hon. member permit a motion to be made that we sit beyond eleven o'clock? If so, I would move that the committee rise, report progress and ask leave to sit again this day. Then I would move that we return to motions and make a motion that we sit beyond eleven o'clock to-day, if

that is acceptable to the house. It can be done only with the consent of hon. gentlemen opposite.

Some hon. MEMBERS: Certainly.

Mr. YOUNG: This is too important a matter to be rushed through in a hurry.

Mr. BENNETT: May I assume that the hon. member permits me to make the motion that the committee rise, report progress and ask leave to sit again this day?

Mr. WOODSWORTH: Certainly.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: It is understood that if we sit longer this evening it will not be beyond a certain hour.

Mr. BENNETT: I was going to say that when I make the motion. I move that we revert to the order of motions.

Motion agreed to.

The house having reverted to the order for motions.

Mr. BENNETT: I move that this house shall not be adjourned at eleven o'clock today. This involves a determination with hon. gentlemen opposite as to how long we shall sit. I am willing to place a limit upon the time. What hour would be satisfactory?

Mr. MACKENZIE KING: What hour does the hon. gentleman suggest?

Some hon. MEMBERS: Twelve o'clock.

Mr. BENNETT: Then I make the motion on the understanding that the house will adjourn at twelve o'clock.

Motion agreed to.

Mr. BENNETT moved that Mr. Speaker do now leave the chair for the house to resolve itself into committee of ways and means.

Motion agreed to.

WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in commitee of ways and means, Mr. LaVergne in the chair.

Resolved, that the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter thirteen of the acts of 1930, be further amended by adding thereto the following sections:

17. The governor in council may, from time to time, prohibit the importation into Canada of any goods exported directly or indirectly from any country not a contracting party to the treaty of Versailles, executed at Paris, France, on the 28th day of June, 1919.

The CHAIRMAN: The hon. member for Winnipeg North Centre has the floor.

Mr. WOODSWORTH: Mr. Chairman, I wish to conclude as briefly as I can my remarks in connection with this matter. Let me revert to the question which was raised by my hon. friend opposite as to the conditions existing among Russian miners, a question which of course would be of interest to my colleague and myself as coming from labour constituencies. May I note that the embargo which had been placed by the United States on Russian coal had been lifted following an investigation made some time ago by a special committee of the United States government. Members will recall that it was charged that coal was being mined by convicts and that such coal should be excluded from the United States on the ground that the United States had the right to exclude the product of convict labour. The publicity given to the matter led to an investigation of the whole situation and after a full inquiry it was decided that not a particle of proof had been submitted or could possibly be submitted to show that convict or forced labour of any kind had been used in the mining of the Russian anthracite coal.

Now for the other side of the question with which we were dealing when we were interrupted by the proceedings on the suspension of the closing rule. Not only am I interested in securing a supply of coal from Russia, provided it is of good quality, mined under proper conditions and can be sold here cheaply, but I am also interested in the trade relationships which ought to exist between this and other countries.

May I state in passing that Russian coal is being sold at approximately the same price as that imported from Great Britain. Owing to the very strong prejudice which for some time has existed in many minds against the Soviet republic there was a feeling that we ought to sever trade relations with that country. For a time we had the Russian trade agency in the city of Montreal. During their regime over $35,000,000 worth of Canadian produce, such as wheat flour, basic metals, agricultural machinery, horses and so on, were purchased and shipped to Russia. We all remember the trouble which arose at the embassy in Great Britain, and following the breaking off of connections between Russia and Great Britain there was a breaking off of our connections with Russia. Under the government of Mr. Ramsay MacDonald trade relations have been

reestablished between Great Britain and Russia. Probably I should say that Russia has been formally recognized, because as a matter of fact trade relations between Russia and Great Britain were not completely suspended. For a great many years previous to that time the Labour party in Great Britain when in opposition was very strongly in favour of trade between Russia and Great Britain. They felt that such a trade policy would stimulate manufacturing in the British Isles. However on account of the prejudice against Russia it was impossible to carry out that program until more recent times when Mr. MacDonald assumed office. I think that many people to-day outside the ranks of the Labour party are convinced that that was a proper trade policy and that a great nation like Russia cannot be isolated. She was bound to import materials from other countries such as Germany and the Scandinavian countries, and England was losing a very valuable market.

We have to face a somewhat similar situation in Canada. The misleading statements in regard to the Russian situation which were broadcast throughout this country for many years left a popular prejudice which has gone so far as to lead to the suggestion that we ought to refuse trade with Russia. At the same time our manufacturers are seeking markets. Even though the United States has not formally recognized Russia the United States has benefited to a very large extent by its shipments to Russia. There is no doubt that Russia with its enormous population of 140,000,000 or 150,000,000, people bent on industrializing her life, is bound to be a great market. Two or three years ago I had the opportunity to spend several hours with a gentleman who stayed some months in Russia as a representative of the Canadian Pacific Railway. He told me that strenuous efforts were being made by continental countries to secure Russian trade; that experts were being sent to Russia to demonstrate machinery, with the result that large orders were being received by Germany and the Scandinavian countries for agricultural and other implements.

Some members of the house will recall that some little time ago the Russians undertook to introduce collective farming on a very large scale. This meant that they must import the very latest type of American machinery. They went so far as to bring over one of the best known managers of a large American farm, and under the supervision of experts such as he they are putting on an extensive program all over the southern part of Russia. The figures

which have been secured through investigations by the League of Nations would show that within a very short time Russia will be exporting large quantities of grain. I think it was one of my colleagues in this corner who at the last session of parliament put on record some statistics with regard to the very great changes which were taking place in Russian agriculture and what those changes might involve as far as western farmers are concerned. Whatever in the future may be the result of competition by Russia in the wheat markets of the world let me say that at the present moment the Russians are greatly in need of the machinery which we are producing in Canada. It would seem that we are adopting a very short-sighted policy if because of prejudice we do not permit the opening up of a market which might absorb a great many of the products we are producing in larger quantities than we can dispose of in the home market. I would suggest to the Minister of Trade and Commerce that he should be very careful before doing anything which would interfere with possibilities of this character. In establishing a source of supply for the anthracite coal which we so much need, an alternative source of supply to that now supplied by the United States, we might create an export market for a great many of our Canadian products.

Mr. MACDOUGALL: Would the hon. gentleman be willing to impose upon Canadian coal miners the hours and wages per day that prevail in Russia?

Mr. WOODSWORTH: I am credibly informed that the hours and wages that prevail in Russia compare favourably with the hours and wages that prevail in Cape Breton.

Mr. MACDOUGALL: My hon. friend knows that is not right. If he knows anything about conditions in Russia he must know they are the worst in the world.

Mr. WOODSWORTH: I think my hon. friend will have to quote authorities to prove his statement. I have seen photographs of the housing conditions in the mining districts of Russia that put to shame the housing conditions in Cape Breton.

Mr. MACDOUGALL: But what about hours and wages in Russia?

Mr. WOODSWORTH: I have already given some statements in regard to the matter, also authorities. There are some who take the ground that it does not make any difference what the effect on our trade, we must not trade with Russia. I cannot understand that

attitude. There are some who take the ground that they do not care whether we have unemployment in Canada or not, we must refuse to trade with Russia. I should like those people to come out openly and state their position. I take it this parliament is called upon to arrive at some method by which we may improve the unemployment situation in this country, and if it is possible to keep our agricultural implement and other machinery factories open by sending their output to Russia, then we ought to do so.

There is, of course the menace which may come to us and others through the shipping of agricultural implements from this and other countries to Russia in that we are assisting to set her up in business. If her system is better than ours she will get herself set up anyway, and sooner or later we shall have to meet her competition. I can remember an interesting conversation that took place under the roof of these parliament buildings four or five years ago when Russian agricultural experts who were visiting this country to attend some cooperative conferences in the west stopped over to discuss matters with some of the western members of this house. As these experts had been studying the operations of the pools of western Canada, they had come to the conclusion that they ought to organize a selling agency in Russia much along the lines of the Canadian wheat pool. Some of our men said: "Well, what is going to be the result if you industrialize your agriculutral activities in Russia, and, you are again able to become a factor in the world's wheat market? Won't there be a danger that you will compete, and successfully compete with our western farmers, and on account of your being capable of producing so much more than we can won't we be left out entirely in the cold?" Their reply was: "Once we are organized through our wheat pools in Canada and in Russia, next must come inevitably some sort of world pool."

In some way the production of the world and the exchange between nations will have to be organized; we shall have to have some sort of a rationing system. Now hon. members may say that that is going very far afield, that such proposals are a little ahead of the times. Possibly they are. But it is well that we should look ahead of the times. Even to-day we find ourselves in almost all lines of production experiencing a period of over-production. The farmer just as the manufacturer is finding himself in that position to-day. If Russia should become a dangerous competitor, relief must be sought through co-operative understandings rather than by isolating Russia and thereby cutting ourselves off from better trade facilities.

I do not think I need do more than repeat to the Prime Minister my request that he state a little more definitely than he has done so far what is the menace to which he has alluded; and also to protest, as I did the other night in another matter, aginst granting such very large powers to the minister or to the governor in council.

Mr. DUFF: As I said before, Mr. Chairman, I think this clause is designed to prevent the importation of Russian coal. Now, I have no objection to restricting the importation of coal not only from Russia but from other countries, provided it is good economics to do so. It is true that certain quantities of coal have been imported from Russia during the past two or three years. I am not very much interested in the total quantity so imported into Canada, but during the last election Conservative speakers went all over the province of Nova Scotia and induced thousands of people to vote for Conservative candidates by their propaganda regarding the importation of Russian coal. The fact is that the total amount of Russian coal imported into Nova Scotia this year is 6,000 tons, and in 1929 it was 5,000 tons.

Mr. MACDOUGALL: Too much.

Mr. DUFF: I am willing to admit that it is too much. If my hon. friend from Inverness (Mr. Macdougall) listens to my remarks perhaps he will agree with me entirely. It is true that coal was imported into Nova Scotia from Russia; it is true that coal laid down in Halifax cost some $5.50 per ton; it is true that part of that coal only was sold in Canada at that figure. Perhaps hon. gentlemen will be surprised to know that of the 5,000 tons of Russian coal imported into Nova Scotia in 1929 only 90 tons were sold at $5.50 a ton, the balance 4,910 tons, being disposed of at $11.50 c.i.f. Montreal and Halifax.

Mr. MACDOUGALL: How do you know that? Who was selling the coal?

Mr. DUFF: I inquired of the people who brought the coal in, and also from the customs authorities. I repeat for the benefit of my hon. friend from Inverness, because I know he is interested, that the balance of that Russian coal was sold at $11.50, that is, including the cost, insurance, and freight landed at Halifax. It will be seen that it did not interfere with our coal in the maritime provinces. I am willing to put restrictions on the importation of Russian coal, but I say if this government wants to impose such restrictions they should not do it in this way; they should do it in the regular way. For

instance, we import anthracite coal not only from Russia but in large quantities from the United States. We have heard some of our friends opposite say that we should have no "truck or trade" with the United States. If so, why not restrict the importations of anthracite coal from that country? There are millions of tons of that coal coming in here and interfering with the bituminous coal mined by our own Nova Scotia miners. There is coal coming from Great Britain, both anthracite and bituminous, and if this government wishes to keep the pledge made by its friends at the last election to the coal miners and operators of Nova Scotia, then I say it is not fair to pick out certain countries who do not hapuen to have signed the Treaty of Versailles and to declare that, under this clause, their products may at any time be excluded from Canada. Let this government carry out its policy of protection, of high tariff, if it wishes to do so. But if that is its object, why not put a duty on anthracite coal coming from Russia and from the United States, as well as Welsh coal? If they want to work in the interests of the coal miners in Nova Scotia, why do they not impose those duties? I know why they do not, and so do my hon. friends. But if they will adopt that policy in the interests of Nova Scotia, and in view of the fact that they are in favour of higher tariffs, then hon. gentlemen opposite should raise the duty from 50 cents a ton on bituminous coal to $2. That is what they would do at any rate if they had at heart the interests of the miners and operators of Nova Scotia, seeing that higher duties is the policy for which they stand.

Mr. McKENZIE (Assiniboia): I believe every hon. member in this house is agreed that one of the greatest problems confronting us at the present time is to find a market for our farm products, and particularly wheat. Owing to the efforts of the late government our wheat was finding a market in practically all the countries of the world; we were trading with over one hundred countries. Now if we are going to say to one-half of the countries of the world, "We do not want to trade with you," they will consider themselves justified in not taking our wheat.

Mr. BENNETT: I rise to correct the statement made by the hon. gentleman. France and Italy both shut out Canadian wheat before there was a change of government.

Mr. McKENZIE (Assiniboia): That is all very well—

[Mr. Duff.]

Mr. BENNETT: It is a misstatement; that is all.

Mr. McKENZIE (Assiniboia): But in 1929 we shipped to the Netherlands 22,800,000 bushels of wheat; 2,500,000 bushels of barley; over 3,000,000 bushels of oats; over 1,000,000 bushels of rye, and 300 barrels of flour. To Denmark, we shipped 2,000,000 bushels of wheat; 2,000,000 bushels to Norway, and 788 barrels of flour to Denmark and Norway. To Spain, we shipped 3,000,000 bushels of wheat. Under these regulations we are saying to these people, "We do not want you to buy our wheat and we will shut out your products from our country."

Mr. BENNETT: Where has that been said? The hon. gentleman must not make statements such as that in this house and think he will get away with them. That statement was not made in this house. He must retract that statement.

Mr. McKENZIE (Assiniboia): I am referring to countries which are not signatories to the treaty of Versailles.

Mr. BENNETT: That is not what the hon. member said. He said that we are telling the Netherlands that they cannot buy our wheat.

Mr. McKENZIE (Assiniboia): We are virtually saying that.

Mr. BENNETT: We did not say that, or suggest it, or hint it, and the hon. gentleman owes it to himself and to the decencies of debate to withdraw that statement.

Mr. MANION: And to the country.

Some hon. MEMBERS: Withdraw.

Mr. McKENZIE (Assiniboia): It is not very often that I speak in this house and I have no desire to say anything contrary to the rules. But since these countries I have mentioned are not signatories to the treaty of Versailles I cannot see that there is any harm in the statement that we are vitrtually saying to these countries, "We do not want your trade."

Mr. STEVENS: We are not.

Mr. McKENZIE (Assiniboia): I wish to direct the attention of the Prime Minister to a statement he made when addressing the agriculturists of the west in his Winnipeg speech.

Mr. BENNETT: He was speaking to the whole of Canada.

Mr. McKENZIE (Assiniboia): Yes, to the whole of Canada. He said:

Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

At Victoria on June 17, he said, as reported in the Victoria Colonist:

It is true we must have foreign markets, and as I said the other evening we will blast a way to those markets on a world-wide basis with any exportable surpluses. We do not have to worry about that.

How will the hon. gentleman blast his way into the markets of the Netherlands and Denmark and Norway and Spain, where we have been selling large quantities of wheat, which we in the western provinces desire so earnestly to get rid of?

Mr. COOTE: We are placed in the rather difficult position because of the meagre amount of information the Prime Minister seems able to give us. I regret that the government is asking for authority as drastic as this is. It seems to me that the government might very well have found some better way of defining the countries from which goods may be excluded. If the Prime Minister feels that he must persist in having this legislation put through I think he should fix some time limit in the section after which the authority shall lapse. If that were incorporated in the section now, parliament could later on extend the principle. But it seems to me to be a very undesirable thing to pass the section as it stands. If there is a condition in Canada that makes it desirable to have this authority conferred upon the government, then the Prime Minister should agree to the time limit I suggest under which this authority is granted to the government. After that, if it were still necessary, he could come to parliament and ask to have it extended. I submit that the Prime Minister should accept the suggestion.

The CHAIRMAN: Shall the section carry?

Mr. BENNETT: I intimated to the right hon. the leader of the opposition that I would consider a suggestion he had made. The following amendment which I will now move meets with his approval. I move that section 17 be amended by adding the following words:

and any order of the governor in council prohibiting the importation into Canada of any goods from any such country shall be published in the next following issue of the Canada Gazette.

Mr. MALCOLM: Would it not be worth while for the Prime Minister to take seriously the suggestion which I have made to him? The house has every confidence in his ability to deal with the condition he has in mind when the occasion arises, but he would be much wiser to change this legislation and state the commodities which he fears he may wish to exclude; then he could also exclude them from a country which was a signatory to the Versailles treaty as well. The question of signatories to the treaty does not matter; the question whether Canadian business will be injured does matter. I submit to the Prime Minister, therefore, that he should name the commodities, regardless of the country from which they might come. He would be most wise in following the course Australia has adopted, of naming the commodities rather than the countries.

Amendment agreed to.

Paragraph as amended agreed to.

18. In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

Mr. ELLIOTT: May I ask the Prime Minister how he proposes to ascertain whether or not the producers of goods have increased prices in consequence of the imposition of these duties?

Mr. BENNETT: There are many ways, under our statutes, by which that information is obtainable. At present most of the producers of goods in Canada have filed their price lists of the goods mentioned in the tariff, and information is available in that way as to the prices at which they sell them. The matter of increasing their costs is one which may be ascertained under the Inquiries Act if that became essential.

I think what my hon. friend has in mind is whether or not we are exercising control of the retailers. The real truth is that the Supreme Court of Canada, in the Free Press versus Price Brothers case, held that we had no power in time of peace over retail prices, and the privy council sustained that judgment. I apprehend that with respect to retail matters the provinces still have the power, as they always have had. There is no difficulty with respect to the question of ascertaining prices.

Mr. ELLIOTT: Then do I understand the Prime Minister to mean that the government has no power to control the retailers, and of course will therefore have no power to control the price at which the consumer will get the goods?

Mr. BENNETT: We are dealing with tariffs, with national trade and with producers, and the complaint has been that the manufacturers have been the source of most of the

trouble. As I say, the manufacturers are subject to this legislation, and in addition when the items are under discussion I shall indicate to the committee what they have undertaken to do when they are concerned with the particular articles in question. I know the hon. gentleman realizes that the section is drawn so as to be constitutional. It may interest the committee to know that a similar section was passed in New Zealand, as I learned from the Prime Minister of that dominion during the last few days. He placed in the tariff, the revision of which has been just completed, a provision to that effect. I had not heard of it when we suggested this clause, but at least it indicates the thought, in the Antipodes as well as in Canada, in the minds of those who direct public affairs at the moment.

The clause is clear. I was much interested in listening to some of the observations of hon. gentlemen opposite. An increase in tariff in this instance is not a tax, and if the statute has the value I think it has the power is conferred upon the government to reduce or remove the tariff. There is no such power at the moment with respect to taxation, for there reposes in the governor in council the power to reduce taxation, but unless the prices are raised or unless goods are imported, this is not a tax. That is obvious. Therefore the power had to be expressed and it is expressed in this section.

Mr. ELLIOTT: I am obliged to my hon. friend for his explanation, but it does not answer the question I asked. Do I take it now from his statement that he does not consider that the government has any power to control the prices charged by retailers? I take it that is the statement of the Prime Minister.

Mr. BENNETT: I have not the judgment of the supreme court before me but I think there are certain conditions under which the government may exercise power by virtue of investigations and in connection with combines. Speaking of that, one of the hon. gentlemen referred to the price of bread the other day. The price of bread has been reduced one cent during the last few days, as the hon. member perhaps may have noticed, and the extent to which the power may be exercised as a matter of law I would not like to discuss at the moment.

Mr. ELLIOTT: If that is the case there is no control over the price that the consumer will have to pay, and if I understood my hon. friend's pledge to the people of Canada during the election and the pledge made during his address in this house just a few days ago, it was that the government had received pledges that this action would not increase the price to the consumer. Is that what my hon. friend intended?

Mr. BENNETT: I certainly said there would be no exploitation of the consumer by the producer.

Mr. ELLIOTT: I might just read what my hon. friend said.

Mr. BENNETT: Then why ask me?

Mr. ELLIOTT: I thought perhaps my hon. friend would not require me to read it, because it is quite different from what he now says:

> And I say to you, sir, and to this house, that with respect to the items that are dealt with in these schedules we have definite and positive assurances from the manufacturers that their enactment will result in no increase in prices. In the resolution which will presently be submitted in a moment and which I shall read provision is made for that purpose, so that in the event of their being any addition in price imposed . . . .

That is not limited to the manufacturers.

> . . . . by reason of these duties the governor in council shall have the right to reduce or remove those duties. That is the answer I give as to steps that are taken to safeguard the rights of the consumer. Moreover, in some instances the producers are prepared, and have given assurances as to the capacity of their plants, to utilize their facilities to the maximum, and there will be reduction in prices by reason of that very fact.

As I understand my hon. friend, he has said something quite different, that is, that there has not been in his mind at any time the idea that by these methods he was going to ensure to the consumer that there would be no increase in prices. As I understand him to-night, he says: We have control over the manufacturer but we have no control over the retailer, who regulates the price to the consumer. I see that he shakes his head. Do I understand him to wish to vary that statement?

Mr. BENNETT: The statute is there; surely the hon. gentleman can read it.

Mr. ELLIOTT: I have been devoting myself to reading not only the statute but the statement made by my hon. friend.

Mr. CAHAN: And entirely misconstruing the clear, significant English term.

Mr. ELLIOTT: Perhaps my hon. friend will tell me what the Prime Minister means.

Mr. BENNETT: In a court of law it would be called quibbling.

Mr. ELLIOTT: What my hon. friend said?

Mr. BENNETT: No, what you have said.

Mr. ELLIOTT: It is not only quibbling, but, if he is reported correctly in Hansard, it is misstating—

Mr. STEVENS: That is not true.

Mr. ELLIOTT: What is that?

Mr. STEVENS: That is not true; that is an unfair and impertinent suggestion.

Mr. ELLIOTT: I submit to my hon. friend from East Kootenay (Mr. Stevens) that he was not quite so indignant when the Prime Minister suggested that it was quibbling. I submit that it is quite as fair and quite as pertinent as the suggestion made by the hon. Prime Minister. The point I want to get clear is as to whether or not the Prime Minister now claims that the consumer is not going to have to pay a greater price as a result of the high duties provided in this tariff. He need not answer; the answer is quite apparent. These steps are being taken to cure unemployment and they simply mean that the great mass of the unemployed will have to pay more for what they consume, and they have no protection against that result.

Mr. CAHAN: Why?

Mr. ELLIOTT: Because the government has no control over it.

Mr. CAHAN: Such a statement as that is entirely unworthy of my hon. friend.

Mr. ELLIOTT: I would like to have my hon. friend's explanation of how he interprets it.

Mr. CAHAN: I interpret it according to the language used.

Mr. ELLIOTT: Perhaps my hon. friend will tell me the method which will be adopted in order to ensure that the prices will not be increased.

Mr. BELL (Hamilton): He has done so.

Mr. ELLIOTT: He has given an undertaking that the prices would not be increased.

Mr. SANDERSON: Mr. Chairman, I would like to ask the Prime Minister if he is prepared to give the committee any information concerning the undertakings which were given by the manufacturers and the producers that in the event of an increase in the tariff they would not raise prices. A day or so ago the Minister of Trade and Commerce waxed very eloquent when he said that they had those undertakings. If my memory serves me aright, he said that the Prime Minister would give them to the house at the proper time. I consider this the proper time for that information to be presented.

Mr. BENNETT: I stated to the right hon. the leader of the opposition that at the proper place I would give the house the information. I shall certainly endeavour to implement my promise in that regard.

Mr. YOUNG: Where is the place?

Mr. MACKENZIE KING: Have under takings with respect to prices been given by producers, or just by manufacturers?

Mr. BENNETT: I regarded the manufacturer as a producer; I used the term as a synonym.

Mr. MACKENZIE KING: The section reads: "In the event of the producers of goods in Canada..." That must mean that the producers will have it within their power to increase prices. My hon. friend says that he has undertakings from the producers; he states that he used the term in an interchangeable way. Will he give us those undertakings?

Mr. GUTHRIE: When we reach each item.

Mr. MACKENZIE KING: We are at the section which deals with them all.

Mr. CAHAN: The statute covers individual obligations.

Mr. MACKENZIE KING: We will ask for the undertaking on each item.

Mr. MALCOLM: I think it would be wise to eliminate this clause. Surely the government gave protection to the farmers of this country in order that they would receive more money for their butter. The farmers were told not only by the Prime Minister and his party, but by members of the Liberal party, that we had given notice to New Zealand asking for a revision of the treaty. Did they not say to the dairy producers of this country that an increased tariff would be of direct benefit to them? Certainly they did. The Prime Minister has no intention of saying to the butter makers of Canada: We have given you a fourteen cent protection against the United States and an eight cent protection against New Zealand, and if you take advantage of that protection we are going to remove it. He has no more intention of saying anything like that than he has of resigning. The Prime Minister knows quite well that the fixing of commodity prices, either wholesale or retail, would be an absolutely endless task. No organization which

might be set up could visit every plant in Canada to see whether or not prices had been raised. My hon. friend is too good a business man not to realize that the promise is almost impossible of fulfilment. Perhaps if a certain industry took advantage in a flagrant way of the effects of the additional protection, the Prime Minister might say to that industry: We are going to reduce the tariff. I think we are quibbling over nothing at all.

Some hon. MEMBERS: Hear, hear.

Mr. MALCOLM: The idea of protection is to give the producer a better market; the idea of protection is to give the producer better prices; that was stated throughout the campaign, and it gained many votes for my hon. friend from the rural electorate. The farmers were told that if my friends opposite were put into power they would raise the tariff on butter and as a result the dairy producers would get the chance of securing higher prices which my good friend from Dufferin-Simcoe (Mr. Rowe) stated so ably throughout the country had been taken from them by the late government. Why the subterfuge? This clause should be put in the wastepaper basket where it belongs, and the laws of supply and demand allowed to function.

Mr. MACDOUGALL: What about furniture?

Mr. MALCOLM: The tariff on it has not been changed.

Mr. YOUNG: I would like to ask the Prime Minister if any producer or manufacturer has refused to give an undertaking that he would not increase prices.

Mr. WOODSWORTH: Mr. Chairman—

Mr. YOUNG: I would like an answer to my question, Mr. Chairman: Has any producer or manufacturer refused to give an undertaking in regard to raising prices?

Mr. BENNETT: Not that I recall.

Mr. BELL (Hamilton): Anyway it is a bright question.

Mr. YOUNG: It is a bright question and I know the answer.

Mr. WOODSWORTH: Mr. Chairman, before the orders of the day were called yesterday, I called the attention of the Prime Minister to a Canadian Press despatch which had appeared in most of our papers, to the effect that butter prices had jumped one to three cents per pound as a result of the new tariff schedule. I asked whether the government proposed to take any action, and if so, what action. The Prime Minister said at that time that there would be ample opportunity for the house to discuss this matter, and I think it is only fair that we should get from the Prime Minister some indication as to whether or not this clause under discussion applies to cases of this character. It has been stated that it does not, but I would like to have a definite reply. If I understand correctly the wording of the clause, it should apply to all producers of goods, and that should include the producers of butter. The clause reads:

> In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council must reduce or remove such duty.

I would like to ask—

An hon. MEMBER: The word is "may."

Mr. WOODSWORTH: I know it is, and I have been told that in the legal sense the word "may" goes farther than the usual definition of the word. Do I understand from the Prime Minister that such a commodity as butter would come under this legislation now before us, and if so, what action will be taken? I think that is a fair question. It has been publicly called to our attention that there is one particular instance of a rise in price due directly to the tariff which was announced a couple of days ago; the Prime Minister should tell us just what is to be done in such a case. I do not think that is an unreasonable question.

Mr. BENNETT: I was going to say there is in the schedules an item to which the question would be relevant. The item of butter appears in the schedules and I said that I would endeavour, on the appropriate schedule, to make observations that would answer questions that might be put. Certainly that section was not intended to apply to agricultural products; it was used and is there for one purpose, as it is in New Zealand, namely, to meet the constant cry that has gone through this country from hon. gentlemen opposite that the manufacturers have exploited the Canadian consumer. What is more, there is not an hon. gentleman opposite who has not heard this cry, and I should say a great many of them have used it. I should like to tell them what my first experience was when I heard it in western Canada. It was used yesterday and the day before and it was continued to-day. The ex-Minister of Trade and Commerce has made a very delightful speech, in fact several speeches this

evening, and we always listen to him with great pleasure. Last session he made an observation which commended itself to the judgment of every thoughtful business man, and those who heard or read my very brief observations the other day will recognize that I was endeavouring in my way to express my conviction in almost similar terms to those in which my hon. friend expressed his last year. He said: If a tariff is of the proper kind, it will keep out external competition, and internal competition will secure low prices.

Mr. MALCOLM: Quite so.

Mr. BENNETT: And he says it now. I assure him that that principle which he has so successfully vindicated in his own wide business experience, is a principle which we are now applying to our own country's affairs.

Mr. WOODSWORTH: Would it not be well that this word "goods" should be more definitely defined or limited? If we mean simply manufactured goods, would it not be well so to state?

Mr. BENNETT: If there may be difficulty of interpretation we might add "other than agricultural products" and make it perfectly clear.

Mr. YOUNG: What would my hon. friend say about this telegram that woollen hosiery has been advanced in price?

Mr. CAMPBELL: Is it not a fact that there has been no increase in the duty on butter? Is the Australian agreement not still in effect and the tariff on butter only one cent a pound? The increase in price is not due to the tariff at all.

Mr. BENNETT: When we reached that item I was going to say that the British preference of eight cents a pound is slightly lower than the tariff and dumping duty arranged by the late administration on Australian butter. Six cents and three cents makes nine cents.

Mr. YOUNG: The butter was coming from New Zealand.

Mr. BENNETT: Quite so. It is coming from there yet. It was coming from Australia under a trade agreement that really did not exist and the government passed a dumping duty of six cents a pound on it. The tariff imposed now is less than the dumping duty and the tariff under the Australian agreement.

Mr. MACKENZIE KING: Did I understand my hon. friend to say that a duty levied under a customs tariff was not a tax?

Mr. BENNETT: Certainly he did.

Mr. MACKENZIE KING: I cannot agree with my hon. friend. When the Right Hon. Mr. Fielding was Minister of Finance—and I think he is an authority that the house generally would accept—he took very strongly the position that a customs duty was always a tax. May I ask my hon. friend this: Does he say at the present moment we are not imposing new taxes on the people by enacting these tariff measures?

Mr. BENNETT: The hon. gentleman is right in part. A customs duty may be a tax. It may not be. This section is inserted in the statute to provide that it shall not be a tax.

Mr. MALCOLM: Or an increase.

Mr. BENNETT: Quite so, as the hon. member for North Bruce realizes. I will put this case to the committee just before we rise: The duty on agricultural implements was 6 per cent; it is now 25 per cent. Hon. gentlemen saw in this evening's paper the advertisement of the Massey-Harris Company that there will be no increase in prices. The difference in duty is 19 per cent. There is no increase in price and the 19 per cent is therefore not a tax. That is the story. I will give the illustration with respect to the other matters as we progress. But customs tariffs may be taxes, and in general, as the right hon. gentleman has said, they have been referred to by Mr. Fielding and others as such. It is, however, because this provision is inserted to prevent their being a tax and to secure to the Canadian producer a market in his own country, that they will not be a tax, and this section is inserted to prevent their being a tax.

Mr. MACKENZIE KING: My hon. friend I think will still agree with me that the question I asked him was a correct one. He gave me a wrong answer.

Mr. BENNETT: He did not.

Mr. MACKENZIE KING: The question was: Would a duty levied under a customs tariff be a tax?

Mr. BENNETT: Certainly.

Mr. MACKENZIE KING: My hon. friend said "no" before, and he is now saying it is.

Mr. BENNETT: I say this, that the levy of a tariff is a tax.

Mr. MACKENZIE KING: I directed my question to my hon. friend to bring out that fact.

Mr. BENNETT: Let me be very clear. I think the hon. gentleman said "imposed."

Mr. MACKENZIE KING: I said "levied." I said that a duty levied under a customs tariff was a tax.

Mr. BENNETT: If by "levied" my right hon. friend means "collected," then it is a tax. It it is placed on the statute books for the purpose of preventing a levy and giving a market to the people within the area where the tariff operates, it is not a tax.

Mr. MACKENZIE KING: Do I understand, then, that we both are and are not imposing taxes at the present time?

Mr. BENNETT: To the extent to which there are importations, it is a tax; to the extent to which there are not, it is not.

Mr. MANION: The right hon. gentleman said that tariffs always are taxes.

Mr. MACKENZIE KING: So they are. When one places an income tax on the statute books, he is imposing taxation. When one places tariffs on the statute books, he is imposing taxation. Certainly parliament is imposing taxation in what it is doing at the present time.

Mr. MANION: The right hon. gentleman was not quite so careful in explaining the matter to the Canadian people.

Progress reported.

On motion of Mr. Bennett the house adjourned at 12.01 a.m. (Saturday).

Saturday, September 20, 1930

The house met at eleven o'clock.

DISTRIBUTION OFFICE

Mr. SPEAKER: I have the honour to lay before the house the report and recommendation of the Civil Service Commission in respect to the position of assistant chief of parliamentary distribution office.

Hon. R. B. BENNETT (Prime Minister): I take it that it is the wish of the house that the recommendation shall be approved.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): As I understand it, this is a classification involving an increase of salary with respect to an appointment relating to the House of Commons and, therefore, has to be made by the house rather than by the commission.

[Mr. Mackenzie King.]

Mr. BENNETT: It is an increase in classification; it provides for the position of assistant chief of parliamentary distribution office, the position to carry an initial salary of $1,620. This appointment has been approved by the commission and has been recommended by the Internal Economy Commission.

Mr. MACKENZIE KING: It has been approved by the commission?

Mr. BENNETT: Yes. It having been laid upon the table of the house by the Speaker, presumably the proper thing to do is to have it approved by the house. I would move that the report and recommendation of the Civil Service Commission with respect to the position of assistant chief of parliamentary distribution office this day laid before the house be approved.

Motion agreed to.

BUSINESS OF THE HOUSE

ADJOURNMENT OF SESSION TO PERMIT PRIME MINISTER TO ATTEND IMPERIAL CONFERENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I have the attention of my hon. friend for a moment? The Prime Minister (Mr. Bennett) listened, as many of us did, with great interest to an address delivered a day or two ago by the Prime Minister of New Zealand. In the course of his remarks that gentleman said that before leaving for the imperial conference he had made arrangements with his parliament to the effect that its members would continue in session but would not defeat his government during his absence. I would like to ask the Prime Minister if he would not be prepared to consider favourably some such course of action here. What I have specifically in mind is this: Both houses have passed the bill for the relief of unemployment; both houses have passed the bill with respect to the amendment to the Customs Act, and the proposed tariff amendments are now in force and will so continue, so that the complete legislative program as presented to the house will be in effect the moment prorogation takes place. If my hon. friend is to leave on Monday night the time will be exceedingly short in which to go over in committee of ways and means some 130 or 140 items, and I doubt whether the procedure in the circumstances could or would be much more than pro forma in character. On the other hand, I believe it is very much in the public interest that the government should give to the house and to the country as much information as is possible with respect to these several items. I

have no desire to embarrass my hon. friend, but if he would undertake to say that an opportunity to continue consideration of these items would be made the first order, either of this session adjourned or a new session, I think that would give us the opportunity we desire and these proceedings could be wound up immediately. If that is not possible, it will mean that in deference to the desire to have the Prime Minister represent Canada at the imperial conference, we shall have to forego discussion altogether, and make a mere pretence of discussion of these tariff items or adopt a proper course in discussion which would preclude his attending the conference.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the observations made a few days ago by the Premier of New Zealand were predicated upon the fact that he had secured the passage of his tariff legislation before he left his parliament, and that all contentious measures had been disposed of by sitting all night, the government having been challenged on such points of its policy as was thought by those opposing it to be desirable. There are three measures only which have been submitted to this house, two of which have been passed. In no sense speaking censoriously, I think no one who reads Hansard will for a single moment deny that at least five or six hours of useful discussion of tariff items might have been possible had the time not been used otherwise.

Some hon. MEMBERS: No, no.

Mr. BENNETT: I think that is a fair statement to make. With respect to the suggestion that we should dispose of this business in the manner indicated, I can only say that we have no intention of doing so. I shall remain here if it is necessary and the hon. member for North Waterloo (Mr. Euler) thinks it desirable, as he said yesterday. If an analysis of these tariff items is sought, I think hon. gentlemen will realize that there cannot be very much difficulty in making that analysis. These items deal with countervailing duties, certain well known items are being considered, and the effect of the changes is very simple. I cannot understand why there should be any difficulty in hon. gentlemen understanding all that is involved, and a discussion carried on for six months would not change essentially the single fact that these tariff changes are made for a particular purpose, namely, to endeavour to secure work for Canadians in Canada.

I have no desire to be charged with railroading this legislation through parliament, and if the sense of this House of Commons is that I should remain here, I will, but I can only say this: I do not propose to leave this house with this legislation unpassed.

Mr. ROBERT GARDINER (Acadia): May I express regret at the decision taken by the Prime Minister in relation to the request by the leader of the opposition. I refer to the suggestion that the Prime Minister should proceed to the imperial conference and leave this house in session, or the other suggestion that this house should adjourn until such time as the Prime Minister could attend the conference and return to consider these various items. These tariff proposals are far-reaching. It is true this session was called for the purpose of dealing with unemployment, but it is also true that we have other conditions in Canada which require immediate attention. In bringing before the house these items the Prime Minister made the statement that price levels would not be increased. During the discussion which took place yesterday the policy of the government was outlined to the effect that the manufacturers had guaranteed not to increase prices. That does not mean that consumers will not have to pay higher prices for their products. In view of the fact that agriculture is in a tremendously depressed condition and in view of the possibility that it will be called upon to bear the burden which will develop, it is my humble judgment, speaking for the agricultural constituency which I represent, that so far as we are concerned we would rather see the Prime Minister stay in Canada than go to the conference; rather than have such a burden placed upon the shoulders of agriculture I would prefer that he should stay here, I protest against it, Mr. Speaker.

Mr. MACKENZIE KING: My hon. friend has just stated he will not leave for the imperial conference until this legislation has passed the house. Quite frankly I say to him that we on this side of the house wish to make it just as easy as we possibly can for him to go to the imperial conference. For my part I would be quite prepared, if any suitable arrangement could be made, to leave my hon. friend free at the end of the morning session, because I am aware that there must be a multitude of matters to which he has to give attention at this time. May I ask him assuming that we adopt a course which will ensure his leaving on Monday afternoon and that this legislation is passed before he goes, will he undertake or agree that at the next session of parliament an early opportunity will be afforded

to hon. members to discuss these items to a fuller extent than is possible in the short time now at our disposal?

Mr. BENNETT: Under the circumstances I would regard that as a most reasonable request. Although the intentions of a government may be interfered with by many circumstances beyond the control of man it is the intention of this government next session to enter upon an entire revision of the tariff. It is our intention thereby to afford a most ample opportunity to discuss every phase of it. I say to the right hon. gentleman that that is the present intention so far as one may speak presently concerning the future.

Mr. MACKENZIE KING: I want to make sure of this: As hon. members are aware discussions in parliament frequently are summarily concluded by the statement that these matters already have been disposed of and discussed. I would like it to be understood, and I imagine from what my hon. friend says it will be understood, that with respect to any and every item which is now before us we will have the fullest opportunity at the next regular session at an early stage to get the further information we may require with respect to the items or anything which may bear upon them, or the reasons the government has had for including them in the legislation presented to the house.

Mr. BENNETT: I should think that is a wholly reasonable view to take. I think the right hon. gentleman will recollect that on a somewhat similar occasion I took the view on behalf of those with whom I was associated that our position must be taken to be without prejudice to our future action with respect to the matter. The meaning I gather from the remarks of the right hon. gentleman is that he does not wish the opposition by its silence to be regarded as acquiescing in the action which is taken, and that if they curtail discussion it is not to be taken that they are thereby satisfied, but that the greatest opportunity will be available for the fullest possible discussion at the succeeding session.

Mr. MACKENZIE KING: That is it.

Mr. BENNETT: Is that the correct interpretation?

Mr. MACKENZIE KING: Yes, that is correct.

[Mr. Mackenzie King.]

Mr. BENNETT: It is a most reasonable view to take and were I in the position of my right hon. friend as leader of the opposition I would take a similar view.

QUESTIONS UNANSWERED

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): There are on the order paper a number of questions that may not be reached if we conclude our sittings very soon. Might I ask my hon. friend if he could arrange with his colleagues to have placed on the table answers to such questions as it is possible to have answered before prorogation?

Hon. R. B. BENNETT (Prime Minister): Notwithstanding the pressure of business, most of the ministers have been able to have prepared by the permanent officials answers to the questions that stand upon the order paper and at the afternoon sitting the answers that may be completed will be laid upon the table.

Hon. P. J. VENIOT (Gloucester): As regards questions not so answered, will the answers be forwarded later to the hon. members who have made the inquiries?

Mr. BENNETT: That is unsound parliamentary practice, but if it is not mentioned in the house, it may be done in that way.

Mr. VENIOT: It has been done in the past.

PORTFOLIOS OF LABOUR AND FINANCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): At this time I wish to ask a further question, in view of the fact that there may be few opportunities to get further information from my hon. friend the Prime Minister. Respecting the portfolio of Minister of Labour the Prime Minister has indicated that this office is being filled only temporarily by the present minister who is not a member of this house. May I ask my hon. friend if he can give us any idea as to when he is likely to make a permanent appointment. Also may I ask him if he can tell the house and the country when he expects to fill the position of Minister of Finance by someone other than himself.

Hon. R. B. BENNETT (Minister of Finance): I shall endeavour to satisfy the commendable desire for information expressed by my right hon. friend by saying that with the very large experience Senator Robertson

had in connection with the administration of labour at a time when unemployment was very considerable in this country in my judgment he was peculiarly fitted to discharge the duties of that office at this time. I did not contemplate at the moment asking His Excellency to approve of another minister. So far as the Department of Finance is concerned I may say that I have not had the opportunity to give that particular department any very serious consideration. Obviously if I do attend the conference my successor would not be named.

CANADIAN REPRESENTATIVES

APPOINTMENT OF HIGH COMMISSIONER IN LONDON AND THE MINISTERS AT PARIS, TOKYO AND WASHINGTON

On the orders of the day:

Hon. R. B. BENNETT (Prime Minister): There is another matter about which I promised to speak to the right hon. gentleman; I refer to the positions of High Commissioner at London and the ministers at Paris, Tokyo and Washington. I may say to the right hon. gentleman and to this house that the conception of policy of this government is that the ministers at the cities named, the ministers to France, Japan and the United States are permanent and are not to be subject to changes of administration. That is, the British custom in that regard will be followed and no action will be taken changing ministers to those countries because of change of administration. With regard to the position of High Commissioner I can point out only that it is a statutory office. Provision is made for that office by a statute passed by this parliament in the days of Sir John A. Macdonald. From that day until this the position has been of a political nature, using the word in the large and proper sense of the term. In the judgment of this administration the High Commissioner should not only reflect the policies that are originated and initiated by the government of Canada, but enjoy to the fullest degree the confidence of the administration and reflect the spirit and attitude of mind of the administration towards the problems with which they have to deal. It therefore follows that the incumbent of that office is practically a member of the administration so far as the discharge of his duties in London is concerned. He is not a diplomat, for under the convention of 1926 communications are from prime minister to prime minister. Between nations such as the United States, France or Japan, communications are through the minister and from the minister to the governments of those countries. In addition to that of course it is known that a minister is appointed by the sovereign while the High Commissioner is appointed by the government. The statute has provided in terms that the High Commissioner shall be the agent of Canada in Great Britain; that he shall be responsible for discharging the obligations of practically the Minister of Immigration in Great Britain and that he shall deal with such other financial and commercial matters as may be entrusted to him. Under those circumstances it is the settled view of the administration that the office of High Commissioner is one that must be filled by someone not only enjoying the confidence but in the fullest accord with the policies of the government of the day. Therefore, after an opportunity has been afforded to look carefully into the whole situation in London from investigation on the spot, an appointment will be made. I think that covers what I promised the right hon. gentleman I would indicate to him at the earliest possible opportunity before the house prorogues.

IMPERIAL CONFERENCE

COMMUNICATION FROM THE PREMIER OF ONTARIO

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, may I ask the Prime Minister (Mr. Bennett) kindly to lay on the table of the house a letter and memorandum which the Premier of Ontario sent to him in connection with the work of the imperial conference, and, secondly, may I ask my hon. friend if the Premier of Ontario has any official or unofficial status with regard to the imperial conference or whether he goes there as an observer or in any other capacity.

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, in answer to the former Minister of Justice (Mr. Lapointe) I would say that I have received a written communication from the Premier of Ontario protesting against any changes being made in the British North America Act without the provinces being afforded an opportunity of consultation prior to the changes being made. I asked the Under Secretary of State for External Affairs to take this matter up with the officials of the department and he advised me this morning that he was preparing a memorandum upon the subject. A letter accompanied the memorandum, and I will endeavour to have copies made of these papers and lay them upon the table of the house.

Mr. LAPOINTE: On Monday?

Mr. BENNETT: Yes, on Monday morning. If it is possible to have copies made some time to-day, I will forward them to my hon. friend. So far as the position of the Premier of Ontario is concerned, I know of no connection, directly or indirectly, that he has with the imperial conference. I have never seen any indication of his going to any place to which he was not asked. I would have no authority to ask him and it has not been indicated to me that anyone else has given him an invitation. For my hon. friend's information, I might say that prior to the dissolution of this house the premier intimated to me that he was to go to London to open a building for the province of Ontario, and at my very urgent request he postponed that visit until after the elections. Since that date he has been completing the work of reorganizing his government, and I learned by telephone that he had taken passage on the Empress of Australia which sails on Tuesday. It is his intention to open the Ontario building in London during his absence, and I have no doubt that he will keep in close communication with the members of the Canadian delegation as to what transpires at the imperial conference. I would expect as much from any Prime Minister of a Canadian province who happened to be in London at such a time. I shall consider it a pleasure and also my duty to inform him as much as I may consistently do so as to what may affect the welfare of Canada in which he is so keenly interested.

WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. LaVergne in the chair.

18. In the event of the producers of goods in Canada increasing prices in consequence of the imposition of any duty under the provisions of this act, the governor in council may reduce or remove such duty.

Mr. COOTE: I did not take any part in the budget debate this year for, possibly a very good reason. I was anxious not to take up the time of the house and in that way delay the departure of the Prime Minister to attend the imperial conference. It may be I was remiss in my duty in that regard, because a very unsatisfactory condition exists in my constituency, and under normal circumstances I should have brought the matter to the attention of the government. I think, however, the Prime Minister is very well advised of the situation in which the farmers of western Canada find themselves to-day.

[Mr. Bennett.]

In connection with this section 18, I want to say frankly that it is one of the most disappointing features of the budget. What the farmers of western Canada are suffering from particularly is an altogether wrong relationship between prices of commodities, that is, the relationship between the prices of the commodities they have to sell with the prices of the commodities they must buy. The arguments used in regard to the tariff in my constituency may be very well summed up in an advertisement published by the Liberal-Conservative Association of that riding. One section of that advertisement reads:

> Vote for protection for the consumer by legislation to prevent Canadian manufacturers and other protected interests from adding the customs and excise tariffs to the fair selling price of agricultural implements and other goods.

Section 18 gives the minister power, in the event of the producers of goods in Canada increasing their prices, to remove the duties. But that is only in connection with the duties that are imposed by this budget. Many commodities already are subject to a tariff of from 25 to 35 per cent and we believe that in many cases the manufacturers are taking full advantage of the tariff which is now in existence. I am sure it was the understanding of many people, at least in western Canada, that at this session of parliament legislation would be introduced under which some protection would be given to consumers, and that manufacturers would not be allowed to take advantage of the tariff and to add to the otherwise proper selling price of their goods some amount that might be possible because of the tariff. So far as I can see, no attempt is being made to introduce such legislation, and I regret very much that some endeavour is not being made by the government to carry out the suggestion which, as I say, was put before the people in the advertisement I have read. I do not believe the section introduced will be of very great value. I do not think the Prime Minister has any machinery which will enable him to find out whether or not the manufacturers are taking advantage of this tariff in connection with the price of their goods. Further than that, although the manufacturers possibly might not take advantage of it, I certainly think the retailers will, and some machinery should be provided by the government to prevent the exploitation of the consumer through the increase in the tariff.

In western Canada we have no way of increasing the price of our grain products particularly, and we are mainly dependent upon them for our living. At the present time the price of No. 1 wheat at the shipping point in

my constituency is sixty-two cents per bushel; the price of oats is twenty cents per bushel; the price of No. 3 barley, which is our top grade, is fifteen cents per bushel, and that of No. 2 rye, our best grade, is twenty-five cents per bushel. From those prices must be subtracted the cost of threshing and the cost of hauling to the station. Surely anyone who has the least knowledge of farming must know that the farmers are going bankrupt at those prices. The United States, years ago, through an investigation they made in western Canada, reported that it cost ninety-one cents to grow a bushel of wheat. The Financial Post published at that time, pointing out some errors in their calculation, estimated the cost at one dollar per bushel. If the farmer must sell that wheat at sixty cents per bushel, he is selling it at more than thirty cents a bushel less than cost. The prices of practically all manufactured commodities are much too high at the present time, and they should come down. Even if prices are maintained at the present level after the increase in the tariff goes into effect, a great injustice may be done to the consumers, and I think will be. Articles by many economists which anybody could easily secure at the present time point out that the cost of manufactured articles to-day is much too high. The prices of basic commodities in almost all lines have dropped very materially, and in many cases have been cut in half as compared with a year ago, but there has been very little drop in the price of manufactured articles. That is the reason why I want to stress this point. I think one of the very necessary things which the government should have done this session was to provide some machinery to protect the consumer from the high prices which are made possible because of the tariff.

Even though the manufacturer may not add anything to his selling price, it is going to make it possible for the retailers to increase the price of these goods to the public, and the consumer cannot send to any foreign country to import his goods at a proper price because of this big increase in the tariff. I regret very much that the government has not suggested the provision of proper machinery to protect the consumers. Possibly it is not yet too late to press the nececssity of some such machinery upon the Prime Minister. What the consumer really needs to-day and what the producer needs are lower prices of manufactured articles. It may be that the manufacturer is not getting too much; I do not know; but certainly the consumer is paying too much, and I believe that the result is going to be stagnation of trade because the public have not the purchasing power to buy these goods at the prices asked, and the present tariff proposals are only going to make more difficult the situation facing the consumer. If the consumer cannot buy these goods there is no use putting up the tariff to encourage the manufacture of more goods in Canada. More manufacturing in this country is of no use unless the goods manufactured can pass to the ultimate consumer, and I say that so far as the farming industry is concerned, we cannot buy the goods which are now being produced and sold at present prices. The farming industry is going bankrupt through producing at a loss. If the cost of the goods they consumed could be reduced in proportion, the farmer would be just as well off as a year ago, but there is nothing facing the farmer at the present time but bankruptcy, and when purchasing power is removed from our farmers I think that instead of having better conditions in this country we shall have worse conditions than we are facing to-day. That objection, I think, could possibly be met in part by power being given to some body to regulate retail prices which the consumer must pay. To-day our tendencies in legislation are strongly socialistic, and I think it would not be asking too much of this government to ask them to carry out the suggestion which was made in at least several constituencies that we should have legislation which would definitely protect the consumer, particularly in the case of goods which bear a protective tariff. I would like even at this date to appeal to the Prime Minister to create some such body or to give such power to some department, preferably the Labour department, with the duty to compel the retailers to observe some proper rule in connection with the prices which they charge to the consumer.

Mr. PERLEY (Qu'Appelle): The hon. gentleman, and other hon. gentlemen on the other side of the house, have been quoting prices on grain; I think that they are giving a wrong impression to the house in quoting the initial price paid by the pool, which is not the proper price on the Winnipeg market.

Mr. COOTE: The prices which I have quoted are not pool prices at all, but prices based on the cash price of grain delivered at Fort William.

Mr. PERLEY (Qu'Appelle): My hon. friend quoted the price of rye as 25 cents and a fraction, whereas yesterday rye closed at Winnipeg at 40¾ cents.

Mr. DONNELLY: That only makes 25 cents to the farmer.

Mr. PERLEY (Qu'Appelle): My hon. friend said that charges had to be deducted.

Mr. COOTE: What I gave was the price the farmer would receive net at the shipping point. From the price of rye, on the basis Winnipeg or Fort William, you must deduct the freight rate from the shipping point to Fort William, which is about 15 cents, and elevator charges. The elevator handling charge is 1¾ cents and 1 cent commission, so if the hon. gentleman figures it out he will see that I was not out more than one-eighth of a cent.

Mr. TURNBULL: What shipping point is the hon. member considering?

Mr. COOTE: Any shipping point in my constituency.

Mr. DONNELLY: In connection with the guarantee that prices will not be raised, so far as farm machinery is concerned I have no doubt that prices will not be raised to the farmers because prices are away too high now. When I was raising wheat twenty years ago, and it was selling for 85 cents a bushel, the price for an eight foot binder was $180. To-day, with wheat at 80 cents a bushel, an eight foot binder costs $310. I do not know how prices of farm implements could go any higher. We are looking for prices to come down, and the prices of farm implements in the world market are bound to come down. What we want and should have from this government is a guarantee that when the prices of farm implements are reduced in the world market, they will be reduced in the same proportion in Canada. We want some guarantee from this government, not that prices are not going to go up, but that when prices come down in the world's market they will come down in the same proportion in Canada. That is what we want and should have, and I endorse the suggestion of my hon. friend from Macleod that some sort of commission should be set up to see that prices do come down in Canada in the same proportion as elsewhere, as they are coming down in the United States, for instance, now.

Mr. CAMPBELL: I would like to direct a question to the Prime Minister in connection with the control of prices. This morning I received a telegram from the secretary of the United Farmers at Saskatoon, in which he states that the Imperial Oil Company have announced that they will not raise the price of gasoline to the consumer, that the retail price from their own stations will be the same, but that they are adding 2½ cents to the wholesale price to other jobbers in the city. Of course, if they are doing that, it is covered by this section, and I would ask the Prime Minister if a case like that will be dealt with. If not, it would enable the Imperial Oil Company to put their competitors out of business.

Mr. BENNETT: The four big oil companies, the British American, the Imperial, the Canadian and the McColl-Frontenac have agreed not to increase the price of gasoline to the consumer, and I will read that statement over their signature to the house presently. I had not known of the circumstances to which the hon. gentleman referred until he sent me the telegram a moment ago. I shall be able to give him some information at three o'clock in connection with that.

Mr. COOTE: I would like to ask the Prime Minister a question in regard to section 18. Take farm implements, for instance. If four firms are manufacturing farm implements and three do not take advantage of the tariff to raise prices but the fourth does, does the Prime Minister think he could deal with that situation by lowering or removing the duty? That is the method proposed in section 18. It seems to me that there is a very definite weakness there. I think that a situation such as I have suggested is apt to arise. Could it be dealt with under section 18?

Mr. BENNETT: The hon. gentleman has raised a question which will take a very long time to discuss. It involves first of all the determination of a legal problem—the relative jurisdiction of the provincial legislatures and the federal parliament. The combines reference is now standing for judgment in the privy council. That will determine the validity of certain legislation enacted by this parliament, as to whether or not it trenches upon the powers of the provincial legislature. In the second place, I do not think that anyone has suggested that any body would be set up by the federal parliament in Canada to fix prices. I have never heard that suggested, and certainly I for one am not prepared at this moment, with the knowledge I have, to suggest that the Dominion of Canada could be able to fix prices throughout this country. So far as the last question is concerned, it must be apparent to hon. gentlemen that if three sellers of a commodity are disposing of it at a given price which is lower than that of a fourth competitor, the fourth competitor will not do much business long. That would seem to be reasonably clear.

Mr. BROWN: That would seem to ignore the fact that there are certain particular lines of implements which a man might wish to buy, and he would be inclined to buy what he did not want because of the possibility of getting a lower price. The Prime Minister will find himself involved in innumerable difficulties.

Mr. BENNETT: The Prime Minister has been accustomed to difficulties all his life and has thriven upon them. He hopes that he may long have difficulties to meet.

Mr. BROWN: Evidently he has not "perished in the attempt" so far.

Mr. STEWART (Edmonton): The Prime Minister's answer simply demonstrates how futile it is to make promises to regulate prices. When we reduced the tariff on farm implements it did not prevent the price from going up. I may say to the hon. gentleman, and he knows perfectly well, that whatever the duty on farm implements may be the Canadian producer will pay the additional duty on top of the regular price. The farm implement business in Canada and the United States is now almost a unit. Massey-Harris is manufacturing implements in the United States, while American companies are manufacturing in Canada; and I take such strong objection to these increases on agricultural implements for the reason that there is a pretty fair understanding among all these companies both in the United States and in Canada as to what prices will be. We shall therefore have to submit to just exactly what the duty is by way of addition to the price of our farm implements in Canada. My hon. friend will find himself in a position of impotence with respect to giving us relief.

Mr. DONNELLY: At the present time the difference between an eight foot binder in Saskatchewan and in Montana is $25. I guarantee that after this legislation has been in force two or three years that difference, by reason of the duty, will be from $80 to $100. The difference now amounts to the duty. The difference after this has been in force will be the amount of the duty, which will be $80 to $100.

Mr. BENNETT: I can hardly think the hon. gentleman is serious in making that statement.

Mr. DONNELLY: I know it.

Mr. BENNETT: The duty at the present time is 6 per cent. If $25 represents 6 per cent, it is apparent that the purchase price is over $400.

Mr. DONNELLY: Well, it is between $18 and $25, depending on freight rates.

Mr. BENNETT: Time is of course pressing, and I will avail myself of the suggestion of the right hon. gentleman opposite and reserve my discussion of this question. But I need hardly say to the hon. gentleman that if his contention is sound the price of farm implements in this country will be 19 per cent higher than it was a few years ago.

Mr. YOUNG: No.

Mr. BENNETT: That is what it means; the difference between 25 and 6 is 19.

Mr. YOUNG: His contention was that the price is due to drop and this will prevent its dropping.

Mr. BENNETT: That is not what the hon. gentleman said or suggested. Those of us who have seen the mad endeavour made by hon. gentlemen to induce the Canadian people in the west to believe that a tariff always means an addition to the price of a commodity produced in some other country will realize how unsound that contention is in the light of this legislation. It will not be so, and I am most desirous that in every part of the country, from the Atlantic to the Pacific, in central Canada and in the west, the people should understand that this doctrine which has divided the community into two classes is false and that the increase in duty, instead of increasing prices will decrease them, when the facilities which the country has built up are sufficient to supply its wants. That was the basis on which John Stuart Mill put the doctrine. This country has reached that stage, and I doubt whether any people in the world are entitled to more credit than the great manufacturers in producing facilities of the kind they have in Canada, which are the equal and in some instances the superior of any such facilities anywhere on the globe.

Mr. YOUNG: They are not satisfied with credit; they want our cash.

Mr. BENNETT: Well, credit is usually granted on the likelihood of your being able to get your money. I suggest to my hon. friend that there is another statement which can be made so easily to arouse animosities and antipathies against financial institutions because they will not lend money. May I ask my hon. friend from Weyburn, has he ever lent money with the certainty that he would never get it back?

Mr. VALLANCE: Lots of it; I have done it this fall.

Mr. BENNETT: But that was during the election.

Mr. VALLANCE: The Prime Minister has made a statement which he should and must retract. I want to tell him that I gave money this fall to many farmers to buy twine with and they will not be in a position to pay it back if this goes through. And he knows it.

Mr. BENNETT: I am sorry I had not been advised of the charitable disposition of the hon. gentleman.

Mr. VALLANCE: Not charitable.

Mr. BENNETT: Well, that is what the hon. gentleman said.

Mr. VALLANCE: Necessity forced me.

Mr. BENNETT: I had not been advised of his gifts and his enforced charity but I am very glad now to hear this voluntary tribute to his charitable disposition. I am sure the country will welcome such a tribute to the hon. gentleman's large heartedness. I was saying that the major part of the money of this country which is available by financial institutions to loan represents the accumulated savings of thousands and hundreds of thousands of people. In fact, almost any one of the great banks in this country has at the present time upwards of 150,000 loan accounts varying from $100 to very large sums, and those loans are made out of the accumulated savings of the millions of people who put their little money in banks at 3 per cent. I do say that when we complain about credit restrictions in that regard, it is difficult to understand how you will substitute for the business judgment of men who are the trustees of the savings of the people, the collective mass of shall I say the political desire of a group of members of the House of Commons? That is the story; let us be fair about it.

Mr. YOUNG: I just want to correct a wrong impression which the Prime Minister seems to have taken and conveyed to the house. I said nothing about credits from financial institutions; I did not mention financial credit at all. He had said that the Canadian manufacturers deserved credit for what they had done, and I replied that they were not satisfied with credit for what they had done but that they wanted the people's cash as well. I had no reference to the extension of credit.

I should like to read into the record an extract from the Canadian Textile Journal of July 31, 1930, in which the producers present a list of the changes they considered necessary in order to put their industry upon a proper basis. They are as follows:

[Mr. Vallance.]

1. Application of the protective principle in tariff administration.
2. Reorganization of the customs service and reduction of ports of entry.
3. Establishment of efficient system of appraisal of imports.
4. Establishment of a bureau of domestic commerce, to control statistical service relating to industrial, mercantile and distribution reports.
5. Complete and comprehensive revision of the textile tariff schedules on a scientific basis on specific and ad valorem duties, involving prohibitory duties under the general tariff, cancellation of special treaties affecting textiles, and the arrangement of the British preferential and intermediate tariff rates, to grant substantial preferences to British imports over foreign importations.

I would like to direct special attention to the second and fourth of these demands. The second is:

Reorganization of the customs service and reduction of ports of entry.

A reduction in the number of ports of entry means that they will make it as difficult as possible for us, even when we are willing to pay duty, to get to a port where we can do so. No. 4 is still worse; it says:

Establishment of a bureau of domestic commerce, to control statistical service relating to industrial, mercantile and distribution reports.

We on this side of the house are in the habit of taking the figures of the Bureau of Statistics and studying them, and from them drawing sound conclusions as to what is happening and as to what is likely to happen. Now this textile organization which is seeking special tariff favours and asking us to shut out entirely other goods that come into competition with them, also want to control the statistical service of this country so the people can be kept in the dark as to what is actually happening.

Mr. STEVENS: Do not worry; there is no chance of it happening.

Mr. DONNELLY: The Prime Minister was about to make some remark with regard to the difference of 19 per cent which is likely to exist in future between the prices in Canada and those in the United States. As was pointed out, there is a difference now of about 6 per cent. If that difference should increase to 25 per cent, will the Prime Minister give a guarantee that the manufacturers will reduce the price so that there will be a difference of only 6 per cent between the two?

Mr. STEWART (Edmonton): I do not desire to prolong the discussion, and I frankly admit that one cannot discuss the present budget without beginning to talk about policies. Our policies are well defined, and I

am not going to say a word about them. I do want to say to my hon. friend the Prime Minister, however, that I know of only one industry in Canada—of course there may be others, and if that is the case I will be glad to be corrected—that does not take full advantage of the duty provided for its protection. I refer to the rubber industry. All the others, in all my years of experience in dealing with this matter, have taken advantage of the protection afforded them. The Minister of Trade and Commerce shakes his head. There may be cases, due to price fluctuations, where it can be pointed out that they are not doing so, but I say in a general way that is borne out by facts.

Mr. STEVENS: The place you get that is in the cost sheets, and you have to check those sheets to know whether your facts are correct.

Mr. STEWART (Edmonton): I am speaking about the difference in prices, legitimate prices, prevailing in the countries from which the imports come, and prevailing in Canada. I do not know anything about the costs in either country; I am speaking of the general situation which exists. I say that with the single exception of this one industry I have not discovered any group of manufacturers who do not take advantage of the duty. If my hon. friends are labouring under the delusion that they, even in their might, are going to institute some procedure that will protect the consumer as against the price that can be legitimately charged plus the duty, then they are taking on a pretty heavy program. I expect to be in this parliament for four years, and I am waiting with a good deal of interest to see what action they will take to prevent that from happening. Just as sure as we are here, Mr. Chairman, with very few exceptions this increase in duty of from 150 per cent to 250 per cent will be paid for by the consumers in Canada.

Mr. BENNETT: Suppose it is not.

Mr. STEWART (Edmonton): Well, of course, we will have to wait and see; that is the only way we can find out, but we have been examining these matters for a number of years, and I am merely pointing out what my experience has been. I admire the courage of hon. gentlemen when they say they will prevent that state of affairs from being brought about, because all the intricacies of prices, costs of production and all the rest will be raised against any attempt on the part of the government to in any way regulate price fixing. I merely mention it now, because it is in direct line with the policy advocated by the Liberal party, and I think it is well on an occasion of this kind that we should reiterate our opinion. When I have done that, I think I will have performed the public service that is certainly to be expected of members on this side of the house.

Mr. NEILL: I would like to draw the attention of the Prime Minister to an abuse which it is alleged, apparently on good authority, has crept up in connection with the textile industry and which could be dealt with under section 18. If it is wrong to raise the price I think the practice to which I am going to refer, is even worse. The Prime Minister has spoken of obtaining promises from the various industries that they will not abuse the tariff, so perhaps he would not have any great difficulty in getting an obligation from them that they will abandon this practice. I have before me the statement of a typical country dry goods merchant, the sort of man that is the backbone of the purchasing power of the smaller communities, a man with a good financial standing and so on. He says:

> The Canadian piece goods manufacturers have a protection on white piece goods such as sheetings and pillow cottons, British preference 15 per cent, general 27½ per cent; printed or dyed cotton fabrics, British preference 20 per cent, general 30 per cent; rayon bedspreads, British preference 30 per cent, general 37½ per cent. Yet they claim they are not getting a fair share of the Canadian business which is true and will remain so, no matter how high the tariff as long as they continue to market their goods through the middleman or jobber, who puts on a profit from 27½ per cent to 50 per cent on mill prices, with the result that the average drygoods merchant cannot buy Canadian made goods from the middleman or jobber and compete with department stores and mail order houses, who buy direct from the manufacturer.
>
> For example, a Canadian manufacturer quotes a price on a rayon bedspread, size 80 x 100, of $2.75 each. Jobbers' price on same spread is $3.75. Same rayon spread made in the United States is quoted at the factory to any merchant that can buy 50 spreads, $2.15 each, plus duty 37½ per cent or total cost to Canadian merchant $2.96, against $3.75 on Canadian spread handled through the jobber, which means that the merchant pays 26 per cent more for the Canadian made spread than he can import the United States article for. The same applies to cotton prints, towels, etc.
>
> Before further protection is given to the Canadian manufacturers of rayon bedspreads, cotton prints, sheetings, etc., they should be compelled to agree to sell direct to any drygoods merchant that is prepared to put up $1,000 cash against bill of lading at the same prices as sold to the department stores.

A thousand dollars cash against the bill of lading would represent an order for 330 bed-

spreads. It will be observed that no matter how high the government raises the tariff, so long as this system prevails the smaller retailer will be compelled to buy either from Great Britain or from the United States. This particular man is doing that, he is buying from both countries although he would prefer to purchase in Canada. He is unable to do this because of, shall I say, the abuse which has grown up in this particular line of business.

Mr. BENNETT: Mr. Chairman, the question raised by the hon. member for Comox-Alberni (Mr. Neill) is at least seven hundred years old so far as Great Britain is concerned, and no solution has been arrived at as yet. Hon. members from rural constituencies will realize that one of the complaints now made in connection with the wheat business in Great Britain is that the great intermediate body between the producer and the consumer, by whatever name he may be known, must be utilized as has been the case for centuries. In my legal experience I have frequently taken the position presented to the house by the hon. gentleman, and the reasons given by the manufacturer as to why he has to resort to the middlemen for the distribution of his production have been very powerful and cogent. The departmental stores in the United States, and I fancy to a lesser extent in Canada, have been able to go to a factory and say: We will take your entire production for the year, from January to December, and the result has been an elimination of advertising expenses, a reduced overhead and a secured continuity of employment to the workers in the factory. The result is that the departmental store purchases at prices far below those paid by the small retail dealer. There is no class in this country so harassed and so driven as the retail merchant; in many instances he has been driven out of business because of the circumstances to which I have alluded.

Mr. NEILL: By just such circumstances.

Mr. BENNETT: This practice came to us from Great Britain and continental Europe, and if I had the time I could send for the papers and show the hon. gentleman the extent of employment of people in the continental countries. I have not given any thought to what our power in the premises may be, but the supreme court of the United States decided in a very eminent case that it was competent for the producer to fix the price at which his product should be sold by retail. Hon. gentlemen opposite have condemned that practice, but the supreme court of the United States has given that opinion. If my memory serves me right—hon. gentlemen must not hold me too strictly to it—there was no dissenting judgment in that opinion, even the great radical mind of Mr. Justice Holmes, and one other justice, whose name I forget, concurred with the more conservative element on that great court. In so far as the courts of England are concerned, that is a very old opinion, as to the validity and legality of the producer of goods to fix the price at which his product should be sold. I think hon. gentlemen will realize that these matters are ones which cannot be disposed of in a day, and after nine years of constructive effort they still remain as a legacy to those who come after. It is hardly fair to suggest that in one or two days we could solve this problem which has baffled my hon. friend the ex-Minister of Labour (Mr. Heenan) and others, to say nothing of the hon. leader of the opposition (Mr. Mackenzie King). If one will read the opinions of the supreme court of the United States he will have a better appreciation of the complexity of the problems of modern business, as is evidenced by the case to which the hon. gentleman referred.

Mr. NEILL: We are preparing to hand out a big bonus, what we would call in the west, a potlach, to this industry and it would not seem to be a very difficult thing to suggest that as a result of receiving this enormous bonus, they should so arrange their lines of business that the comparatively small retailer could buy at mill prices. That would help to reduce the price to the consumer, which would help to make this legislation much more palatable.

Mr. BENNETT: We are not handing out a bonus to anyone, but what is being done is to endeavour by legislation to secure the useful effort of the machinery and organization of industry already established in Canada to supply the wants of the Canadian people. There is no bonus, and there is no thought of that; it means just what I have said, and when the hon. member says that we are handing out a bonus, he is stating what is not correct.

Mr. EULER: Hon. members on this side of the house seem to have grave doubt as to the practical value of the power which the government is taking to reduce the tariff in the case of those who are benefiting by the tariff but who increase prices. I have some knowledge of human nature, and I share that doubt. While that is so, perhaps hon. members will recognize also the fact that if this enactment does not do any good, and I doubt whether it will, it will not do a great deal of harm.

Mr. GARLAND (Bow River): That is phrased quite properly.

Mr. EULER: Manufacturers and producers are just as human as the rest of the human family, and business to-day is carried on,—and I suppose it always will be until we reach the age of socialism or some other method of doing business,—with the chief purpose of making profits, and of having those profits as large as possible. I do not think that is any reflection upon human nature, I believe it to be merely a statement of fact. There are certain manufacturers who do not take full advantage of the protection which they have. In my own city there are manufacturers of tires who have a protection of 35 per cent, but do not take advantage of more than 10 or 12 per cent. As a matter of fact, tires have been manufactured and sold just as cheaply as in the United States. Of course, that is not a general condition and perhaps it would apply only to the manufacturers in my own town who, as everyone admits, are of a higher grade than elsewhere. The manufacturer and the producer, and even the farmer will accept just as high a price as he can get, and I am of the opinion that if the manufacturers of this country found that they could obtain higher prices because of the higher tariff they, being human, generally speaking attempt to get that price.

Mr. GARLAND (Bow River): The only difference between the two cases is that we have no possible chance of exacting a higher price from anybody, but everybody can exact a higher price from us.

Mr. EULER: But I submit to my hon. friend that if he had the opportunity he would exact that higher price. I have no great faith in the efficacy of this provision to enable the government to reduce the tariff if a manufacturer or producer takes advantage of it in order to raise prices. The greatest protection that will come to the public is from internal competition and from what the government may be able to do, if they do their duty, in applying the combines act and in preventing combines among those who really ought to be in bona fide competition. Casting no reflection upon the government I doubt very much, even if it be proven that manufacturers are increasing their prices after stating they would not do so, whether the government will remove or decrease the tariff. There are many practical difficulties in the way.

Mr. BENNETT: Not any.

Mr. EULER: I think my hon. friend will find there are practical difficulties although he may not be influenced by them. He may be more than human. And there will be political difficulties in the way. There may be something in the contention lodged last night that this provision will be preventive in its nature, if manufacturers know that their protection may be decreased if they take undue advantage of it by advancing prices. It may act as a deterrent towards such action on their part; it has been done before. I am not sure whether hon. members know that although section 47a dealing with natural products about which we have heard so much during this session was enacted by a Liberal government which held office in 1922, as I said the other day, it was not used by that Liberal government and did not come into force until the regime of the short lived government of 1926. I do know however that those who were in charge made use of the fact that the legislation was on the statute books to intimate to people who were liable to slaughter their goods in the Canadian market, perhaps particularly in British Columbia, that if they did so the law would be invoked. I think it did some good in that way. It is quite possible and I hope it is true that while the enactment of this particular provision may not be of great practical use, while it may not really be used and may be used only as a sort of preventive to stop the increase in prices I would like to express the view to the committee, and perhaps it might tend to lessen discussion, that if the measure does not do much good perhaps it will do no harm.

Mr. McGIBBON: In reply to the ex-Minister of National Revenue (Mr. Euler) I would like to read a telegram which I received from the Bird Woollen Mills Company of Bracebridge, Ontario. They state that in view of the extra protection they are receiving they are reducing their prices from 5 to 20 per cent over those of last year.

Mr. EULER: We will see what the prices are next year.

Mr. COOTE: I would like to say a few words with reference to the remarks of the Prime Minister concerning those who are in charge of the financial institutions of this country. I think the present agricultural depression is causing a great deal of concern to the heads of some of our financial institutions. Much of the credit which they have extended to western Canada is at the present time jeopardized, and that is one of the reasons we should be concerned about it. I was told by one of the members of this house who does not happen to sit in this corner that there

were fields of barley in western Canada which were not cut this year. The farmers knew that it would not pay them to spend the money for twine, cutting, threshing, hauling and freight, and they reasoned that it would be better to leave the grain uncut. That is just one indication of the situation facing our farmers. This week there has been a conference called in Manitoba between the government, some of the heads of our financial institutions and the heads of municipalities to see what arrangements could be made so that farmers would not be put off their lands. Such procedure would not be to the advantage of those financial institutions, and they have realized the fact. It would appear that they are greatly concerned about the present situation. I would not take the time of the house to discuss this question if I did not feel it was a matter of grave national concern. So far as this question of the control of prices is concerned I realize that such a question cannot be settled here to-day. We cannot settle it before the Prime Minister goes away, but I think it would do no harm to try to impress the house with the necessity of doing something to relieve the agricultural depression which exists at least in western Canada. I can speak only for the district with which I am familiar. The present prices will not allow our farmers to continue on their lands; they cannot buy the implements and other things they require. I repeat that the only reason I take the time of the committee is to try to impress upon the government the necessity of taking some action. I am not going to suggest what the action should be; there are several things which might be done. I only wish to say, however, that we cannot ignore the situation which exists out in the west; if we do ignore it our action would reflect upon the whole credit structure of this country.

Mr. IRVINE: I wish to ask the Prime Minister one question. If on account of the low prices of farm produce it should transpire that during this fall and the coming winter a more than usual number of foreclosures should take place would the government consider declaring a moratorium in that respect until such time as agricultural conditions may improve?

Mr. BENNETT: That is a matter for the consideration of provincial legislatures and not the federal parliament.

Mr. KENNEDY (Peace River): I would like to ask the Prime Minister if statistical information regarding price changes of commodities affected by this tariff will be kept so that hon. members may make an intelligent study of such changes?

[Mr. Coote.]

Mr. BENNETT: Instructions have been given to secure such information. It will take some time to do so, although part of it already has been secured and the balance is being gathered through the offices of the Departments of Trade and Commerce and National Revenue.

Mr. GUTHRIE: In view of the discussion which took place last evening in regard to this question I beg to move seconded by Mr. Manion:

That section 2 be amended by adding after the word "goods" in the first line of new section 18 the following words: "other than agricultural products."

Mr. GARLAND (Bow River): What is the exact purpose of that amendment?

Mr. GUTHRIE: Agricultural products will not then be subject to the section.

Mr. GARLAND (Bow River): Not subject to the section?

Mr. GUTHRIE: No.

Mr. GARLAND (Bow River): The implication as I take it which will be recognized by the hon. gentleman, being an astute lawyer, is that others will take advantage of the tariff.

Mr. GUTHRIE: No.

Mr. GARLAND (Bow River): No other implication is possible.

Mr. GUTHRIE: That may be the implication of the hon. member. The amendment was introduced to clear up what seemed last evening to be a matter of doubt.

Mr. GARLAND (Bow River): It is rather amusing to find hon. gentlemen reduced to those straits so early in the discussion of this problem. The question was raised by myself and by others that if the price of butter and other agricultural products subject to tariff increase did not advance in keeping with the tariff increases no benefit would accrue to the producer. It seemed that the improvement of their condition was left in the hands of this government or of the gods. When the difficulty is pointed out to the administration however they bring in the amendment to which we have just listened recommending that in the event of producers in Canada increasing prices, except those producing agricultural commodities, "the governor in council may reduce or remove such duty." To say the least, it is peculiar and it demonstrates the stupidity of the proposal. Does the Prime Minister of Canada seriously ask this house

and this country to accept assurances from manufacturers as the solitary anchor by means of which he will attempt to hold the ship of state on the right course. I cannot for the life of me understand it. Have we any more reason to-day to expect the manufacturers not to take the fullest advantage, or as full advantage as they dare, of the tariff than we had during the great war when they took all advantage possible? I have under my hand the evidence that was taken before the cost of living inquiries and it shows that many of these industries, including the textiles, reaped profits amounting in one year to as high as 291 per cent. What further assurance have we, when they would not refrain in the very crisis of the nation, when the very blood of our Canadian people was being poured out in Flanders, that at this stage and date they will not take advantage of the tariff? We have nothing but their letters. We have already shown that letters from the manufacturers are not always reliable. The Prime Minister has been asked what machinery he has instituted or is prepared to institute to ensure that the manufacturers keep their pledge. He replies: Wait and see; or, he says: Internal competition will control. But there is no machinery, nothing tangible, nothing practical, and the Prime Minister is a practical man, a particularly practical politician, until this matter arises. Never before in my existence have I heard any statesman, any politician, any leader of a government, offer to the house such an expression of faith. I cannot imagine that the Prime Minister of Canada, a gentleman who has such wide experience in human affairs and the frailties of human nature, can now say to the house that the natural instincts of the businessman to profiteer are to be checked merely by the pious wishes of his own innocence.

Mr. MACKENZIE KING: The value of the amendment as well as the value of the section will depend a good deal upon what we understand by "price." My hon. friend speaks of prices not being increased. What the "price" of any commodity may be, I think he will agree, is in the nature of an equation —money on the one side and commodities on the other. I wished to be exact in my definition, so I sent to the library for Palgrave's Dictionary of Political Economy, which I believe is a standard work on definitions of economic terms. I find there at page 189 that price is defined as follows:

> The "price" is the money consideration which is given, under a contract, in exchange for the supply of commodities or services.

What I want to ask my hon. friend is this: Assume that to-day a plough can be bought in Canada and in the United States for $100, but that a year from now, or two years from now, the same plough could be bought in the United States for $50, but could be bought in Canada only for $100 in virtue of the fact that there is in Canada an agreement that the price must be maintained at what it is at the moment, would my hon. friend say that prices have not been increased in Canada simply because farmers continue to pay $100 for a plough, or will he say what I believe to be correct, that the price has doubled in virtue of the fact that whereas $100 to-day would buy only one plough, two years hence $100 would buy two ploughs were there freedom of competition and no increase in the tariff with an agreement to maintain the price at what it now is. Will my hon. friend give us his views on that point?

Mr. BENNETT: This reminds me of days long since forgotten when eminent professors discussed the question of the price of goods and commodities. But I would answer the right hon. gentleman's question by saying: Yes, I would regard it as an increase in price and I would, if necessary, utilize the machinery of this section to correct it.

Mr. MACKENZIE KING: Then as I understand the matter, if prices fall in any competing country and they do not fall correspondingly in Canada, my hon. friend would be prepared to attribute that circumstance to the fact that he has a tariff which is applicable to goods entering Canada and which prevents consumers in this country from getting the benefit that would otherwise have accrued from freedom of competition?

Mr. BENNETT: Quite the opposite.

Mr. MACKENZIE KING: If it is quite the opposite, then my hon. friend is absolutely wrong. If price is the expression of the commodity in terms of money—and that is what I take it to be—and $100 to-day will buy a plough in either country, but two years hence $100 would buy two ploughs in the United States while consumers in Canada would have to pay $100 for the same plough, certainly the price to Canadian consumers of ploughs two years hence has been doubled in virtue of the fact that the tariff has been put so high that the Canadian consumer is unable to go across the line and purchase the plough at the price at which United States consumers are purchasing it. I think that is a correct statement of the situation. And once it is realized what price is and means,

one can understand the utter absurdity of an amendment such as has been proposed or the section such as has been inserted if it is to be interpreted as my hon. friend says it is to be.

Mr. BENNETT: If my right hon. friend remembers just six words he used, that is all that is necessary—"in virtue of such a tariff." If the price of $100 does not arise in virtue of that fact, then this section does not apply. If it arises in virtue of that fact, the section does apply and the price arising in virtue of that fact, the governor in council has power to reduce or remove the tariff. That is the story.

Mr. MACKENZIE KING: How can it be determined to be in virtue of this legislation other than by the fact that the same commodity is selling elsewhere at a lower rate than it is selling at in Canada as compared with corresponding rates to-day? Is my hon. friend prepared to take the difference as prima facie evidence that the tariff is responsible for the difference in price?

Mr. BENNETT: I hardly expected my hon. friend to ask such a question as that, because one cannot say, without analysis and investigation, without the evidence, that the price is in virtue of that tariff. It is idle to get into a discussion without evidence upon which to predicate one's opinion. I would say, if the facts are as stated, then the power of the section becomes operative, but the determination of the fact cannot be by a mere statement; it must be by something more than that.

Mr. MACKENZIE KING: I understood my hon. friend to say that he would not have any body to do any investigating.

Mr. BENNETT: He did not say that.

Mr. MACKENZIE KING: Well, he would not tell the house what the body was that was to do the investigating or what method he intended to adopt. I want to point out to him that what I have sought to make clear in the simple illustration of the plough applies under this legislation to all agricultural implements, all articles of clothing, all the necessaries of life, all articles in fact to which this legislation applies. It is quite apparent that any tariff that is added at the present time is certainly in the nature of a tax, a tax which, because of this high wall that is being placed around this country at this time, prevents the Canadian people from obtaining the benefit of lower prices which exist in other countries.

Mr. BENNETT: The right hon. member might settle this with the hon. member for North Waterloo who has just given the illustration of the rubber industry in that constituency. When they have settled it, if they will give to the house the result of their deliberations, it will be for the benefit of all.

Mr. MACKENZIE KING: It will be settled by the only jury that has the right to settle it.

Mr. MANION: They pronounced on it the other day.

Mr. MACKENZIE KING: They did not pronounce the other day on any such doctrine as this. The people of Canada are being deceived in a most iniquitous manner by this government. They never gave any mandate for legislation of this kind.

Mr. COTNAM: If that be the case, they have been deceived for the last ten years.

Mr. VALLANCE: In view of all the discussion that has taken place, will the hon. member guarantee to the farmers who are buying their goods in Canada to-day, that the same difference will be retained as now exists? Suppose there is a 6 per cent difference between the price in Canada and the United States? Will the Prime Minister retain that 6 per cent?

Mr. BENNETT: I have already said that I could not speak with respect to the matter of retail.

Mr. BROWN: Representing a farming constituency I could not very well refuse to support the amendment offered by the Minister of Justice. I agree entirely with the hon. member for Bow River. What he stated was just an illustration of the tremendous difficulties there are in the way of carrying out the government's declared policy. For instance, the question of who is the producer is perhaps not always very clear. In one respect the farmer may be said to be the producer of dairy products, say butter, but in another sense the creamery is the producer, and one of the chief difficulties in the past has been the wide spread between the price that the manufacturer of butter charged the consumer and the price which the farmer actually received for the butter fat.

Mr. HEAPS: According to the resolution now before the house it is evident that the government intend to try to regulate prices in the Dominion. In addition, I presume that they will also see that the consumer

will in some way be protected. I know that it is no easy matter for the government to attempt to regulate prices. On the other hand, it is very difficult to say when the consumer is being charged too much. If it is the intention of the government to regulate prices I would like to know if it is their intention also to regulate profits, for, after all, profits have a good deal to do with the prices charged to the consumer. At the present time some of these protected industries in Canada are paying a dividend of approximately 50 per cent on their actual capital invested, and I claim that when a dividend of approximately 50 per cent on the actual capital invested in any industry is being paid, then if the government is going to regulate prices to the consumer, the logical thing for them to do is also to regulate profits in the case of companies that are making too large a profit at the expense of the consumer. I would ask the Prime Minister if he will undertake in conjunction with clause 18 to regulate profits in industries which are making too large a profit. At the same time I would ask him if he would inform the house what he considers to be a fair return on capital invested in industry.

Mr. SPENCER: It is very regrettable, Mr. Chairman, that we have such a short time to discuss such an important subject as is now before the house. It is only since these last tariff changes have been placed before the country that the people across Canada are beginning to realize the impossibility in most cases of regulating prices to the consumer. I wish the government every success in their effort to regulate the price which the manufacturer charges, but after that has been done there is no guarantee that the consumers will not have to pay enhanced prices because of the tariff changes that are now being made.

With respect to the very high increases under the general tariff, particularly against American goods, I would refer for a moment to the very large amount of agricultural implements which have been bought by the farmers of this country from the United States. Anybody who is in the business of agriculture knows that some of our most up-to-date implements are made in the United States, and I would like to know what is going to be the effect of these tariff changes when repairs are brought in for these implements. These implements should last ten years, but repairs are sometimes necessary, and as the tariff on agricultural implements coming in from the United States has been greatly increased, I presume that the same increase will apply to the repairs that are required for them. That will only make it the more difficult for the farmers who have bought these implements, and contributed to the revenues of the country in doing so.

I do not wish to take up the time of the house because it is limited. The cause of agriculture, I think, has been very well put forward by many hon. gentlemen who have preceded me. We appreciate that we are running the business of agriculture to-day at an enormous cost. Farming is becoming more and more a question of finance every day. When it comes to buying farm implements, whether they are made in Canada or elsewhere, the prices are about the same, and we are guided in our choice by the quality of the machinery and its fitness for the purpose. We are up against the very high cost of conducting agricultural operations to-day and the very low profits to be obtained from our products, the prices of which appear to be going lower every day, particularly in grain. To show the situation in western Canada, and how the people there look upon this particular budget, I wish to read a telegram which I received this morning from the vice-president of the United Farmers of Alberta, the one organized body of men representing agriculture in the province:

> The executive committee of the United Farmers of Alberta hereby go on record as endorsing the clear and forceful presentation by E. J. Garland, M.P., in the house of commons on September 18th of the disastrous conditions facing the farm people of western Canada, and the imperative need for effective steps to be taken to deal with this condition as one of major urgency. We deplore the failure of the Dominion government to provide any substantial measure of relief for agriculture, while on the contrary under the guise of assisting the unemployed they propose to add to the burdens borne by the primary producers, and the consumers, by extending the special privileges already enjoyed by the manufacturing industries. In the name of the farmers of this province we declare that the present distress in the industry of agriculture is the most vitally important and pressing problem facing the Canadian parliament, and should be given precedence by the government of the day over all other parliamentary business whatsoever. Copy of wire also being sent Premier Bennett for the executive.
>
> H. E. Scholefield,
> Vice-President.

I quote that because it expresses very emphatically and clearly the opinion of most of the farmers of the province from which I have the honour to come. I again regret that owing to the imperial conference taking place so soon, the government of the day have felt it imperative to close this house either to-day or Monday, which does not allow the repre-

sentatives of the people in parliament assembled a sufficient opportunity to express their views on this particular question.

Mr. CAMPBELL: I want to support what the hon. member for Battle River has just stated with respect to the increased duties on repairs to agricultural implements. Take, for instance, a company like the John Deere Plow Company. They have sold tens of millions of dollars' worth of farm implements throughout western Canada. Instantly a very greatly increased duty is put on repairs to these implements. I am not going to enter at the present moment into an argument as to whether this is the best policy or not. I just wish to point out that the farmers throughout western Canada already own a large quantity of these American implements and now without any previous notice the cost of their repairs goes up tremendously. I would suggest to the Prime Minister that with respect to repairs at least he defer the application of this for a year. It is possible that the effect of this increased tariff will be to induce some of these American companies to come over here and establish branch factories in Canada. I trust this will be the case; otherwise the farmers who have purchased these implements will be penalized severely in years to come. I would appeal to the Prime Minister in connection with at least these implement repairs to defer the imposition of the increased tariff for a year. I would suggest that the item be left as it is, with a proviso that the duty be not applied for a year. It is only fair to those farmers who bought these implements under low duties, expecting that they would be able to secure the parts they required for repairs. This will tremendously increase the cost of those repairs.

Mr. BENNETT: The hon. gentleman's representations have engaged our attention and I think something may be done to meet the view he has expressed as to making it impossible to tax parts that might be brought in, at any rate before being manufactured in this country, for agricultural implements acquired from foreign countries.

Mr. WOODSWORTH: These resolutions I take it are designed primarily to help the producers, the idea being that ultimately the whole community will be benefited. I believe this particular section before us is in the nature of a safeguard. The government proposes to fix prices and thus safeguard the consumer. I should like to emphasize the point made by my colleague (Mr. Heaps). It is quite possible that the profits may be altogether unreasonable, and it does not seem to be going beyond the kind of action which is being proposed here if we say that, in the event of prices being fixed, some regard ought to be had to the profits which are a charge on the general public. I would point out still another aspect of the matter. While provision is being made to prevent an increase in prices, nothing is said about prices in relation to the lowering of the general price level which is now taking place. It is quite possible that if the manufacturers are permitted to retain their present prices they may in reality be able to make much greater profits than otherwise would be the case. For if prices can be held steady at the present time for the manufacturers, with the general price level decreasing owing to the deflation which is taking place, it means inevitably that the manufacturers will be able to make greater profits. It seems to me, therefore, that in fixing a fair price regard ought to be had for the general price level.

I would point out the necessity of protecting the third party involved. We have the manufacturer-producer, the consumer and the wage earner. If you like to put it this way, it is the public functioning in three ways: a small part of the public is functioning as manufacturers-producers, the whole public is functioning as consumers, and a large proportion is functioning as wage earners. Whilst this particular regulation may do something to protect the consumer, there is so far no provision for protecting the wage earner. I would respectfully urge upon the Prime Minister that he insert a clause providing that the governor in council might withdraw the advantages proposed unless the conditions of labour conformed to the provisions of the treaty of Versailles. I believe the Prime Minister was willing to concede that at the last session when we were discussing the steel schedules. I hope this principle will be adopted when the steel schedules and perhaps the textile schedules are under review. Now, however, that the general principle is being discussed, I would urge that there be inserted a clause providing that such duties might be removed if the manufacturing concern involved did not comply with the provisions of the treaty.

Mr. McMILLAN (Huron): This amendment accentuates the farcical nature of the whole of these proceedings. Of course, we cannot prevent the passage of these resolutions; if the government wish to pass them, that settles it, as it settles every matter which has been before the committee. But from the observations made by hon. members this

morning I am amused to learn that the force of internal competition is going to regulate prices and protect producers, agriculturists and consumers alike. We have the strongest reason as agriculturists in Ontario, as well as throughout the country, to know that the result of internal competition has been such as to make certain combines so strong that, in the case of many of our leading agricultural products, we are tied hand and foot today. There is no competition.

Mr. YOUNG: Is there anything new in this clause? Did not the governor in council always have that power?

Mr. BENNETT: No.

Mr. HEAPS: Perhaps the Prime Minister will be good enough to reply to the hon. member for Winnipeg North Centre, as to what will be done to protect the wage earning classes. Will he be good enough also to reply to the question I submitted myself. Whilst he is attempting to regulate prices in this country will be also undertake to regulate the profits of industry? After all, profits have a bearing on prices, and he might state his opinion as to what should constitute a reasonable profit for any industry.

Mr. BENNETT: I cannot see that that question, which must necessarily involve a lengthy discussion, arises out of this. I know one industry that made one-tenth of one cent of profit on each item of business transacted during the year and in so doing made an enormous income. Perhaps I might tell my hon. friend that one of the largest departmental stores in the world came into prominence in the first instance because a very clever young Canadian saw the possibilities from putting certain goods on a bargain counter and disposing of them on a given day of the week. Ultimately you have a business of the magnitude of the one I have in mind, which has an income of millions of dollars a year, yet what you call the unit profit in some instances in connection with one industry of that kind was one-tenth of a cent. How are you going to regulate profits under those circumstances?

I mention that because it is a matter that has engaged the attention of gentlemen who have had more leisure to consider it during the last few days than I have had. The whole question of profits, so far as I have been able to understand the matter—and I remember a discussion I had with a very eminent man engaged in considering the return upon capital sent to South America for investment—is what should be regarded as a reasonable return upon your money, having regard to the risks and hazards which are involved, the permanency of the investment and the certainty of return. Then you have to take good years and bad years and average them up. I am not going into a discussion of that to-day; I could not possibly do so if this bill is to become law.

With regard to the other question raised, I think no two gentlemen know better than my hon. friends across the way that for a tariff measure to pass with that amendment would merely mean that as each province has the jurisdiction to deal with these matters, you would have no uncertainty of any kind in relation to it. With reference to the voting of a given sum of money for a particular purpose, there is no doubt about the authority of parliament to impose conditions. As I pointed out last year, and as the then Prime Minister pointed out, to endeavour to add such proposals to tariff measures would be to do nothing more than make the whole matter wholly impossible of realization.

Mr. HEENAN: I might point out, Mr. Chairman, that apparently the Prime Minister has changed his views in that regard since last session. When he was discussing a matter before the committee in connection with one certain item, in suggesting an amendment to the budget he used these words:

> That is an amendment that I commend now to the government, and that I think at the proper time should be moved; because after all, Mr. Chairman, if we really represent Canadian democracy, if we are sincere in the expressions of our faith in our party conventions, if we really mean what we have declared unanimously in this house with respect to the provisions of the treaty of Versailles and at the League of Nations at Geneva regarding labour, there should not be a dissenting voice in this chamber. We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in compacts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbal.

I might add, Mr. Chairman, that when the amendment suggested by the Minister of Justice is disposed of, I propose to offer a further amendment, and I hope the Prime Minister will not change his views in respect to this matter.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. HEENAN: Mr. Chairman, at the noon adjournment I was commenting upon the remarks made last session by the Prime Minister in reply to a question asked by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I am somewhat surprised

at the attitude taken by the Prime Minister (Mr. Bennett) when compared with the position he took at the last session of parliament.

Mr. BENNETT: You are wrong as to that.

Mr. HEENAN: Until the last session of parliament I was of the opinion that questions of hours and wages came under provincial jurisdiction, but my hon. friend stated at that time that he was surprised at my sitting in my seat and not taking part in the discussion. I will be frank and say that at that time I could not muster up enough courage to object to anything said by the then leader of the opposition, because I agreed with him. As I said at that time, I could not see any way of getting around the constitutional objections until my hon. friends who were then in opposition showed me the way. I quoted what the Prime Minister said at the last session, and I now intend to refer to the remarks of one or two other members. The hon. member for Inverness (Mr. Macdougall) is reported on page 2361 of Hansard as follows:

"Give your workingmen the eight-hour day and we will give you the concessions promised in our budget."

Then again:

An opportunity is thus offered to get away from the constitutional objection, and all parties in the house can unite to do something for those men who have been so unfairly treated for many years.

The remarks of the hon. member for Cumberland (Mr. Smith) appear on page 2366, as follows:

Mr. Chairman, I wish to aline myself with the sentiments expressed by the hon. Labour members for Winnipeg North Centre (Mr. Woodsworth) and North Winnipeg (Mr. Heaps) respectively, the hon. member for Inverness (Mr. Macdougall), and other hon. gentlemen who have contended, quite properly, that advantages given to industry through increased protection should be passed on to the worker. I am also in accord with the sentiments expressed more particularly by the hon. member for Winnipeg North Centre with regard to the eight-hour day. It seems to me that this government since the treaty of Versailles has been trifling with this important matter and with its solemn pledges to the other nations of the world under that treaty. No effort whatever has been made to implement the solemn promises contained in that treaty. The question of unemployment insurance, the eight-hour day and other social legislation the federal government always shelves by hiding behind the British North America Act, contending that these matters are outside their jurisdiction and for the provinces to deal with. Well, the provinces had nothing to do with the treaty of Versailles, they were not signatories to it; but this parliament was, and gave its solemn pledge to other nations of the world that certain advanced social legislation would be implemented. That has not been done.

The argument presented by the then member for Vancouver Centre, who is now Minister of Trade and Commerce (Mr. Stevens) almost made me go over to the opposition.

Mr. STEVENS: You did go to the opposition, but a little late.

Mr. HEENAN: There is even time enough yet. The remarks of the hon. gentleman will be found at page 2371, as follows:

I was referring to the three sitting in the front row.

He was referring to the then ministers. His remarks continue:

Not a minister has offered an explanation, not a minister has offered any sympathy or shown any interest in this matter. I am not sufficiently an expert to say that items 377a, 377b and 377c cover the ambit of this particular industry, but I imagine that they would. In connection with these items we have an opportunity of saying to this industry: "Yes, the parliament of Canada is prepared to give you protection sufficient to enable you profitably to produce these articles"—the minister could do that just as easily as sitting there lolling in his seat—"but before such tariff will apply you will satisfy the governor in council that the conditions of labour, the hours of labour and the wages paid are such as will afford a decent living." That is what the government could do; that is what parliament could do, and I say right now that that is what parliament should do before it goes a step further.

An amendment was suggested by the present Prime Minister similar to the one I suggested the other day, and which I am now prepared to move. The hon. member for Winnipeg North Centre (Mr. Woodsworth) asked a question, which appears at page 2739, as follows:

Mr. Woodsworth: May I ask a question of the hon. leader of the opposition?

Mr. Bennett: Certainly.

Mr. Woodsworth: The hon. member has said that we would be here in parliament next year, and no doubt this matter will come up again. I do not want to press unduly the leader of the opposition, but will he be willing to support a movement along this line when we meet here at the next session of parliament?

Mr. Bennett: The question is not an unfair one, and I have no hesitancy in saying that unless a reasonable excuse is offered, I propose to do so.

This is the next session of parliament; we are here to deal both with unemployment and employment because the effect of these measures now before us is to give employment to the workers of Canada. I would like to see the workers of Canada get a fair deal, such as was advocated last session by the supporters of the government. Mr. Speaker

I do not say that this will be altogether in the interests of the workers only. I consider it will be in the interests of industries as well because we have heard of many industries which have moved from one province to the other because of the difference in wages and working conditions. It is not fair that any one particular manufacturer or industry should have advantage over another because of the fact that some manufacturers have treated their workers decently. I might say that although I did not rise in my place last session personally I agreed entirely with the leader of the opposition. However the Prime Minister at that time, my hon. leader, stated he was prepared to deal with the matter not in connection with one particular industry but to attend to the whole tariff in one shot. I wish to quote from page 2374 of Hansard, 1930:

Mr. Mackenzie King. May I ask my hon. friend if he sees any reason why the particular suggestion he now makes should apply only to these two items and not to the customs tariff generally?

Mr. Bennett: As I said, I am dealing with the specific case in which there is an increase in duty of 66⅔ per cent and 80 per cent. It is a basic industry, and my attention has been directed to the fact that the men in that industry toil eighty-four hours a week. I suggest, therefore, that this is one item at least in which we should apply that principle.

Mr. Mackenzie King: May I say to my hon. friend that I agree entirely with him as to the eighty-four hours a week, but with respect to his reference in that connection to the treaty of Versailles, what is applicable in one instance should be applicable to all, and if anything is to be done it would be well to have the suggestion apply to the customs tariff generally.

Mr. Heaps: I do not know clearly whether the Prime Minister is in favour of the suggestion of the hon. leader of the opposition. If he is, I am prepared to make a start right now with this item.

Mr. Mackenzie King: I am quite prepared to deal with the whole tariff at one shot.

Mr. WOODSWORTH: Can the ex-Minister of Labour give us any idea why the ex-Prime Minister did not deal with it at one shot?

Mr. STEVENS: Why was the shot not fired?

Mr. HEENAN: I thought my hon. friend from Winnipeg North Centre (Mr. Woodsworth) knew the reason. As I said, Mr. Speaker, now is the opportunity to deal with—

Mr. ROSS: Answer the question.

Mr. HEENAN: There is no use answering questions for hon. members over there; they know too much already. This is the opportunity to deal with a number of items and industries. As I said it is not fair to have low wages and long hours in one province and different conditions in another. In British Columbia the minimum wage and eight-hour day provisions are in force. It is not fair to the province of British Columbia that some industries located in other provinces should pay lower wages and enforce longer hours of employment. So it is with regard to the different industries throughout the country. Then we have a condition whereby the employers of labour deny one of the most fundamental principles for which this country stands, namely, freedom of association. There are industries which discriminate against employees because they have dared to form labour unions. I contend that on many occasions this country has gone on record more particularly in the Peace treaty, in favour of the right of freedom of association. Men have the right to join labour organizations of their own choice so long as they are in these associations for lawful purposes. During my term of office as Minister of Labour I found that there were many industries in different parts of the country dismissing men because they had dared to utilize their rights in connection with that principle. The amendment I suggested to the Minister of Customs and now suggest to the Prime Minister would give the right to the government of Canada to have those industries from time to time show that they are observant of the fundamental principles of freedom of association. I am saying these few words now because after we adopt the amendment to section 18 I propose to offer my amendment in addition to section 18 or as a new item, number 19.

The CHAIRMAN: Is the amendment carried?

Mr. HEAPS: I rise in connection with a statement made by the hon. the Prime Minister that when this matter was before the house in May last it had reference only to the question of bounties which were being given to the steel industry. If I remember correctly the reference which was made by the then leader of the opposition had specific reference to the protection which was then being given to the steel industries, particularly those of Nova Scotia. At that time the right hon. the Prime Minister spoke on that question. While the ex-Minister of Labour (Mr. Heenan) has quoted certain extracts from Hansard I want to quote that particular part of the speech delivered by the right hon. the Prime Minister which dealt with the duties on steel and the relation of himself and his party thereto. I expect, Mr. Chairman, that hon. members will not change their opinions merely because they change their seats from one side of the house to the other.

Mr. BROWN: The hon. the Minister of Justice (Mr. Guthrie) submitted an amendment to this house dealing with the exemption of agricultural products. The ex-Minister of Labour (Mr. Heenan) has given notice that at a certain time he will introduce another amendment. While this debate has continued on an amendment which has not yet been introduced I submit the discussion should be confined to the amendment moved on the government side of the house.

The CHAIRMAN: When the question was put the member for North Winnipeg (Mr. Heaps) took the floor.

Mr. HEAPS: Mr. Chairman, I was just saying that it appears to me that very often the views of hon. members change with their passage from one side of the house to the other. I once made the statement that all members when sitting in opposition are saints and very often when they sit on the government side of the house they become sinners. On this occasion I am not for one moment going to accuse the government members of being sinners, but I do wish to draw to the attention of the Prime Minister some statements he made in this house on May 21, 1930. I think the statements he made at that time were very definite and do not bear out the contention concerning the steel bounty which he voiced prior to the one o'clock adjournment. At page 2373 of Hansard the right hon. the Prime Minister is quoted as follows:

> Mr. Bennett: Did Canada thereby become, amongst the nations of the world, a member of the League of Nations? The answer is Yes. Did the Liberal party, in solemn convention assembled, adopt the Labour articles of the treaty of peace? The answer is Yes.

Mr. BROWN: I should like a ruling on the point of order I raised.

The CHAIRMAN: I do not want to appear too severe, but the discussion should be confined to the amendment moved by the Minister of Justice which has not yet been disposed of.

Mr. HEAPS: If the point of order is well taken, I will go on with the discussion after the amendment has been disposed of.

Amendment (Mr. Guthrie) agreed to.

Mr. HEENAN: I beg to move, seconded by the hon. member for Vancouver Centre (Mr. Mackenzie), the following amendment:

> That the following words be added to paragraph 18:
>
> The governor general in council may direct from time to time any industry, the products of which receive protection under this act, to demonstrate to the satisfaction of the governor general in council that there is maintained in the operation of such industry, freedom of association for the employees for all lawful purposes, hours of labour and rates of wages consistent with the provisions of the labour part of the treaty of Versailles executed in Paris, France, on June 28, 1919.

For the benefit of the committee, I might say there are quite a number of principles enunciated in the treaty of Versailles, but among the general principles will be found:

1. The guiding principle above enunciated that labour should not be regarded merely as a commodity or article of commerce.
2. The right of association for all lawful purposes by the employed as well as by the employers.
3. The payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country.
4. The adoption of an eight hours day or a forty-eight hours week as the standard to be aimed at where it has not already been attained.

Many other principles are enunciated, but those are the chief ones that I have in mind in my amendment, and I would respectfully suggest to the Prime Minister that he could very well afford to adopt this amendment inasmuch as he is protecting the industries, the consumers, the public generally, and I think the labour men are entitled to some protection as well.

Mr. BENNETT: I have just seen the amendment. I am reading it.

Mr. IRVINE: In this lull may I say that the hon. member who has moved the amendment has read it to the house and you, Mr. Chairman, have also read it, but still we in this part of the chamber do not know what is in it. I hope the Prime Minister, if he replies, will honour us by reading it so that we can hear it.

Mr. BENNETT: The amendment reads:

> That the following words be added to paragraph 18:
>
> The governor general in council may direct from time to time any industry, the products of which receive protection under this act, to demonstrate to the satisfaction of the governor general in council that there is maintained in the operation of such industry, freedom of association for the employees for all lawful purposes, hours of labour and rates of wages consistent with the provisions of the labour part of the treaty of Versailles executed in Paris, France, on June 28, 1919.

My only difficulty is that I think the language does not quite clearly express the hon. gentleman's meaning. So far as freedom of association is concerned, the courts of the country have intimated that that right now prevails in Canada. As regards the other question,

I take it that there is no doubt that the effect of this would be that, whatever the laws in the provinces affected might be, there would have to be compliance with them. That is as far as we could go. Therefore I see no reason, if the hon. gentleman's seconder will just remove two or three difficulties that are apparent in the clause, why it should not be accepted.

Mr. HEAPS: This is the first I have seen of the amendment and I have not had time to grasp the full meaning of it; but speaking generally I believe the principle is such that we ought to support the amendment. I am, however, concerned with what the Prime Minister said prior to the recess to-day. If I understood him correctly, he made just now some reference to the question of jurisdiction as between the federal and the provincial governments. Prior to the point of order being raised by the hon. member for Lisgar (Mr. Brown) I was quoting something which the Prime Minister said in the house on May 21 last. I sincerely hope and trust, for the credit of the house and the institution of which we are all members, the opinions and actions of members should not change so quickly, depending on which side of the house they happen to be sitting on. I want to quote this very definite statement made last May by the hon. gentleman who now occupies the position of Prime Minister and who then was leader of the opposition. On May 21 the present Prime Minister, as reported on page 2373 of Hansard of last session, said:

Mr. Bennett: Did Canada thereby become, amongst the nations of the world, a member of the League of Nations? The answer is yes. Did the Liberal party, in solemn convention assembled, adopt the labour articles of the treaty of peace? The answer is yes. Did the Conservative party do the same? The answer is yes. To-night the question is whether or not the parliament of the Dominion of Canada that signed the treaty of peace, with two great parties pledging themselves to its observance and the group to my left also supporting it, is helpless. It is true that property and civil rights are matters exclusively under the control of the provincial legislatures. It is equally true that this parliament may, if it so pleases, impose conditions with respect to any matter wherein it expends public money or confers a benefit or privilege upon any person or class or corporation.

I commend to the Prime Minister this last statement which I have just read, wherein he says that parliament has a right to impose on any company or corporation upon which it is conferring a privilege whatsoever conditions we desire. A little further on he says:

Now in my conception of protection as applied to the fiscal policy of a country, it is always understood that we shall maintain decent standards of living and reasonable hours of labour which certainly must not violate the conditions under which we signed the great world-wide treaty of peace. That being so, what has been suggested in this house to-night is that inasmuch as we are increasing the measure of protection to industries to enable Canadian development to proceed upon ordinary lines and upon equal terms with its competitors in other parts of the world, we should also maintain at least those reasonable standards of living and hours of labour that obtain in communities that are our competitors. The Conservative party has always advocated a measure of protection, and the advocates of protection have always put forward the arguments that I am now submitting to the house.

At page 2506, the Prime Minister, when, of course, he was leader of the opposition, proceeds:

Here we have a chance to say that these increases shall apply only to such mills as maintain the principles of the treaty of Versailles. Is it unfair to say that that should be done? I commend the matter to the government. I think it should be done. It may mean great differences, but an amendment such as this, I think, would meet the situation.

I would repeat, Mr. Chairman, those very words used by the then leader of the opposition in this house on May the 21st last: I commend this matter to the attention of the government. Further on he said:

That is an amendment that I commend now to the government, and that I think at the proper time should be moved; because after all, Mr. Chairman, if we really represent Canadian democracy, if we are sincere in the expressions of our faith in our party conventions, if we really mean what we have declared unanimously in this house with respect to the provisions of the treaty of Versailles and at the League of Nations at Geneva regarding labour, there should not be a dissenting voice in this chamber. We have the opportunity and the jurisdiction; let us leave out all this talk about the province and assert that power affirmatively, and let it be understood in this country that when we agree to principles in treaties, in compacts and conventions, we mean what we say, and that our expressions are not mere sounding brass and tinkling cymbal.

I could not express it better, Mr. Chairman, than the leader of the opposition did in those words in this house in May last, and I sincerely hope and trust that what the present Prime Minister said when he was leader of the opposition four months ago, he will stick to as leader of the government.

Mr. HANSON (Skeena): I do not think, Mr. Chairman, that this is the time to deal with the hours of labour because this special session has been called for the purpose of providing employment. I want to direct a suggestion to the Prime Minister which I believe would provide considerable employment. Our Canadian railways from time to time are buying considerable quantities of material which is necessary for the mainten-

ance of the railways. If they would buy hand-made material, which is equally as good as machinery-made material, whenever they can get it for the same price, it would result in providing much more work.

Mr. WOODSWORTH: I rise to a point of order, Mr. Chairman. There is a definite amendment now before the chair providing for certain labour provisions, and I submit that we ought not to get away from that and take up another matter altogether, as I believe the present speaker is doing.

The CHAIRMAN: I think the point of order is well founded. I am afraid the house will agree with me that the rules have not been always followed in this discussion. I think the hon. member is not speaking to the amendment at all.

Mr. HANSON (Skeena): I say, Mr. Chairman, that if the railways would buy material of the same quality and quantity, but hand-made, it would give four times as much employment as machinery-made materials.

Mr. MACKENZIE (Vancouver Centre): I submit, Mr. Chairman, that the hon. member for Skeena is making a very practical suggestion which I am sure the Prime Minister will appreciate.

The CHAIRMAN: If the house consents.

Some hon. MEMBERS: Let him go on.

Mr. HANSON (Skeena): By employing hand labour to take out ties and bridge materials the Canadian National Railways and the Canadian Pacific Railway could employ four times as many men as they now employ on that work. I would further suggest that these materials be procured from those sections of the country where there are established settlers, and that the settlers who are settled along these lines of railway should have the privilege of working on these contracts.

Mr. MALCOLM: I think the suggestion of my hon. friend from Skeena is worthy of consideration. I am glad to know from the Minister of Railways that some thought is being given to this plan. I would submit to the Minister of Labour and his labour friends that what the hon. friend for Skeena says is most true. This session was called, not to argue about hours of labour, but to assist the government in finding employment for men who are out of work. The question of hours of employment and labour conditions is really too big a subject to deal with at this special session of parliament, especially at this time when the Prime Minister and his colleagues are anxious to get away. The hon. member for Skeena, who has just spoken, and I am glad that the chair gave him the privilege of speaking, is the first member, born in a non-English speaking country, who has ever occupied a seat in this chamber. He is a practical man of Scandinavian birth and knows what he is talking about. He points out that if this government would ask the Canadian Pacific Railway and the Canadian National Railways to lay out ten million ties each, which would not be their whole year's supply, by hand labour, 8,000 men would be given employment for 100 days, and the employment would be spread from Vancouver to Halifax. It is a practical suggestion, and I am glad to know that the Minister of Railways is considering it. I am speaking on behalf of my hon. friend from Skeena, who explained his thoughts to me to-day. All the government would have to do would be to assure the Canadian Pacific and the Canadian National that the government would provide the interest charges for the extra time the railways had to carry this stock of ties. If the work was done in the woods, forty men would be employed instead of ten as employed in a mill, and a better tie would be supplied. The government is to be congratulated on receiving the practical suggestion of my hon. friend from Skeena. The committee would be better employed in assisting the government by practical suggestions because, after all, to find employment is the real object of this session than by discussing the treaty of Versailles.

Mr. HEENAN: I think there is some misunderstanding in connection with this amendment. The treaty of Versailles makes it very plain that it is dealing with industrial wage-earners. It may be that in my draft amendment I have not used the right words, but in all discussions and conventions of labour men in Canada they practically eliminate the agricultural workers in discussing hours of labour and labour reforms generally. My amendment is intended to deal with industrial wage-earners entirely, and as the amendment is being redrafted it will be an easy matter to provide accordingly.

Mr. MacINNIS: I can only say, not having been here at the last session, that I am rather confused by the agility with which hon. members on either side can change their point of view as they change their respective positions in the house. This session was called to deal with unemployment, but something else has been brought forward which

will have a permanent effect on the business of the country, and to that extent the members in this corner are quite within their rights in discussing any question involving the interests of labour.

A suggestion has been made by the hon. member for Skeena that the railways should be asked to do work this year which otherwise might be put off until some other time, and that as much as possible of that work should be done by hand labour. Is not that rather a peculiar situation in view of the fact that we are changing our tariff regulations in order that the manufacturers of machinery may produce more machinery? And they will manufacture machinery, and we are asked to produce by hand labour. We should be consistent in what we say. If the amendment comes before the committee I suppose I shall have to support it, but I should like to have that word "may" changed to "shall." I notice that an amendment suggested by the Prime Minister in connection with a similar matter used the word "shall". Being a legal gentleman he did not use the word "may". If "shall" is substituted I will support the amendment.

Mr. BENNETT: It must be obvious from the language of the amendment that it cannot cover the cases that will arise, and that being so I think it would be a mistake to enact it. It would be an anachronism if passed, and would be a doubtful compliment to the intelligence of the House of Commons, dealing with a tariff bill with a limited number of items, to insert this section without regard to its effect on agriculture, in relation to a large number of items I might mention. With the principle of it I do not think there is any difficulty in everyone agreeing. The question is how to give effect to it. And this is not the place to do it. When I first looked at it I directed the attention of the seconder, who is a member of the legal profession, to the phraseology used to express the view, and without being unduly critical I certainly could not become a party to the enactment of it in the terms in which it stood. Let us recognize that the right of association is settled; it is part of the law of the country; it is part of the law because the courts have declared it is not illegal to combine for lawful purposes.

Mr. HEENAN: But the fact that the courts have decided that it is legal does not impose upon industry any necessity for observing or implementing that law; whereas the treaty of Versailles had for its purpose the forcing of employers to recognize the principle of association.

Mr. BENNETT: The hon. gentleman surely has misunderstood either the terms of the treaty or what I have been saying, or both. What I have said is that the courts of the country have determined that it is legal for men to associate themselves for lawful purposes.

Mr. WOODSWORTH: The Prime Minister is aware that there are company towns in which men are absolutely forbidden to associate for lawful purposes.

Mr. BENNETT: The courts have decided that it is legal for men to associate themselves for any lawful purposes. It may be a condition of employment, for the free right of contract still prevails, notwithstanding that the late Lord Morley contested a constituency in defence of the right of free contract against the right to restrict hours of labour, as no one knows better than my hon. friend. Notwithstanding that fact the right to impose conditions of contract still exists; and if the employer within his right says to his employee, "In this particular industry you are not expected to combine or associate," that is not an illegal condition to impose on employment. The courts have so held, and the treaty of Versailles does not, nor does any other treaty, undertake to impose on employers the necessity of having their employees associate for lawful purposes. The hon. member for Kenora-Rainy River has suggested that such an obligation rests upon them. There is no such obligation. The free right to do so cannot be taken away, but if any employee desires to abandon that right he is within his rights in doing so.

Mr. NEILL: He does not desire to do so; he is compelled.

Mr. BENNETT: I do not understand the use of the word compelled in that regard. I do not know what towns my hon. friend has in mind, but I suppose he means a town in which the industry constitutes the whole activity of the community. They say, "If you come here we will provide certain facilities in the way of community halls and so forth, but we will not have here branches of some organization." Is that what my hon. friend has in mind?

Mr. NEILL: It is a case where a man stands on a wharf and says, "What do you want? You had better get out of here."

Mr. BENNETT: There are many instances of that question being asked in good faith by people other than members of labour organizations, and it has been difficult for some people to answer the question adequately. At any rate I do not think that this section as suggested now would do other than make this bill more or less ridiculous. What I said last year I have not in any sense departed from. I still believe that the question of the determination of the respective jurisdictions of provinces and the Dominion is involved in the use of the word "lawful," as every member of the house must realize. Let me also point out that what we were dealing with last year was the granting of money upon which we as grantors had a right to impose conditions on the grantee. That was what we first dealt with. Then came the larger question to which my hon. friend (Mr. Woodsworth) has directed attention, with reference to which the language of the leader of the opposition has been quoted. He said, and in my judgment said properly, at that time that if you dealt with it you must deal with it as a whole you could not pick out a particular item with respect to a tariff matter and apply it, and leave the rest. But when you come to grant a specific sum for a certain purpose, the right of the grantor to impose conditions on the grantee is elementary. We impose it with respect to old age pensions.

I suggest that as the time is passing and we propose, if we should be permitted to occupy these benches, to undertake a complete revision of the tariff, there will then be ample opportunity to consider the whole question as it affects the tariff in its entirety; and I promise that opportunity will be afforded. So that with ample time at its disposal the house can not only discuss the matter from the angle from which it has been presented but consider all implications involved in connection with agriculture and various other industrial activities in a country such as this.

It will be remembered that last year I joined with the then Prime Minister in the opinion that the steel industry had a right, having regard to the statements that were made, to determine what their course of action should be after having had some time in which to effect the changes which they desired to bring about. Now, is that not a fair position to take at this time, first conceding the application of the principles of the treaty to which we became signatories and, secondly, to apply the amendment not to a partial revision of the tariff made hastily, as my hon. friend from North Bruce has said, for the purpose of meeting an extraordinary situation but to endeavour to apply it to the tariff as a whole after it has had adequate discussion in this house, for certainly it is an exceptional matter, and if it were a private bill it would require a longer notice than has been given, for the purpose of studying its implications and effects. I suggest to my hon. friend that this would be a reasonable attitude to take at this particular time, having regard to the purposes for which we have met and the limited revision of the tariff that is being made.

Mr. HEENAN: Mr. Chairman, I am afraid next session the Prime Minister might change his mind again, because he has changed it within the last five or ten minutes. When the amendment was first read, the phraseology was not perfect, I admit, because it was my own, and I know I am not perfect by any means. Now we have it in the correct terms which will indicate, with respect to any uncertainty, whether or not it would apply to other than industrial wage earners.

The Prime Minister has said that the courts of the country have ruled that it is legal for men to organize for the purposes of maintaining wages and conditions of employment, but our obligation does not end there because of the fact that what the court says does not give the right to the men to organize. That came out during the discussion on the floor of this house last session, and since we were a party to the treaty of Versailles, and since in spite of the fact that the courts said it was legal yet we have many employers of labour throughout Canada who have prevented their employees from exercising their full rights, I want to remind the Prime Minister of his words on that occasion. He said:

> It may be said that the employees have agreed to this tariff change. The argument is as old as every step forward in the progress of the world. There has never been a moment when men who have wives and families and are struggling for food and employment have not been willing to do thus and so because they must work to maintain life. Surely no man seriously puts that argument forward now. I thought it was exploded in England at least seventy years ago, and in America for half a century it certainly has had no validity. It does not lie in the mouth of any member of parliament who is a party to the maintenance of the League of Nations and the treaty of Versailles, the member of any party which has agreed to the maintenance of those standards of life and of comfort and who believes that men are not slaves and that labour is not a commodity, to say that we should have in this dominion men working eighty-four hours a week. It is not right; it is not just; it is not fair. Here we have a chance to say that these increases shall apply only to such mills as maintain the principles of the treaty of

Versailles. Is it unfair to say that that should be done? I commend the matter to the government. I think it should be done. It may mean great differences, but an amendment such as this I think would meet the situation:

I say, Mr. Chairman, that we should start somewhere, some time. I confess again that until last session I had thought the provinces only had authority to deal with a principle of this kind. I confess my ignorance on the matter, because when I was a member of the Ontario legislature I urged these reforms, and was successful in securing some. I am very doubtful whether we will ever get uniformity with respect to social legislation in the nine provinces of Canada. I am using the words now of the members of the present government when I say, "Now is the time." This is the opportunity. We have to start somewhere, and I would like to say this to my hon. friend the Prime Minister, inasmuch as I think he has changed his mind during the last few months and even within the last ten minutes: I have every confidence in my fellow-Canadians, and I would like to have the Prime Minister give us an undertaking that he will put this principle into operation on the whole tariff during the next session.

The CHAIRMAN: With the permission of the committee the hon. member for Kenora-Rainy River withdraws the first amendment and substitutes therefore the following:

The governor in council may direct from time to time that any industry, the products of which receive protection under this act, shall demonstrate to the satisfaction of the governor in council that freedom of association for employees for all lawful purposes is permitted in the operation of such industry, and that the hours of labour and rates of wages are observed consistent with the provisions of the labour part of the treaty of Versailles concluded at Paris, France, on June 28, 1919.

Mr. HEAPS: I have listened to the statement of the Prime Minister, and I was rather disappointed because of the vagueness of his remarks. I had hoped that he would have given a more definite pledge to the house and to those vitally concerned in this matter than he has done. He has told us that he will give us the opportunity at the next session of parliament, when there is likely to be a revision of the whole tariff schedule, to discuss this whole question of the condition of labour in these industries which are benefited by the tariff. I would like the Prime Minister to assure the house that he stands in exactly the same position to-day as he stood in this house in May of this year. Up to the present we have not had such an assurance from him. At that time the Prime Minister was very insistent that the then government do something in regard to the condition of labour, particularly in the steel industries of Nova Scotia. Just here it might be of interest to read to this house a communication which was sent from Sydney, Nova Scotia, under date of September 4 of this year and addressed to the Prime Minister, copies of which were sent to a few other members of the house. It is as follows:

Dear Sir,

The following resolution, representative of all the steel workers employed by the Dominion Steel & Coal Corporation, Limited, Dominion Steel Division, at a special meeting of the plant council to-day was unanimously passed:

"Whereas the federal government has called a special session on the 8th instant to deal with the grave situation of unemployment, and whereas the Conservative government appended their signatures to the Versailles treaty for the endorsement of the 8 hour day, and whereas machinery and modern methods of production have decreased manual labour, therefore, resolve that we petition the Dominion government in special session to place on the statutes of Canada a law enacting an 8 hour day with a living wage.

This is the resolution, in part, as passed by the workers employed in these industries. After having given this industry a considerable increase in protection in the month of May, this government now proposes to give the same industry additional protection, and I think this is the time to apply the suggestion offered last session by the then leader of the opposition (Mr. Bennett). The workers themselves want it and it is one way of decreasing unemployment. The men in the steel industries work from 72 to 102 hours per week, and by reducing that to a 44 or 48-hour week many more men would be absorbed into the industry. That would be a more practical way to deal with the unemployment problem and would be far more effective than to increase the tariff. I think we have a right to know, and I think the people have a right to know whether or not this government is prepared, say at the next session of parliament, to implement the pledge given last session by the Prime Minister.

Mr. IRVINE: Mr. Chairman, I do not think this is a very good time to bring forward this kind of legislation, but if the Prime Minister will give to labour certain advantages because of an increased tariff, he would make protectionists of every labouring man in Canada. I think if I were a politician, I should accept the suggestion.

Amendment negatived: yeas, 45; nays, 85.

Mr. YOUNG: Mr. Chairman, yesterday I read to the committee a telegram to the effect that the woollen hosiery manufacturers

had advanced their prices. I have just received another telegram which I will read to the committee. It is from Kincardine, Ontario, addressed to me at the House of Commons, and reads:

> We have reduced the price of hosiery.
> Circle Bar Knitting Company.

The inference contained in this telegram is that the new tariff has enabled these people to reduce prices, which would appear to be in accordance with the arguments advanced by hon. gentlemen opposite, that the higher the tariff the lower will be the prices. This morning the hon. member for Willow Bunch (Mr. Donnelly), the hon. member for Lisgar (Mr. Brown) and several other members pointed out to the minister that we were due for a drop in prices on all commodities. They stated that the present measure would be likely to delay this drop, and that the people would not be satisfied at having prices maintained at the present level. We should insist upon a decrease in the prices of commodities. The manufacturers state that because of higher tariffs they are prepared to reduce prices, but I would like to know if the Prime Minister will insist that all companies reduce prices since they have the advantage of higher tariffs, and since a natural decline in prices is due.

Subsection agreed to.

Resolution as amended agreed to.

3. Resolved, that schedule A to the customs tariff, being chapter forty-four of the Revised Statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929 and chapter thirteen of the acts of 1930, be further amended by striking thereout tariff items, 4, 5, 6, 7, 10, 16, 16a, 18, 35, 56, 57, 58, 60, 61, 79b, 83, 91, 99a, 112, 113, 120, 178, 178a, 192, 193, 210, 232, 271, 272, 272a, 286, 288, 296b, 296c, 318, 357, 362, 367, 377, 377a, 378a, 379d, 380a, 388a, 388b, 388d, 396, 409a, 409b, 409c, 409d, 409e, 409f, 409g, 409h, 409i, 409j, 409k, 409m, 409n, 415a, 415b, 415c, 424, 425, 427, 428, 428b, 432, 432a, 432b, 432c, 432d, 439c, 439f, 442a, 443, 443a, 443b, 443c, 443d, 445, 445a, 445b, 445f, 445g, 445j, 446, 457, 457a, 476b, 522, 522a, 522b, 522c, 522e, 522f, 523, 523a, 523b, 523c, 523d, 523e, 525, 526, 526a, 527, 529, 530, 532, 532a, 533, 540b, 541, 542, 542a, 544, 544a, 544b, 547, 548, 548a, 548b, 551, 551a, 551b, 551c, 552, 553, 554, 554b, 554c, 554e, 555, 556, 556a, 556b, 558b, 558d, 560, 560a, 560c, 561, 561a, 565, 566, 566a, 567, 567a, 568, 568a, 572, 573, 576, 611, 611a, 618a, 619, 627, 627a, 630, 647, 663, 779, 779a, the several enumerations of goods respectively, and the several rates of duties of customs, if any, set opposite each of the said items, and by inserting the following items, enumerations and rates of duty in said schedule A:

Mr. COOTE: Are we to consider these items individually?

Mr. LAPOINTE: Yes, the first item deals with horses.

An hon. MEMBER: Where are the horses?

The CHAIRMAN: It is for the committee to decide whether or not we will consider this resolution item by item.

Mr. MACKENZIE KING: That is the practice.

The CHAIRMAN: The first item is No. 4:

> Customs tariff—4. Horses, over one year old, valued at $100 or less per head each: British preferential tariff, $10; intermediate tariff, $12.50; general tariff, $25.

Mr. DONNELLY: How many horses were imported into Canada last year?

Mr. BENNETT: This and other items of this class were previously under the countervailing duties. Instead of having these items subject to change as the tariffs change in France, Italy, the United States or any other country, this general tariff will be the rate applying to importations of this particular item from the United States.

Mr. DONNELLY: How many horses were imported from the United States during the past year?

Mr. BENNETT: One hundred and fifty-seven.

Mr. YOUNG: Do I understand the Prime Minister to say that this rate was fixed in Washington?

Mr. BENNETT: No, it is now being fixed by this parliament; prior to July 28 it was fixed in Washington.

Mr. YOUNG: It is being fixed at the dictation of Washington.

Mr. BENNETT: In consequence of the Canadian people thinking otherwise, it is now being fixed by the Canadian parliament.

Mr. MACKENZIE (Vancouver): Mr. Chairman, I understood the Prime Minister to say the other day that all items which were previously affected by the countervailing duties, with the exception of two, were now placed in the general tariff list. Will he state to the committee those two exceptions?

Mr. BENNETT: They are the two I mentioned, with perhaps a portion of another one. Wheat at the present time carries in the United States a duty of 42½ cents. Under the original Fordney-McCumber tariff the rate was 30 cents, subsequently increased under the

emergency tariff to 35, and subsequently on the report of the tariff board to 42, carrying a rate of four and a half times that amount for flour. That is being changed to only 30 cents, so far as our Canadian tariff is concerned, and the flour basis is being placed on the same basis of four and a half times thirty, making $1.35.

Item agreed to.

Customs tariff—5. Animals living n.o.p.: (a) cattle per pound, British preferential tariff, free; intermediate tariff, 2 cents; general tariff, 3 cents. (b) sheep, lambs and goats, per head, British preferential tariff, free; intermediate tariff, $2; general tariff, $3. (c) n.o.p., British preferential tariff, free; intermediate tariff, 20 per cent; general tariff, 25 per cent.

Mr. COOTE: I would like to ask the Prime Minister a question in connection with live hogs. What explanation would there be for having the duty fixed at 2 cents on hogs and 3 cents on cattle?

Mr. BENNETT: That is the figure that the countervailing tariff carried.

Mr. DONNELLY: How many cattle were brought in?

Mr. BENNETT: About $21,600 worth.

Mr. YOUNG: Are those the American rates?

Mr. BENNETT: These are the countervailing rates as they were applied by the Department of Customs, subject to change. If the goods came from Italy, Germany or any other country the rate imposed was the rate prevailing in those countries against our imports. We know that the countervailing tariff on May 1 applied against the imports from the United States the rate the United States imposed against us. In administration and in practice it was difficult. We thought the principle behind it was wrong, and we are placing there in the general tariff the rate that prevails against our products entering the United States.

Mr. YOUNG: Since there were only twelve live hogs brought in last year I do not think there can be much difficulty in fixing the rate?

Mr. BENNETT: Not much.

Mr. DONNELLY: Does that include registered cattle, or all cattle?

Mr. BENNETT: All that are entered under the head of cattle in the imports.

Mr. DONNELLY: Do not registered cattle come in free?

Mr. BENNETT: Yes, the value of all the cattle entered through the customs house was $21,600. I was not aware that the division would be asked for, as to whether they were pure bred or otherwise.

Mr. DONNELLY: I believe most of the cattle come in under the heading of pure bred cattle.

Mr. BENNETT: They come in free.

Mr. DONNELLY: What is the government doing to find a market for our cattle? Before 1911 the western farmers had a market across the line for their feeders. On account of the abrogation of the treaty we lost our market, and since then we have had no market for ranchers; it has gone down from year to year. What has been done to provide a market for our cattle?

Mr. BENNETT: The hon. gentleman is wrong. It was not in the year 1911 we lost our market in the United States. We had a free market under the Wilson tariff, but after the defeat of the Wilson administration the Republican party enforced a tariff against our cattle. Inquiries are being made in an endeavour to provide a market for such as we have for export. Perhaps the hon. member is aware of that fact. In addition to that there are efforts being made to provide for the movement of cattle, and we have some reason to believe that our efforts in that direction will be crowned with success. So far as this matter with which I am now dealing is concerned we have made definite the duty which was being paid on importations under the general tariff.

Item agreed to.

Customs tariff—6. Live hogs, per pound: British preferential tariff, free; intermediate tariff 1¼ cents; general tariff, 2 cents.

Item agreed to.

Customs tariff—7. Meats, fresh, n.o.p.:
(a) Beef and veal, per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 6 cents.
(b) Lamb and mutton, per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 6 cents.
(c) Pork, per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3 cents.
(d) n.o.p., per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 6 cents.

Mr. BENNETT: When hon. members reach the item of pork they will observe that the rates are 2 cents, 2½ cents and 3 cents, and the n.o.p. item under the countervailing tariff at the present time is 5, instead of 6. That is as it is taken from the records. With

the consent of the committee I propose to take out the word "pork," and the word "six" would be "five." Do I make myself clear. That is, in item 7 there would be a deletion, and the substitution of the word "five" for the word "six" in the third column. I went over this with some care. If my hon. friend will look at the item I shall explain that the item (d) will now be item (c); I refer to the n.o.p. item. It will be "n.o.p., per pound, 2 cents, 2½ cents and five" instead of six. The error came because of the beef and veal, lamb and mutton items being six. The item of pork comes out and is covered by the n.o.p. item.

Item agreed to.

Customs tariff—10. Meats, prepared or preserved, other than canned:

(a) Bacon, hams, shoulders and other pork, per pound: British preferential tariff, free; intermediate tariff, 1¾ cents; general tariff, 3¼ cents.

(b) n.o.p., per pound: British preferential tariff, free; intermediate tariff, 3 cents; general tariff, 6 cents.

Mr. COOTE: I did not know that item No. 7 had been carried. I would like to suggest to the minister that there is still an anomaly in the tariff. As a rule pork is a higher priced product than beef. Still it carries a lower tariff of only five cents.

Mr. BENNETT: I wish to say to my hon. friend from Macleod (Mr. Coote) that that was in my mind at the time the figure was six. Looking the matter up I found the countervailing tariff was five. As I said to the house, in an effort to continue the rate of duty that now prevails I suggested that it should be made five. I have no feeling in the matter one way or the other, and I wish to keep everything in order. If the hon. gentleman thinks it should be six I would be willing—

Mr. COOTE: I do not think that matters.

Mr. BENNETT: The hon. gentleman speaks as an agriculturist and if he prefers the figure six to the figure five certainly I shall not stand in the way of a change.

Mr. COOTE: I said that it appeared to me to be an anomaly to say that the duty on hogs was two cents when the duty on the other commodity was three cents.

Mr. BENNETT: The changes are made only because that is the countervailing rate under the present rates. This makes it permanent at five until the next revision. If however in the opinion of the committee the balance is better preserved by the use of the word "six" there is no necessity to delete the word "five" and we could let it stand at six.

Mr. DONNELLY: Would the Prime Minister read it just as it would be?

Mr. BENNETT: It would read this way, "N.o.p., per pound, British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 6 cents," just as it stands there. The pork item goes out, and is covered by the n.o.p. item.

Item agreed to.

Customs tariff—16. Eggs, in the shell, per dozen: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 10 cents.

Item agreed to.

Customs tariff—16a. Eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, n.o.p., whether or not sugar or other material be added, per pound: British preferential tariff, 5 cents; intermediate tariff, 10 cents; general tariff, 11 cents.

Mr. REID: Mr. Chairman, I would like to say a few words in connection with this item. Speaking on behalf of the poultry men of the lower Fraser valley of British Columbia I rise to protest against the reduction in this item; I protest that the protection afforded us in the Dunning budget has been taken away. In case my position might be misinterpreted I would like to inform the house that I speak first for my own constituency. Greater protection is required in connection with this class of goods. Clause 16a deals with eggs, whole, egg yolk or egg albumen, frozen or otherwise prepared, not otherwise provided, whether or not sugar or other material be added. For the benefit of the members of this house who are not acquainted with the competition with which poultry men are faced I may say that Canada is the largest egg consuming country per capita in the world. The consumption in the Dominion of Canada is about 365 eggs per year per capita. This has been brought about mainly I believe by the Dominion Egg Regulations Act which provides that an egg graded in one part of Canada is similar to that graded in any other part of Canada. No such grading regulations exist in any other country and no such egg grading regulations exist in the two great countries, namely, the United States and China, which have been finding a market in Canada. In the United States there are no uniform grading regulations such as we have in this country. Each association, each county, each state, and in fact, each individual does his own grading as to quality, size and freshness.

In China they have no regulations whatever, with the result that these countries find themselves with very large quantities of eggs of a much inferior grade and of questionable quality, for which they must find a market. These eggs are collected and made up for market purposes, and they have been coming into this country in the various forms described in item No. 16a. The extent of this trade can be best calculated when I point out to the members of the house that last year China and the United States exported to this country some 1,722,692 pounds of this class of article for consumption and this, to my mind at least, affects the market for our fresh eggs throughout Canada. I would also like to point out that this amount of 1,722,692 pounds of eggs, which in various forms entered Canada in 1929, is equal to over 12,000,000 dozen eggs, nearly half of which came from China and the other half from the United States.

Under the Dunning budget we had a protection of 30 per cent on a valuation of forty-five cents per pound, or roughly speaking, thirteen and one-half cents. Under the proposed new tariff this is lowered to eleven cents per pound. I would like the Prime Minister to realize after what I have just said, that the poultrymen, especially of British Columbia, should be more fully protected against a product like item No. 16a, coming from those countries into Canada in such large quantities, as regards which product there is no method of knowing anything about the quantity and so forth, and which enters into competition with the fresh egg in the shell, which I might say is now put on the market as nearly perfect as is humanly possible.

Mr. DONNELLY: Can the hon. member say what these imported eggs sell at per pound?

Mr. REID: I am not sure what they sell for in this country, but they are valued for duty purposes at forty-five cents per pound.

Mr. YOUNG: Is that not enough?

Mr. REID: Under the Dunning budget we had a protection of thirteen and one-half cents a pound. This protection is now lowered. I am appealing on behalf of the poultrymen for protection against these 12,000,000 dozen eggs that are coming in.

Mr. BENNETT: The countervailing tariff applicable to the item is eleven cents which is the figure now appearing in the schedule before the committee. The rates were 10 per cent, 25 per cent and 30 per cent with the provision for countervailing tariff applicable to it, and as I say the countervailing tariff is five cents, ten cents and eleven cents per pound, that is, on importations from the United States or any other country under the general tariff. I think the hon. member for New Westminster will find that the effect of the application of this definite duty is practically the same as it was before.

Mr. EULER: Will the ad valorem or the specific be applied?

Mr. BENNETT: The hon. member is speaking of the ad valorem, but as a matter of fact in practice, under the provisions of the statute as it reads it is probable that the other, that is the countervailing tariff of last session, would apply. The republic to the south imposes a specific duty. We have been dealing with an ad valorem and inasmuch as their duty was not of the same class as ours, that is, the ad valorem, the question is whether the specific or the ad valorem would apply.

Mr. EULER: The higher would apply.

Mr. BENNETT: Yes. I am pointing out that the value was a value fixed by appraisal at forty-two cents, not forty-five cents, and required the exercise of the power of the appraiser just as the matter mentioned yesterday required that exercise and that was an arbitrary fixed value for customs purposes. This gets over that difficulty and it is probable the dumping duty would also apply now if there were any difficulties such as the hon. gentleman suggests. I can assure him that under the application of this tariff item, the protection to the poultry industry of British Columbia will be quite as great as it is now.

Mr. EULER: Then do we gather from that that section 4 of the amendment to the Customs Act would apply?

Mr. BENNETT: It would apply now.

Mr. NEILL: I would appeal to the former Minister of Agriculture if the value that he fixed upon these eggs was not forty-five cents.

Mr. MOTHERWELL: It was.

Mr. BENNETT: The figure given to me was forty-two cents.

Mr. DONNELLY: What are the importations?

Mr. BENNETT: From the United States, $226,000, and from China, $102,000.

Mr. NEILL: The new tariff proposal means that the tariff on this class of goods has been cut down two and one-half cents a pound. The poultrymen needed this tariff; they got it and now they are being deprived of it.

Item agreed to.

Customs tariff—18. Butter, per pound: British preferential tariff, 8 cents; intermediate tariff, 12 cents; general tariff, 14 cents.

Item agreed to.

Customs tariff—18a. Peanut butter, per pound: British preferential tariff, 4 cents; intermediate tariff, 6 cents; general tariff, 7 cents.

Item agreed to.

Customs tariff—35. Hops, per pound: British preferential tariff, 12 cents; intermediate tariff, 20 cents; general tariff, 24 cents.

Mr. BENNETT: Before we proceed to the discussion of this item, I would ask the Minister of Fisheries to move that it be amended to read: British preferential tariff, 8 cents; intermediate tariff, 12 cents; general tariff, 14 cents.

Mr. MACKENZIE (Vancouver): Who has complained of the previous item?

Mr. BENNETT: The consumers of the Canadian product have intimated and the figures of the payments made to the excise department show that the Canadian production is wholly inadequate to the demand, and the original figure was set on the basis of representations as to production that subsequent investigation showed were hardly warranted. This is double the present duty and is thought to be ample for the purposes intended. I think my hon. friend knows it transpired that the production was much less than it was thought to be, and I think was represented at one time to be.

Mr. EULER: Has the Prime Minister the usual promise that the price will not be raised?

Mr. BENNETT: This is an agricultural product.

Mr. EULER: It is used for the purpose of making beer, I understand.

Mr. BENNETT: The consumers are the brewers, largely but not wholly, the yeast-makers and malting industry.

Mr. MACKENZIE (Vancouver): The announced advance in wages by the hopgrowers cannot now take place.

Mr. BENNETT: I understand the hop picking is pretty well concluded, as the telegram of to-day indicates.

Mr. LAPOINTE: Will that decrease employment in any way?

Mr. BENNETT: This gave employment at one time to 1,000 people picking hops, but that job does not last very long.

Mr. EULER: If that is over now, there is no emergency.

[Mr. Neill.]

Mr. BENNETT: The emergency is very great in regard to the preparation for next year. When I was studying this matter I made the very same observation that the hon. member for North Waterloo has made. It is quite apparent that preparations for next season have to be made now. That is the reason why it is proceeded with at this time.

Mr. EULER: Do you expect increased production as a result of this?

Mr. BENNETT: I hope so.

Item agreed to.

Customs tariff—56. Oats, per bushel: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 16 cents.

Mr. COOTE: What are the imports, if any?

Mr. BENNETT: About $165,000 came in from the United States.

Item agreed to.

Customs tariff—57. Oatmeal and rolled oats, per one hundred pounds: British preferential tariff, free; intermediate tariff, 50 cents; general tariff, 80 cents.

Item agreed to.

Customs tariff—58. Rye, per bushel: British preferential tariff, free; intermediate tariff, 9 cents; general tariff, 15 cents.

Item agreed to.

Customs tariff—60. Wheat, per bushel: British preferential tariff, free; intermediate tariff, 12 cents; general tariff, 30 cents.

Mr. COOTE: I do not suppose it is expected that this will tend to increase the price of wheat. During the election campaign—true the Prime Minister may not have said it—some of his enthusiastic supporters said that if he were elected he would increase the price of wheat, but it has dropped fourteen cents a bushel since his election, oats twelve cents, barley eleven cents, and rye thirteen cents. I am not blaming the Prime Minister for that. I am simply putting it on Hansard for the benefit of his enthusiastic supporters, who expected a little more than was really possible.

Mr. BENNETT: What was the price before the election?

Mr. DONNELLY: Between 95 cents and $1.

Mr. BENNETT: But what was it earlier in the year when my hon. friends opposite were in power?

Mr. DONNELLY: It has been up to $1.40.

Mr. BENNETT: I have known it to be $3 a bushel. I am talking of the spring of this year.

Mr. DONNELLY: The price started to fall about the first of January, and has been falling ever since.

Mr. YOUNG: Last spring the Prime Minister complained that the duty on wheat was too high and was injuring a certain industry which depended on some of the softer wheats from the United States. Is this reduction in the interests of that industry?

Mr. BENNETT: I am surprised that my hon. friend's memory is now becoming defective. Perhaps he has made too great demands upon it. I did not suggest what he has said. I pointed out that the quantity of soft wheat required in the biscuit industry was greater than the amount produced in Canada. It may interest my hon. friend to know that the then Minister of Finance, in giving the figures as to rates was in error, as he intimated just as the house was proroguing, but it was then too late to change it. It is based on hundredweights, and not on barrels. I think he referred to barrels and not to hundredweights. The present tariff will give a duty of $1.35 a barrel on flour, the old duty being 50 cents, and a duty of 30 cents on wheat, which was the original Fordney-McCumber emergency tariff rate.

Mr. YOUNG: This 30 cents, then, was not fixed in Washington?

Mr. DONNELLY: Referring to the price of wheat, while the farmers in western Canada receive about 60 to 65 cents a bushel for No. 1 northern, bran is selling in Montreal for $24.25 a ton, which means 65 cents a bushel. I might also point out that the price of bread has not come down at all since the price of wheat has been dropping. You can get three loaves of bread for 25 cents. Bread is selling for practically the same price as when wheat was over $1 a bushel. That is something which should be looked into and remedied. The spread between the price the consumer pays and the price the producer gets is far too great.

Mr. BENNETT: I am sorry to correct my hon. friend. The price of bread has been reduced one cent in the last ten days.

Mr. DONNELLY: Is it less than 25 cents for three loaves?

Mr. BENNETT: I cannot say. I can only speak as to the reduction.

Mr. DONNELLY: I am sure it has not been less than ten cents a loaf. I have paid it right here in Ottawa.

Mr. BENNETT: I am giving my hon. friend the facts.

Mr. DONNELLY: I am giving the facts and I know them, because I am buying bread.

Mr. BENNETT: I am neither buying nor eating very much of it. May I point out that in consequence of the facts to which the hon. gentleman has alluded, some ten days ago steps were taken to investigate the present price of bread, and as a result an immediate reduction of one cent was made. Further investigations are being made.

Mr. RALSTON: What is the extent of reduction territorially?

Mr. BENNETT: I could not say at the moment.

Mr. McINTOSH: It is merely local, is it not?

Mr. BENNETT: I think not. The reduction obtains in at least two of the large cities of the country that I know of. I would not endeavour to say in how many others because I am not in a position to indicate with accuracy, but this I do know, that the conditions under which bread is being sold in some parts of Canada necessitate, in my judgment, investigations being made. Those conditions grew up under the government of my hon. friends opposite and attained their present proportions during that time. It will be recalled that one at least of the ministers of the former Liberal government made some observations in that regard, which I shall not quote this afternoon. I might suggest that hon. gentlemen become industrious and find them rather than emulate my hon. friend from Weyburn. I refer to the Hon. Frank Oliver.

Mr. STEWART (Edmonton): Probably the explanation has been given, but if so I did not catch it. What is the object in reducing the duty on wheat? Is it to let spring wheat come in for the manufacture of biscuits?

Mr. BENNETT: I will be perfectly clear on that. The countervailing duty is 42 cents. This departure to 30 cents per bushel was the original duty fixed by the Fordney-McCumber emergency tariff. As flour and wheat bear a relation of four and a half to one, it was thought that a duty of $1.35 per barrel on flour, having regard to the fact that 50

cents has been our maximum flour rate for a period of many years—it was 75 cents when I was a boy, and later was reduced to 50—was all that was reasonably necessary under the circumstances. The rate of $1.35 per barrel on flour is the complement of a duty of 30 cents per bushel on wheat.

Mr. STEWART (Edmonton): I am not speaking about flour. I am asking why there is a reduction in the duty on wheat, because it would appear to me that there is no very good reason why the importations of wheat in this country should be any less than in the United States.

Mr. BENNETT: I am sure that if my hon. friend the leader of the opposition thoroughly understood that remark he would have as amusing an interlude as he has had for a long time. The hon. member for Weyburn finds it difficult to keep his face straight. Does the hon. member for West Edmonton suggest that we raise the duty to 42 cents?

Mr. STEWART (Edmonton): No. The amazing thing to me is this: Apparently the agricultural industry comes in for any reductions—they are few in number—that may be provided in these schedules, and wheat is one of the commodities on which the duty is reduced. I caught a remark from this side of the house that probably my hon. friend was thinking about the biscuit manufacturers. If he is, I have no particular objection. I do not think that it makes very much difference whether the duty is reduced or not. I fail to understand why there was any necessity for touching it at all. Personally, I am not very much concerned about the duty on wheat, but it does seem strange to me that in a tariff that is ninety-nine and one-half per cent increases, you choose wheat as one of the items to be reduced.

Mr. BENNETT: The present duty on wheat is 12 cents a bushel; it is free under the British preference, 12 under the intermediate and 12 under the general. The countervailing tariff is 42 cents in the United States, while in Germany, Italy and France a higher figure prevails.

Mr. STEWART (Edmonton): I am aware of that.

Mr. BENNETT: But one cannot fix a rate on wheat without regard to the rate on flour; and as the rate on flour has not been higher than 50 cents for a considerable time the effect was to reduce wheat to 30 cents if you made flour $1.35; and inasmuch as the effect of the 30 cents will be to remedy any difficulty with respect to imports, and all imports having come from the United States last year amounting to $1,276,000, that was arbitrarily arrived at as a reasonable figure having regard to present rates.

Mr. EULER: Are there any appreciable quantities of wheat flour imported into Canada from the United States?

Mr. BENNETT: About $618,000 worth of flour and semolina.

Mr. EULER: It is not ordinary flour but a special kind.

Mr. BENNETT: As the hon. member can understand, between two contiguous communities small quantities will pass to and fro, but there is no importation except for a special flour used in biscuit making on the Pacific slope. The effect of the $1.35 is quite as great as the higher rate, representing 4½ times 42, which I think I heard one of my hon. friend's colleagues describe as ridiculous.

Mr. EULER: I presume the minister is not making the change because of its effect on unemployment but rather because it comes within his determination to remove the countervailing duties.

Mr. BENNETT: Yes.

Mr. YOUNG: Inasmuch as the 30 cent duty on wheat cannot possibly have an effect on the price of wheat in this country to our farmers, and the duty on this special brand of flour being 50 cents a barrel, would it not be to the advantage of the hon. gentleman's friends, the millers, if he took that duty off wheat and let them have soft wheat duty free?

Mr. BENNETT: As I think was explained by the former Minister of Finance standing here last year, there is a small protection in that duty with respect to soft wheat and soft wheat flour, and it is to retain that benefit that this duty is continued.

Mr. YOUNG: Where in Canada do we grow this particular brand of soft wheat?

Mr. BENNETT: We grow small quantities in British Columbia, formerly larger quantities. A small mill at Enderby used to grind that soft wheat. There is still soft wheat grown in Washington and Oregon in large quantities. The soft wheat in Ontario supplies to some extent the wants of western Canada, and possibly my hon. friend will recall a statement made by the former minister as to freight rates per barrel and per hundred pounds, which had to do with the prob-

lem of the movement of that soft wheat flour west to supply the biscuit factories at Winnipeg, Calgary and Edmonton.

Mr. BROWN: I am glad that a distinction is being made between soft wheat flour and hard wheat flour. Unfortunately during the campaign that distinction was ignored, and the statement was made that 75,000 barrels of flour had been imported into Canada, to the concern of the farmers. They tried to excite the farmers with that statement, whereas in fact it did not affect them. I made an investigation last winter and I found that this soft wheat did not affect us at all.

Mr. DONNELLY: During the campaign the late Liberal government was blamed for not having put a duty on corn. We know that we have no market at the present time for barley, and we were told that the reason was that American corn was being used for feeding purposes in the east, replacing our barley. This government being anxious to protect the farmer, I wonder why they do not put a duty on American corn and find a market for western barley in eastern Canada, as was promised the western farmer during the election.

Mr. BENNETT: The hon. gentleman has raised a question which occurred to my own mind and which I can satisfactorily answer. An investigation indicated that the weather conditions in the United States had made it very difficult for them to produce corn for export except at a high price. My hon. friend remembers the great lack of moisture in that country and the necessity there was for buying commodities which theretofore they had exported from those communities. There is no possible chance, as the figures now stand, of a substitution of corn in this country from the United States as heretofore for feeding purposes if the present rate continues. It involves the consideration of many other questions, because corn is used for four purposes in Canada—feed, corn starch, syrup and grinding in small quantities. The price is so out of line with the possibilities of the import business that the market for barley and coarse grains and poor grade grains will not be affected by these importations from the United States.

Mr. BROWN: It may be next year.

Mr. BENNETT: I trust my hon. friend will be here next year, with the hon. member for Willow Bunch, to assist us in the consideration of the matter.

Mr. GARDINER: The proposal to put 30 cents a bushel on wheat coming into Canada is no protection to the grower of wheat in this country. We have to sell our wheat on the markets of the world, receiving the price paid on those markets, and therefore the 30 cents a bushel cannot protect the farmer. And we know that the wheat grower cannot be protected under any class of legislation you may wish to bring forward. The point I want to make is this. We are pretending to protect the farmer with 30 cents a bushel on wheat, and the Prime Minister says that the duty on flour should be 4½ times the duty on wheat. The wheat grower in western Canada will be in the position of having no protection for his wheat, but when it comes to buying flour ground from his own wheat he will have to pay a protective price. That is what this legislation means.

Mr. BENNETT: That will not happen.

Mr. GARDINER: Is there any guarantee in this case? It is time to ask the Prime Minister for some of the guarantees he has so ably spoken about. Is there any guarantee in this case that there will be no rise in the price of flour?

Mr. BENNETT: None has been asked, and the fact is that there is a reduction rather than an increase in the rate of duty. Does the hon. gentleman not realize that at the present time the duty on flour is over $2 a barrel?

Mr. GARDINER: How?

Mr. BENNETT: Under the countervailing tariff; and the reduction to 30 cents instead of 42 leaves the duty $1.35 instead of $2.

Mr. GARDINER: Of course, there is a possibility that the countervailing duty may be higher than is indicated in the figures I have. But in the printed list which has been distributed to the house the duty on flour is 50 cents a barrel. That is what I have before me, and basing my arguments on that figure I find that there is an increase from 50 cents to $1.35. I am satisfied of this fact, notwithstanding that the countervailing duty may be higher than $1.35. But we in this corner never supported that countervailing proposal; consequently I protest again against raising the duty from 50 cents in the general tariff to $1.35.

Mr. BENNETT: Two of the items in the countervailing tariff are wheat and wheat flour. The duty varied from 90 cents to 42 cents in the United States. Inasmuch as no flour or wheat were imported from Italy,

Germany or France, the first named figures are not important, but 42 cents a barrel, multiplied by 4½, indicates $189 for wheat flour, and therefore you have a duty at the moment of 42 cents and $1.89, which for reasons I have indicated we have made 30 cents and $1.35.

Mr. COOTE: There is just one other matter I would like to point out in connection with this item. Several years ago I raised on my farm some blue stem wheat, the seed for which was imported from Washington. I was able to grow as nice a sample of that wheat as I had ever seen, and a good many men in the grain trade said they had never seen a nicer sample of blue stem wheat. I thought the millers should be able to make good biscuit flour of that wheat, but I had to dispose of it at a discount, as compared with the price for northern Manitoba wheat, of 8 cents per bushel for one carload and 12 cents per bushel for another. I am mentioning this because possibly the Minister of Trade and Commerce or some other department of the government might look into the matter and see whether our Canadian millers could not pay proper prices for this wheat and encourage us to produce in Canada wheat that will make this biscuit flour.

Mr. BENNETT: Was not the difficulty that because of the strong soil the wheat was stronger and firmer than the wheat used for the manufacture of biscuit flour, which must be soft wheat? I also looked into the matter, and that was the information I received.

Mr. COOTE: I do not know, but the reason I got was not to that effect. The answer I got was that we did not grow in this country a large enough amount of this wheat to make shipments of it, and we had to take the best price offered. That was the only explanation I could get.

Item agreed to.

Customs tariff—79b. Flowers and foliage, natural, cut, whether in designs or bouquets or not: British preferential tariff, free; intermediate tariff, free; general tariff, 40 per cent.

Mr. BENNETT: That is as it is to-day.

Item agreed to.

Customs tariff—83. Potatoes, including sweet potatoes:

(a) In their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, free; general tariff, 75 cents.

(b) Dried, dessiccated, or dehydrated, per pound: British preferential tariff, free; intermediate tariff, free; general tariff, 2¾ cents.

Item agreed to.

Customs tariff—91. Soups, soup rolls, tablets, cubes, or other soup preparations, n.o.p.:

British preferential tariff, 15 per cent; intermediate tariff, 25 per cent; general tariff, 35 per cent.

Mr. DUPUIS: Speaking on behalf of the farmers, I should like the Prime Minister to say why some of the items listed in the Dunning budget and especially those items affecting fruit and vegetables grown by Canadian farmers, were not included in these changes. No change has been made with respect to item 84, which concerns onions. All the members of this house, and especially those from the province of Quebec, will recall the way the women and children of the farmers in Quebec were described as being in a miserable state, contracting rheumatism and so on, through sowing onions, and hon. gentlemen will recall that promises were made by prominent candidates to cure their rheumatism by increasing the duty on onions. I am convinced that the increase in the tariff is far from being a general panacea for the present economic depression. Now I should like the Prime Minister to give effect to the promises of some of his prominent representatives in Quebec. I think section 84 should be amended also, and I should like to know why the Prime Minister in raising the tariff on manufactured goods has done nothing on behalf of the farmers.

Mr. BENNETT: No change was thought desirable at this session, having regard to the purposes for which it was called. That item stands as it was.

Item agreed to.

Customs tariff—99a. Figs, dried; plums, prunes, and dates, dried, unpitted, per pound: British preferential tariff, free; intermediate tariff, ⅜ cent; general tariff, ⅜ cent.

Mr. BENNETT: There is to be a change in this item. The words "in bulk" should be added after the word "unpitted," merely for administrative purposes.

May I take a little of the time of the committee to explain just how tariff changes sometimes work out? Dates for export are not grown in the British Empire at the moment. The dates which come into this country are largely procured from Irak and are sold by two brokers in London. That is an illustration of where the middleman, referred to by my hon. friend from Comox-Alberni (Mr. Neill), has his place. Many years ago two or three merchants built up in this country a very substantial business in packing dates in two-pound packages. They imported the dates and packed them in cartons or boxes made in Canada from Canadian made paper, upon which were printed the

name of the packer and the contents of the package. It may sound very strange to the committee, as it sounded to me when I first heard of it, that nearly two hundred people were engaged, as unskilled labour, in that work in the city of Quebec. A small number of people were also engaged in Winnipeg, and a lesser number in the city of Montreal.

I am satisfied that the committee of last year did not realize exactly what it was doing, but the effect of our action was to render free the two-pound packages of dates. The result was that the business which had been built up over a period of years was actually being ruined, and the employment of 160 people was terminated. Urgent representations from that industry impelled us to make the necessary changes which will be observed in the schedules as they now stand. Under the tariff which was in effect last week dried dates, unpitted, from the British Empire, were free under the British preference, ⅔ cent under the intermediate tariff, and ⅔ cent under the general tariff. We do not propose any change, as will be observed, in the rates, but packaged dates, under the old tariff of last week, were free, 22½ per cent intermediate and 25 per cent general. We now propose to make the duty under the British preference 1 cent per pound, under the intermediate 1¾ cents per pound and under the general tariff 2½ cents, because the dates stopped at London when they came from Irak and there the work plus the material and the boxes made more than the 50 per cent British content. Therefore they received free entry into this country, as I say, under circumstances which drove as many as 160 people out of their livelihood for the period indicated. This section merely prefers 160 Canadians to 160 people anywhere else to pack dates, and prefers the use of Canadian made paper and products of that kind in order to continue a business that was built up under the circumstances to which I have alluded.

The words "in bulk" are purely to meet any possible chance in connection with administration, and in going over these matters finally the permanent officials regard the words as removing any possible doubt.

Mr. YOUNG: If I understand the Prime Minister correctly he proposes to add 1 cent per pound to the price of dates in packages in order to give employment to 160 Canadian people. I would like to ask him now if he could tell us how much that 1 cent per pound is going to cost the people of Canada and what wages will be paid to these 160 people. I would like to have this information so that it can be ascertained whether or not this game is worth the candle.

Mr. BENNETT: My information is that the price of dates in boxes has not and will not change. There may be minor fluctuation in the wholesale price, but so far as the price to the consumer is concerned it has been steady; there is no likelihood of any change taking place. It will be observed that the rate of duty is the difference between the continuance of an industry and its being destroyed. The information I have received is that at least in Quebec, wages to the extent of $1,000 per week are being paid for a period of from seven to eight months. My hon. friend the former Minister of Justice (Mr. Lapointe) will probably remember the name of the gentleman largely interested in this business, I think it is Royer. There is also Mr. Donald H. Bain in Winnipeg and Mr. Herbert's firm in Montreal who are interested. I speak only from memory, and am subject to correction.

Mr. YOUNG: As I understand it, these men are not at present employed in Canada.

Mr. BENNETT: There are twenty-five now at work.

Mr. YOUNG: The dates still must be coming in. Does the minister state that there will be no increased cost?

Mr. BENNETT: As far as I have been able to ascertain, the duty has been absorbed by the manufacturer in his struggle to maintain his business. I understand that this year's orders have been reduced to two, whatever unit is being used, as compared with twelve for last year, or one-sixth of last year's orders. But for the very urgent necessity of immediate action, the committee might decide that this item could be left over, but it is being brought forward in order to prevent the destruction of an industry which represents an effort extending over a period of years and which has expanded up to the point I have indicated.

Item agreed to.

Customs tariff—99d. Dates, n.o.p., per pound: British preferential tariff, 1 cent; intermediate tariff, 1¾ cents; general tariff, 2½ cents.

Item agreed to.

Customs tariff—113. Cocoanut desiccated, sweetened or not, per pound: British preferential tariff, 5 cents; intermediate tariff, 6 cents; general tariff, 6 cents.

Mr. BENNETT: Mr. Chairman, I think I should inform the committee that this represents a slight conflict between Ceylon and the West Indies. I fancy that in the preparation

of the tariff of last session the relative positions of Ceylon and the West Indies was not carefully considered, but since the present rate has become known a cable has been received by the Secretary of State from Trinidad stating how gratified they were that this position had been maintained. Knowing as it does our commitments in connection with the West Indies, I am satisfied the committee will realize that as between the West Indies and Ceylon we have obligations in the one instance which we have not in the other

Mr. MACKENZIE KING: Could my hon. friend tell us how doubling the duty on cocoanut is going to help solve the unemployment problem?

Mr. BENNETT: It involves the shipment of cocoanut to Canada with the consequent work in connection with desiccating, which gives employment to a substantial number of people. We thought it desirable that that employment should be continued.

Mr. YOUNG: What does it cost to desiccate a pound of cocoanut?

Mr. LAPOINTE: Is not Ceylon considered to be a British country?

Mr. BENNETT: Yes, but so is the West Indies. Perhaps my friend will recall that we have treaty obligations with the West Indies.

Mr. YOUNG: I would like an answer to my question.

Mr. COOTE: Has the Prime Minister received any assurance from the manufacturers of desiccated cocoanut that the price would not be increased?

Mr. BENNETT: He did not seek it, therefore he has it not.

Item agreed to.

Customs tariff—120. Anchovies, sardines, sprats, pilchard and herring, packed in oil or otherwise, in sealed tin containers, the weight of the tin container to be included in the weight for duty:

(a) When weighing over twenty ounces and not over thirty-six ounces each, per box: British preferential tariff, 3½ cents; intermediate tariff, 5 cents; general tariff, 6 cents.

(b) When weighing over twelve ounces and not over twenty ounces each, per box: British preferential tariff, 2½ cents; intermediate tariff, 4 cents; general tariff, 4½ cents.

(c) When weighing over eight ounces and not over twelve ounces each, per box: British preferential tariff, 2 cents; intermediate tariff, 3 cents; general tariff, 3½ cents.

(d) When weighing eight ounces each or less, per box: British preferential tariff, 1½ cents; intermediate tariff, 2 cents; general tariff, 2½ cents.

[Mr. Bennett.]

Mr. YOUNG: Pilchard and herring were not included in the old item, and I would like to know what rate these commodities carried before in comparison with the present rate reduced to an ad valorem basis.

Mr. BENNETT: These two items are added to validate a departmental ruling. I know my hon. friends will think that these duties are very generous, but there no change has been made in the rates.

Mr. NEILL: Mr. Chairman, at this point I would like to place on Hansard another small matter in connection with herring. I spoke about this matter to the hon. Minister of Fisheries (Mr. Rhodes) and he was kind enough to promise to give it his consideration at the next session. However, I would like it to be on record so that it will not be lost sight of. There is a struggling industry in the west which packs herring in brine, both in kegs and in pails. I might say that the pails are purchased in Quebec and give some local employment. This industry is up against competition from Holland, as the present rates of duties have not been changed since 1906. It appears that the present rate is one-half cent per pound, but salmon, both pickled and salted, carries the rate of one cent per pound, as do other salted or pickled fish. I suggest that it would be only fair and would assist this struggling industry if it had a little encouragement by way of rates of duty to put herring on a parity with other fish. It would enable the men engaged in the herring industry to extend their season very considerably and they would be enabled to meet the competition from Holland, to which I do not suppose there would be much objection.

Mr. RHODES: My hon. friend will realize that in the present tariff revision, in having in mind the purpose for which it is being made, it has been impossible to cover as wide a range of items as would otherwise have been desired. I rise merely for the purpose of confirming my understanding with my hon. friend, and to say that the subject will have consideration and will be brought to the attention of the government prior to the revision of the tariff at the next session.

Mr. NEILL: Thank you.

Mr. YOUNG: I would like a little further information from the minister in regard to the departmental ruling he mentioned. Item 123 reads as follows:

Salmon and all other fish, prepared or preserved, including oysters, n.o.p.: British preferential tariff, 17½ per cent; intermediate tariff, 27½ per cent; general tariff, 30 per cent.

As I understand it, pilchard and herring have been removed from that section and put into the section now under discussion, which section carries a specific duty.

Mr. BENNETT: My hon. friend will notice that item 120 has no provision for commodities n.op., while the section to which he has just referred carries that provision. It became necessary as a matter of administration to provide for these two items.

Item agreed to.

Customs tariff—178. Advertising and printed matter, viz:—

Advertising pamphlets, advertising show cards, illustrated advertising periodicals; price books, catalogues and price lists; advertising almanacs and calendars; patent medicine or other advertising circulars, fly sheets or pamphlets; advertising chromos, chromo-types, oleographs or like work produced by any process other than hand painting or drawing, and having any advertisement or advertising matter printed, lithographed or stamped thereon, or attached thereto, including advertising bills, folders and posters, or other similar artistic work, lithographed, printed or stamped on paper or cardboard for business or advertisement purposes, n.o.p., per pound: British preferential tariff, 10 cents; intermediate tariff, 12½ cents; general tariff, 15 cents.

Provided, that when imported under the general tariff rate, the duty shall be not less than 35 per cent.

Mr. EULER: What is the cause of the reduction in the intermediate tariff from 15 cents to 12½ cents?

Mr. BENNETT: It is the first illustration I have had to-day which enables me to bring to the attention of the committee the far reaching consequences of the French treaty. It is not my intention at this time or during this session to direct further attention to it. Probably I should not put it that strongly; however I must say that by reason of the provisions of the treaty the hands of this parliament are tied in connection with a large number of items. This is one of them.

Mr. EULER: May I ask if we were acting beyond the terms of the treaty in imposing a 15 cent rate under the last budget?

Mr. BENNETT: I regret to say to my hon. friend that that is the case.

Mr. EULER: Violating the treaty?

Mr. BENNETT: Yes.

Mr. EULER: Well, that is news.

Mr. STEWART (Edmonton): I must confess I am not very well informed about this matter. I understand however that publishers of magazines fear that there will be discrimination against them in the purchase of their paper.

Mr. BENNETT: This does not touch magazines at all. I should like to say to the committee however that so far as this administration can do so it purposes in a general tariff revision to try to prevent a certain form of advertising, which constitutes one of the great unconscious influences moulding our national character, from having as full play in Canada in years to come as it has had in the past.

Item agreed to.

Customs tariff—178a. Provided, that on the goods specified in item 178 and imported by mail on and after first day of July, 1914, duties may be paid by customs revenue stamps, under regulations by the minister, at the rates specified in said item, except that on each separate package weighing not more than one ounce the duty shall be each: British preferential tariff, 1 cent; intermediate tariff, 1 cent; general tariff, 1 cent.

Provided, further that on and after 1st day of October, 1930, the duty under this item shall be, each: British preferential tariff, 2 cents; intermediate tariff, 2 cents; general tariff, 2 cents.

Mr. YOUNG: The former rate apparently was one cent, and the present rate is two cents, an increase of 100 per cent. Is that not rather steep?

Mr. BENNETT: The whole effect will be that instead of the matter being mailed from abroad at least we will get the two cents postage. Heretofore the postage went to some other place. By virtue of this tariff change the material will be mailed in Canada rather than outside of Canada.

Item agreed to.

Customs tariff—192. Strawboard, millboard, cardboard and boards manufactured from other vegetable fibre, not pasted nor coated; tarred paper, felt board, sand paper, glass or flint-paper and emery paper, or emery cloth: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—193. Paper sacks or bags of all kinds, printed or not: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Item agreed to.

Customs tariff—197b. Wrapping paper of all kinds, not pasted, coated or embossed: British preferential tariff, 20 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. GARDINER: Now that we have reached manufactured goods, can the Prime Minister give us the guarantee he promised?

Mr. BENNETT: With regard to these items I may say that the paper associations gave an assurance that there would be no increase in the price.

Mr. GARDINER: In what form were the assurances received?

Mr. BENNETT: My memory is that this particular item was in the form of a telegram. If I may be permitted I shall look it up. As we come to further items I shall endeavour to read extracts from the undertakings which I have received so that the committee may have all the information before it.

Item agreed to.

Customs tariff—199b. Paper containers of all kinds, fibre or corrugated, per pound: British preferential tariff, one cent; intermediate tariff, 1¼ cents; general tariff, 1½ cents.

Mr. BENNETT: This item, for purposes of administration, will have to be changed so as to read "Containers of corrugated or laminated fibre board."

Sir GEORGE PERLEY: I move that the wording be changed to read, "Containers of corrugated or laminated fibre board." The amendment involves only a changing of wording.

Item as amended agreed to.

Customs tariff—210. Peroxide of soda; silicate of soda in crystals or in solution; bichromate of soda; nitrate of soda or cubic nitre; sal soda; sulphide of sodium; nitrate of soda; arseniate, binarseniate, chlorate, bisulphite and stannate of soda; prussiate of soda and sulphite of soda: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Mr. BENNETT: There is no change in connection with that item, with the exception that one commodity has been taken out.

Item agreed to.

Customs tariff—210d. Sodium, sulphate of, crude, or salt cake, per pound: British preferential tariff, ½ cent; intermediate tariff, ½ cent; general tariff, ⅝ cent.

Mr. BENNETT: My friends from Saskatchewan will be pleased to know that this item constitutes an effort to develop a great natural resource of that province. Saskatchewan is perhaps as rich in that particular mineral as is any part of Canada; in fact I believe it is richer. Also there is a market for that mineral in Canada. Last year we imported over half a million dollars' worth. It is thought that this item will have the effect of enabling the industry to expand, and it is a matter of interest to know that a telegram has been received stating that a great expansion of the industry is anticipated. Despite what has been said my friends from Saskatchewan will be glad to have another industry added to that of agriculture.

Mr. ELLIOTT: Is this section new? What was the provision before, if any?

[Mr. Bennett.]

Mr. BENNETT: Under the tariff of 1919 it was free.

Mr. DONNELLY: Were we importing our sulphate?

Mr. BENNETT: About half a million dollars' worth.

Mr. DONNELLY: Where did it come from?

Mr. BENNETT: About half of it came from the United States and half from the United Kingdom.

Item agreed to.

Customs tariff—232. Glue, liquid, powdered or sheet, and mucilage, gelatine, casein, adhesive paste and isinglass: British preferential tariff, 17½ per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent, and per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3 cents.

Mr. BENNETT: To clear up a difficulty in connection with this item I will ask my hon. friend to move in amendment the deletion of the words, "gelatine and isinglass," which refer to edible products not made in Canada. Their importation will not add to unemployment. I dare say that hon. gentlemen know that gelatine and isinglass are the base of many products used for making desserts, such as jellies and things of that kind. If my friend will move the amendment I think it might be passed.

Sir GEORGE PERLEY: I will move that item 232 be amended by striking out the words "gelatine and isinglass."

Mr. EULER: I note there is a specific duty added in addition to the ad valorem. Could the minister tell the committee the rate of percentage of the specific duty? It would give us a better idea of the percentage rate on the whole item.

Mr. BENNETT: As my friend very well knows, it would vary with the price.

Mr. EULER: Quite.

Mr. BENNETT: In my judgment it would run all the way from 17½ to 25 per cent.

Mr. EULER: The total would amount to something over 50 per cent.

Mr. BENNETT: In some instances it might.

Mr. MALCOLM: I would like to inform the Prime Minister that it will amount to a great deal more than 50 per cent. My hon. friend from South Perth can verify my state-

ment. Large quantities of glue are coming into this country to be used in woodworking plants. The hon. gentleman is adding 33½ per cent on the specific, with 27 per cent ad valorem, and in that way he is putting a great load on some industries.

Mr. COOTE: How much was imported last year? We should have some idea as to the extent of the trade.

Mr. BENNETT: There is no change in the British preferential or intermediate tariffs, but there is a change in regard to the additional specific duties. The importations of mucilage last year, mostly from the United States, amounted to $169,000. The importations of casein amounting to $63,000 and gelatine $658,000, of which $203,000 came from the United States. No edible gelatine is produced in Canada. The glue imported was valued at $498.000, of which $237,000 worth came from the United Kingdom and the balance from the United States. As regards liquid glue, $51,000 worth came from the United States and the balance from other countries.

Mr. MALCOLM: Does my hon. friend think this increase in duty necessary? What representations have been made to him which indicate the necessity of a 60 per cent duty on glue from the United States?

Mr. BENNETT: Rightly or wrongly—my hon friend will say wrongly—those concerned in the industry convinced me, from the figures they produced, that the industry was threatened with extinction. That is why this is being done. Between now and the general revision we shall have an opportunity to study closely just what the situation is.

Mr. MALCOLM: This is an item which could very well stand over for investigation. I cannot understand why any such duty is necessary. I have no recent knowledge of the item as I have not been closely in touch with the imports for some time, nor am I familiar with the British, United States or Canadian prices of glue, but I know there should be no such variation in the cost of making glue to justify 60 per cent duty. The Prime Minister might well let this matter stand over for investigation.

Mr. COOTE: Is this one of the cases in which the Prime Minister has the assurances of the manufacturers that the price will not be advanced?

Mr. BENNETT: I have verbal assurance given by those who saw me.

Mr. EULER: Verbal assurance may not stick in the case of glue.

Mr. DONNELLY: What is the value placed on glue for duty purposes?

Mr. BENNETT: I am not in a position to answer that question, but my advices are that fourteen cents was the value. Certain qualities of it have gone up to a very high value. I am informed by the commissioner that it runs as high as a dollar and a half.

Mr. MALCOLM: That is in relation to a very small quantity.

Mr. BENNETT: Yes.

Mr. MALCOLM: Is the Prime Minister sure that he is justified in putting this heavy burden on the woodworkers of this country who are very large buyers of glue? Commercial qualities of glue will not run to prices over fourteen cents a pound, and a great deal of it is under that price. We should have some assurance from the Prime Minister that the price will not advance, and that there is a substantial reason for this item.

Mr. BENNETT: I will look further into it, as the hon. member for North Bruce has suggested, and it will stand until after the dinner recess.

Item stands.

Customs tariff—271. Distilled, refined and purified petroleum oils, coal and kerosene, gasoline, engine distillate, naphtha and products of petroleum, n.o.p., lighter than .8235 specific gravity at 60 degrees temperature, per gallon: British preferential tariff, 2 cents; intermediate tariff, 2¼ cents; general tariff, 2½ cents.

Mr. CAMPBELL: Would the Prime Minister give me an answer to the question I asked him this morning with respect to the complaint from Saskatoon that the Imperial Oil Company were charging jobbers the extra two and a half cents?

Mr. SANDERSON: Perhaps this is an opportune time to ask the Prime Minister in regard to the undertakings that he has from some producers. What undertaking has he from the producers of gasoline that the price will not be advanced or otherwise affected?

Mr. BENNETT: This morning I promised the hon. member for Mackenzie that I would state to him what assurances I had received in that regard. I was greatly surprised at the communication which he made to me, and I immediately instituted investigations to ascertain whether or not the statements made to him are warranted. I may say in that regard

that the hon. member for Weyburn yesterday evening made a statement which was published in the press, and I have under my hand six telegrams to which I shall presently refer showing there must be some misunderstanding on his part or on the part of his informant, because the opposite is the fact. There is no increase in price, and there have been two substantial decreases. I need hardly say discussions took place with respect to this item which engaged the attention of successive governments. One of the representatives of the industry presented the case and I made clear what my position was. The words of the assurance are as follows:

> The adoption of these recommended revisions will not result in any increase of price to the retail consumer because of them.
>
> The British American Oil Company, Limited,
> A. L. Ellsworth,
> President.
>
> The Canadian Oil Companies, Limited,
> F. H. Littlefield,
> Vice-President.
>
> Imperial Oil Limited,
> C. O. Stillman,
> President.
>
> McColl Frontenac Oil Company, Limited,
> J. Irwin,
> President.
>
> Toronto, Ontario, September 5, 1930.

Those are the signatures of the presidents and vice-presidents of the four producing companies. I read them to the committee just as I received them, and I have accepted them in good faith. If good faith is not observed, the provisions of section 18 of the act will be enforced.

Mr. RALSTON: May I ask my hon. friend whether the item in the resolution before the house covers gasoline as ordinarily used in passenger cars, motor engines, fishing boats and so on?

Mr. BENNETT: That is my understanding, and I think I am correct in my understanding.

Mr. RALSTON: The item which was in the old tariff and which referred to a specific gravity of .725 was, I understand, very low quality gasoline, that is gasoline which is not ordinarily used in good engines.

Mr. BENNETT: I think it is the other way about. I suppose my hon. friend in the course of his professional career has had occasion to deal with these matters and they are all worked out by specific gravities. This is a Baum gauge by which not only colours but specific gravities are easily ascertained, and prices, of course, are paid on that basis. The old items were:

> 271. Oils, coal and kerosene, distilled, purified or refined petroleum, and products of petroleum, n.o.p., per gallon: British preferential tariff, 1½ cents; intermediate tariff, 2¼ cents; general tariff, 2½ cents.
>
> 272. Gasoline under .725 specific gravity at 60 degrees temperature: British preferential tariff, free; intermediate tariff, free; general tariff, free.

This was, as my hon. friend can readily understand, the highest type of gasoline. As soon as sufficient heat is applied it goes off by evaporation. Therefore 60 degrees is the usual heat at which these tests are made to ensure that the liquid is not dissipated by vaporizing through the application of heat. This paragraph as it now stands provides, as will be observed, for—

> Natural casinghead, compression or absorption gasoline lighter than .6690 specific gravity at 60 degrees temperature, when imported by distillers of petroleum for blending with other gasolines distilled in Canada.

One never should speak of one's expectations unless there is reasonable hope of their being realized, but two very large companies have indicated their intention, under the provisions of this tariff, of constructing refineries in Canada. The immediate effect will be to ensure employment to considerable numbers of people, at least in the city in which I live and in the cities of Halifax, Sarnia, Montreal and Toronto, by the maintenance of these refineries to meet not only present but future requirements through the provision of additional storage accommodation.

Mr. RALSTON: I was trying to find the item in the old tariff which had to do with gasoline now covered by item 271. I take it that the item in the old tariff which is now covered by item 271 is item 272.

Mr. BENNETT: The one I just read.

Mr. RALSTON: In other words, the gasoline which was free under the old tariff is the gasoline now paying 2, 2¼ and 2½ cents under item 271.

Mr. BENNETT: In part.

Mr. RALSTON: I think that is very important. Is there any exception to that? Is it true that practically all the gasoline which has been used for commercial purposes in passenger motor cars and motor boat engines, whether for fishing or otherwise—used in any good engine—has been coming in free under the old item 272? Is it true that that gasoline now will pay a duty of 2, 2¼ and 2½ cents?

Mr. BENNETT: The answer to that would be both yes and no. Some gasoline that came in on test and did not meet the requirements, immediately became dutiable; that is, in not meeting the test imposed by the old item 272, it became dutiable. But in a broad and gen-

eral way my hon. friend from Shelburne-Yarmouth is correct; that is, that gasoline, using the word in the broad, generic sense, as covered by this item was previously covered by item 272. That is the reason, I may say to the committee, why I sought and obtained an undertaking against an increase in price to the consumer. I say that very frankly to the committee. I realized that at least one of the companies, the largest, I may say, was reluctant to give that undertaking. But it is there, and I purpose that there shall be no question as to its being lived up to. They say: The adoption of these amended revisions will not result in any increase of prices to the consumer because of them. That is signed by what represents at least a billion of invested capital in Canada.

Mr. RALSTON: Does my hon. friend suggest that he, as counsel for a corporation or any client, would accept a contract of that kind as binding and expect to be able to enforce it to the extent of preventing the price being affected by this increase in duty? Surely as an eminent counsel he would not suggest for a moment that that is a contract that is enforcible.

Mr. BENNETT: I accept that in good faith, and I propose to act upon it as being given in good faith. I have no intention of resorting to courts of law, but if that undertaking is violated in letter or spirit, this item disappears.

Mr. RALSTON: That is my point. My hon. friend has not met quite frankly or fully the objection which has been repeatedly raised that it is not enough to have an undertaking which provides only against an increase in price consequent on the tariff revision. You have to go further than that and have an undertaking, and an effective undertaking, against the price being affected, because there may be a falling market and prices may come down. The gentleman who signs that undertaking and represents one billion dollars of invested capital can quite properly say, "You asked me to put in writing what I would do. I have done so, and you have accepted it. You have had a large legal experience and you know that you cannot come back and say that because the market has fallen, therefore I must reduce my price, when all I agreed to do was not to increase it." I think that would be a position that he could properly take with my hon. friend. Further than that, my hon. friend is faced with the situation that he has to find, or whoever is to put this undertaking into force must find, that there is no increase of price "because" of this tariff increase. Whoever wrote that undertaking has been very careful to put in twice, "because of these tariff increases." He says: This increase in tariff is not to "result" in an increase in the price of gasoline. Then he tags on at the end, that there will be no increase in price "because" of them, meaning because of these tariff revisions.

Mr. BENNETT: No increase to the retail consumer.

Mr. RALSTON: The word "result" would have been quite enough. The first statement is that this tariff increase would not result in an increase in price. But no, the gentleman who wrote that was exceedingly careful and said, "I will tag something on to the end to make it definitely necessary to be shown that the increase in price was the result of an increase in duty and "because" of it. If the government is not able to show that the increased price is a result of an increase in the tariff it is not going to be able to enforce the undertaking. I submit that my hon. friend will find difficulty in accepting undertakings from people which he has asked them to put in writing and then construing them as he will. We in this parliament have only the undertakings as they have been read, and I submit that it is poor security to the consumers to have an undertaking of that kind. It is like telling a man that he can commit some depredation and saying "We will give you a licence to do this provided you promise not to do it." I do not think that that is quite the way that legislation ought to be put on the statute books. Either this increased duty is to be given straight away for what may result from it, or my hon. friend should put in the statute something that will be absolutely effective.

Section 18, as has been suggested, is simply eyewash. I deprecate the time taken to discuss it this morning. I do not believe that it has or will have any effect worth while at all. We are simply discussing idle words. I do not think that those three lines are worth the ink it took to put them in the bill. They are there simply to delude the public into thinking that this government has discovered a brand-new way in which protection can be made effective in this country. All the disputes over the doctrines of Henry George and Adam Smith go by the board, because now the government has found a solution. All you have to do is to take an undertaking from the gentleman who is protected that he will not use that protection to increase the price of the article in which

he is interested, and then there can be no objection to it. For hundreds of years there have been arguments about protection and free trade, and we have just discovered now the way in which protection can be made innocuous—by somebody writing a few lines and saying: I will not increase the price because of this duty.

Mr. BAKER: Clause 18 gives power to enforce the undertaking.

Mr. RALSTON: I am afraid that my hon. friend was not listening to me. I was endeavouring to point out that section 18 is pure eyewash and does not amount to anything. I think the consumers of this country will find out before very long that it does not amount to anything. My hon. friend the Prime Minister may be absolutely bona fide in endeavouring to enforce this thing, but to use the expression used by somebody else the other night, he is carving out for himself a good deal of grief when he proposes to hold investigations into all these industries and find out whether prices have been increased "because of" or as a "result of" or "in consequence of" the increased duties. I say to my hon. friend that he has no machinery to do it, and it does not do us much good to bring these telegrams and say the price has not been increased up to date. I do not suppose it will be increased at least until this session is over. It may be a month before it is increased, and perhaps it may not be increased at all. But it might be that it should be reduced. We do not need to be told that the commercial men of the country are honest; they are as honest as anybody else. But they are as good business men as other people and they will feel that they have a right to take advantage of the situation and to charge what they think is reasonable, though others may regard their charge as unreasonable.

Mr. EULER: This is one of the items I had in mind yesterday or the day before when I said it was difficult to apprehend the significance of some of these matters; and this one is particularly difficult from a technical point of view—the various kinds of gasoline I am not familiar with. But it has been made clear by the Minister of Finance that whereas in the past certain higher grades were allowed to come in free, in part at least, a duty will now be levied on that class. Probably in common with many other members, I have received a good many telegrams from those interested in the importation of gasoline, and the request they make is that consideration be given their representations before this is finally passed. I would ask the minister whether he has had any requests.

Mr. BENNETT: Yes; I had an opportunity of meeting a delegation representing very large companies, one of them being, I fancy at least the third if not the second in the world. They are importing their gasoline into Canada, purifying it, manufacturing it, if I might use that word, in the United States. They have their business all over the world. I made it abundantly clear that we preferred a refinery in Canada to one in Oklahoma and they intimated their intention to avail themselves of the opportunity of constructing a refinery in this country; and I believe they will probably do so. But they would not do so if this item were not there.

Mr. EULER: Did no smaller dealers make representations?

Mr. BENNETT: The smaller dealers purchase gasoline in some instances from the large producers in Canada, but in a general way they purchase it in the United States bringing it into this country by water in tank steamers or, in the winter, in tank cars. They are however usually branches of some parent company abroad. And many of the service stations you see in this country—I do not think it would be fair to mention names, but perhaps the hon. gentleman knows them—have their supplies sent in from parent rafineries in the midwest and the Atlantic seaboard fields. Some of them, as I say, come by water in tank steamers, going through the canals in the summer time.

Mr. EULER: I am well aware that many of the gasoline stations are the property of large oil companies. But I know that there are a good many small men who own service stations in which they have what is for them a considerable investment. I am curious to know whether the Prime Minister can tell me this. When their supplies from the United States are practically cut off through the tariff, can they purchase at fair prices gasoline from the larger companies in Canada who are themselves in competition with them through their ownership of service stations, or will these small dealers be wiped out?

Mr. BENNETT: I have made no inquiries recently, but I had a rather close working knowledge of this industry years ago, and my information at that time would induce me to say that they may purchase their supplies from—

Mr. EULER: From those with whom they are in competition.

Mr. BENNETT: Yes, and that they have had a substantial margin between that class of customer and their own retail business. That was my information two or three years ago.

Mr. EULER: Have any representations come from the smaller independent dealers?

Mr. BENNETT: I think three telegrams were received, but nothing beyond telegrams, and they all feared a rise in price, not knowing of this undertaking, for what it may be worth. But I should like to add this word to my doubting friend from Shelburne-Yarmouth (Mr. Ralston). Where you have an undertaking such as that given in good faith, and you have in a statute a section enabling you to exercise a power in the event of that undertaking not being kept, I certainly would not, as a public official and minister, for a moment stand on any finely drawn legal document, but on the broad basis of an understanding given in good faith. And if that undertaking is not observed the power of the section will be invoked.

Mr. RALSTON: My hon. friend is passing a statute namely, section 18 which we are discussing. He can call it a finely drawn legal document or anything else he likes. But it is supposed to be English and the words are supposed to mean what they say; and I say that in that section there has been left out, whether designedly or not I do not know—although in view of the fact that the matter has been so urgently insisted upon to no purpose, I fear designedly—reference to the obvious circumstance that while prices might not be actually increased there might be a falling market and prices might be maintained by reason of the tariff. My hon. friend can talk about finely drawn legal documents as much as he likes; but a statute is supposed to be construed by the usual rules of legal interpretation, which would lead one to think that so long as the government could find that a producer was not actually increasing prices in consequence of the duty he would not be liable to the penalties of the statute and therefore the tariff privilege would not be withdrawn from him. There is another point which no doubt my hon. friend apprehended long ago when he gave instructions for drafting the statute, and it is this. It is difficult to penalize all industries, by withdrawing the privilege of protection from them, simply because of the dereliction of one industry. There may be two companies using the same raw materials which may be the subject of this act. One of these industries may be observing the spirit of section 18 while the other ignores it. That situation will arise more than once, and the finest drawn legal document will not enable the minister to deal with it. He will be faced with the situation he described four months ago, when there was talk of tacking on the labour part of the treaty of Versailles to a tariff item, and he came to the conclusion that it would be impractical and impossible to do it without dealing with the whole situation.

Mr. HEPBURN: There is a duty of 1 cent a gallon on gasoline coming into Canada. The Imperial Company and other Canadian concerns do now take advantage of the one cent duty. Is it reasonable to suppose that they will not take advantage of 2½ cents? They are doing it at the moment; they are taking advantage of the tariff and adding it to the price of the product they sell.

Mr. BROWN: In the past, though not recently, I have been in contact with certain farmer cooperative companies which imported gasoline direct from the United States. Surely it cannot be contended that if this business is to be carried on as it has been in the past, they will not be affected by this change in the tariff.

Mr. HANSON: Buy it in Canada.

Mr. BROWN: Yes, but we contend that we have a right to buy this gasoline where we please. I am talking now on the point of protecting the consumer against the increase that is made possible by this tariff, if the hon. member for York-Sunbury will keep his mind on that point. We are assured that there will be no increase in the price of gasoline because of this tariff. As I have pointed out already, I have been in touch with farmer cooperative companies which imported gasoline direct from American companies. Who can say that they will not be affected by this change in the tariff?

Mr. HEPBURN: I want to ask the Prime Minister again if he is aware of the fact that at the moment the Imperial Oil is taking advantage of the one cent tariff now in effect and adding it to the price of the product they sell, thereby using it as a means of taking an excess profit out of the Canadian people. Am I right or am I wrong?

Mr. BENNETT: I have no information on that point and therefore I cannot answer that question, but I can say that every student of affairs in this country however slight his knowledge of business, will realize that with a market of 120,000,000 people and with the present competition which exists in the oil business in the United States, the quantities of distressed gasoline that have accumulated have

been enormous. I saw the case of one bank that had advanced money in Kansas on the contents of a tank farm containing hundreds of millions of dollars of the product. Owing to certain conditions it became essential to sell that product, and it was sold at a very low price. Also, most of the members of this house probably saw the other day the offer made by a non-American company to sell gasoline at six cents.

The fact is that we have induced industry in this country to invest over $1,000,000,000 from Halifax to Vancouver in the oil business. The American concerns have their own market and the surplus comes here, where the cost of production necessarily must be higher having regard to the fact that at the moment we have no raw material to speak of. I suppose it is known to every hon. gentlemen what efforts have been made to discover oil in Canada. When I was interested in business affairs I had something to do with the direction of between $4,000,000 and $5,000,000 in trying to find oil, and later on that amount increased to $7,000,000, but as yet there have been no discoveries of any pools of crude oil on a commercial basis in Canada, except the pools within the Arctic circle. At Fort Norman there is a substantial pool but its extent cannot be stated.

Mr. EULER: How about Turner valley?

Mr. BENNETT: That is not a crude oil field in that sense; it is crude naphtha. I suppose this is the proper time to say that British interests are now about to spend several million dollars in the province of Alberta in order to continue their efforts to discover crude oil. I am advised that three of the companies I have named are spending increasing sums of money in a similar effort. The moment we discover crude oil the whole situation changes, but at the present moment the crude oil which comes into Halifax is from Venezuela and Colombia. As many hon. members know, part of the supply at Sarnia comes through a pipe line, and a great deal comes to Montreal in tank cars from Peru.

That is the answer to the question of my hon. friend. We have no crude oil in Canada at the moment in commercial quantities. The question asked by my hon. friend from Shelburne-Yarmouth was answered this morning by the right hon. leader of the opposition, and I commend to my hon. friend the reading of what was then said. The right hon. gentleman asked if I did not agree that if a condition arose by which prices outside of Canada greatly decreased while prices in Canada remained steady and showed no diminishing, while the tariff was still there, would it not be said that the free play of the forces to which the right hon. gentleman referred had been suspended by reason of this tariff legislation and that therefore the price had been increased in consequence. My answer was that I thought he was correct, and I still think so. The hon. gentleman will find the answer to his question in the observations of his leader this morning.

Mr. RALSTON: I listened intently and found great difficulty in understanding that answer.

Mr. CAMPBELL: I am not sure that I heard what the Prime Minister said in reply to the complaint I received from Saskatoon. I assume that the government will take action in this matter if the information is correct. May I have that assurance?

Mr. BENNETT: Surely.

Mr. RALSTON: I want to ask my hon. friend if he will consider doing what has been done by the legislature of Nova Scotia. I cannot introduce any amendment myself, but my hon. friend the Minister of Fisheries is familiar with the provision in that province whereby a rebate is allowed on the gasoline used by the fishermen. I want to ask my hon. friend the Prime Minister whether he will consider an amendment, which I urge upon him, providing that there shall be a rebate of this duty on gasoline used by fishermen in connection with their regular vocation.

Mr. BENNETT: That is a question which I could not answer offhand, without investigation.

Mr. RALSTON: This is the time I would have to ask my hon. friend for an answer Would he let the item stand and consider that matter?

Mr. BENNETT: That would not change the section. I have seen nothing in the statute, so far as I know, that provides for such a drawback.

Mr. RALSTON: Of course there are drawback items all through the tariff.

Mr. BENNETT: Yes, but I have seen nothing in the statute which provides for a drawback on gasoline.

Mr. RALSTON: My hon. friend misunderstood me; I was speaking of the provision in Nova Scotia which expressly provides that there shall be a rebate—or perhaps the tax is

not imposed—in connection with gasoline used by fishermen. I am not sure of the form of the statute.

Mr. CAHAN: That is a purely provincial tax.

Mr. RALSTON: I quite understand, but I am asking if the same principle might not be adopted in connection with this legislation which also imposes a tax on that same product.

Mr. CAHAN: The taxes are entirely different.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN: When the committee rose we were considering item 271.

Mr. RALSTON: Mr. Chairman, I was asking the Prime Minister if he would consider giving a rebate in connection with gasoline used in the fisheries. I have not the power to move an amendment, but might I suggest to him that what I propose is not without precedent, because provisions have been inserted in the tariff schedule in order to allow rebates on commodities used by certain primary industries. Item 440k reads as follows:

> Engines and complete parts thereof, to be used exclusively in the propulsion of boats or in hoisting nets and lines used in such boats bona fide owned by individual fishermen for their own use in the fisheries, under regulations proscribed by the minister.

My suggestion is that there be added to item 271 the following words:

> —except gasoline used for engines specified in tariff item 440k.

That would except the gasoline used for the very engines specially provided for in a special tariff item.

As to providing for a rebate instead of making a special tariff item, I would refer my hon. friend to item 1032 in the present tariff schedule, which provides a drawback in the case of oil when used in the manufacture of manila rope, not exceeding 1½ inches in circumference, when used exclusively in the fisheries. My hon. friend can provide for the particular class to whom I refer, either by way of a rebate or by the much simpler method of making an exception.

In speaking of the possibility of establishing new industries my hon. friend must remember, and I know he does although it is not mentioned perhaps as often as it might be, that there are those who are not in the centres where such industries are established; they are in the outlying districts and they are the real customers without whom these industries could not exist. He must remember that they must be afforded an opportunity to carry on their vocation with some degree of profit before there can be prosperity in the industries he mentions. These fishermen who are referred to in the tariff items to which I have referred are entitled to the rebate or exception which I propose.

Mr. NEILL: Mr. Chairman, before the Prime Minister answers, as I hope he will, I would like to point out that there is a further precedent to those cited by my hon. friend. Fifteen years ago British Columbia imposed a provincial gasoline tax of three cents a gallon, and the gasoline used by fishermen in the pursuit of their calling was exempted. Some years ago that tax was raised to five cents and the exemption was still preserved. The man who sells the gasoline simply makes out an affidavit that it is to be used for the purposes indicated, and he obtains a rebate. I understand that something similar is done in Nova Scotia, but I know that that has been the custom in British Columbia for the past fifteen years. Gasoline is very essential to this industry and these men should receive the benefit to which they are entitled.

Mr. BENNETT: I am quite sure that both hon. gentlemen realize that as there is to be no increase in the price there is no object in what they suggest, and further that it would be out of the question to attempt to trace the gasoline to the ultimate consumer. Supposing these men used imported gasoline rather than the Canadian product, the tax would be paid not by them but by the dealer from whom they purchased, and to trace it would be as a matter of administration quite impossible.

Mr. RHODES: I did not hear the earlier observations of my hon. friend from Shelburne-Yarmouth (Mr. Ralston) but I understand that he raised a question as to the impost levied by the province of Nova Scotia upon gasoline. My recollection is that the practice has been to remit the gasoline tax in the case of fishermen. There has been some question whether or not that procedure was regular in view of an existing statute, but I had a conference with the premier of the province and with the Minister of Highways and I feel quite confident in saying that although at the moment there may or may not be a question whether that tax can be removed, the law will be made very clear upon that point at the next session of the

provincial legislature. At that time it will be made plain that the fishermen are to be exempt from any provincial impost on gasoline. That being so, and in view of the fact that the Prime Minister has stated that there will be no general increase in the price of gasoline, it does seem to me that the fishermen will be absolutely protected.

Mr. RALSTON: Mr. Chairman, I think the hon. minister's memory is at fault; the statute in Nova Scotia expressly provides that there shall be a rebate to every purchaser who is a farmer or fisherman. I was citing that as a precedent to show that it had been done in other jurisdictions. The Prime Minister mentioned the difficulty of tracing the ultimate use of the gasoline to the fishermen, but it is being done in the case of other commodities and I do not see why the same method could not be adopted in this instance. Under section 1020 a drawback is allowed on galvanized wire netting when used in traps for the fisheries. In this instance the wire has to be traced in order to find out whether or not it is being used in traps. My hon. friend will remember also that a rebate is allowed on steel used in the manufacture of agricultural implements, and in that instance the steel has to be traced. I have pointed out the rebate allowed on oil when used in the manufacture of manila rope used by the fisheries. That is about as attenuated a situation as you could find, and yet the Department of National Revenue undertakes to follow this oil to its ultimate destination and allow a rebate on all oil which is shown to have been used for the particular purpose of the fisheries. A rebate is allowed also on boxes for use as covers for salt. Further than that the materials which go into boxes which are used for the purpose of covering have a rebate under section 1041. So that the matter of administration has long since been provided by the Department of National Revenue in cases which are more serious than this one. In Nova Scotia at the present time there is a provision that a rebate shall be made, and I do not see why it could not be done in connection with the enforcement of this item either by way of rebate or better still by way of providing an exemption for the oil used in engines specified in section 440k.

I have already dealt with the other point and do not know that I need to go any further in the matter of the increase in price. I want to take the remarks of my hon. friend as seriously as I can; I want to take the assurances at their face value, but it seems to me that it will appear to this country that the government is in the same position as the lady who allowed her daughter to go out to swim but cautioned her not to go near the water. The government provides for an increase in duty and in the next breath it says, "You cannot increase the price or cannot affect the price." It seems to me hon. members on this side of the house cannot be blamed for being a little skeptical as to the result of that sort of legislation. If there is to be no increase in the price I would say that would be an additional reason why the rebate could easily be provided because as my hon. friend will realize we are asking only for a rebate of duty when it is actually collected.

Mr. ERNST: I wish to ask the hon. gentleman one question: Is there any greater need for the rebate under existing legislation than there was last year when the hon. gentleman was in the government?

Mr. RALSTON: There was no tax last year.

Mr. ERNST: I beg your pardon?

Mr. RALSTON: There was no duty last year; my hon. friend should know that if he knows anything about the matter.

Mr. NEILL: As far as tracing the gasoline used by fishermen is concerned, I think the matter is very simple. It was known to the fishermen in British Columbia that they were exempt from taxation, which precluded any suggestion of graft, but it was left to the retailer to ask for a rebate. Theoretically our fishermen when buying oil filled out forms and made affidavits. In actual practise however the retailers each quarter were allowed to make one affidavit covering the amount sold. I was connected with a business which sold a considerable quantity of gas, and once each quarter we filled out a simple form and made an affidavit that a certain number of barrels had been sold to the fishermen. In time we received the rebate. This was a very simple procedure and did not involve any expenditure or any procedure of a difficult character.

While I am on my feet, and as I gathered the Prime Minister is not disposed to deal with the matter of rebate to fishermen, I would like to ask if he has considered increasing the duty on fuel oil so as to benefit the coal industry in the west. The coal industry in British Columbia is in a very bad condition, and that condition primarily is due to the increased use of fuel oil. It would certainly create a good deal of work if something could be done in this matter, and if some encouragement could be given to the

coal industry. Even if such action did not rehabilitate the industry at least it would check its further decadence. An increase in the duty on fuel oil would certainly have that effect. It is universally admitted that fuel oil is at the root of the trouble in the industry. I would like an answer in connection with this matter if the hon. gentleman could give it.

Mr. BENNETT: The present duty on fuel oil is half a cent a gallon. With respect to some qualities the duty is one and one-half cents. It is not intended to raise the duty at the moment.

Mr. HEPBURN: In looking through the trade records of the country I find that last year we imported into Canada approximately 170,000,000 gallons of gasoline. Now it is proposed to tax gasoline at the rate of 2½ cents per gallon without increasing the price to the consumer. If importers are to pay a tax of 2½ cents a gallon and are able to absorb this amount themselves I come to the conclusion that they have been charging in the past 2½ cents more than gasoline was worth. As I pointed out before, there is no doubt that the Imperial Oil Company has been taking advantage of the one cent protective tariff and has added that amount to the selling of the gasoline. There is nobody better able than the Prime Minister to speak on this subject because I find in the Phelans Corporation records he has been in the past and may now be—the president of the Royalite Gasoline Company of the west a subsidiary of the Imperial Oil Company. In view of the fact that the hon. gentleman has not given a satisfactory answer to the question asked I will move, seconded by Mr. Young:

That item 271 be amended by striking out the figures 2½ cents in the general tariff and substituting therefor the words one cent per gallon.

Mr. BENNETT: Having had some experience in reading the contents of at least one newspaper in Canada as to observations made by the hon. gentleman I may be permitted to say I am not a director and I am not the president of the Royalite Oil Company.

Mr. HEPBURN: I said you "were" president.

Mr. BENNETT: That is correct. The hon. gentleman also said I might still be president, although he now states that he said I was president. The remarks of the hon. gentleman would serve as an illustration to show the reason why one of the Canadian newspapers made a certain reference.

Mr. HEPBURN: I wish to point out to the Prime Minister that the record I have before me is dated April, 1930. I suggest that the hon. gentleman have the statement corrected if it is not correct.

Mr. COOTE: If there is one commodity in general use throughout Canada the price of which should be low, it is gasoline. This applies particularly to western Canada where so many of our farms are operated with power machinery. Most of the tractors use gasoline. One of the greatest handicaps faced by our farmers is the high price of gasoline. Ordinary laymen like myself find it impossible to understand why gasoline should be priced so high in this country, and I certainly regret that there is a possibility of an increase in its price. I would like to ask the Prime Minister whether at the present time the refineries operating in Canada have sufficient capacity to supply the Canadian market. If not, shall we not have to pay this increased price in gasoline for a considerable time until the output of the refineries can take care of the demand of the Canadian market?

Mr. BENNETT: I am advised that the refineries are able to meet 50 per cent more than the present demand.

Mr. YOUNG: What about the other 50 per cent?

Mr. COOTE: Yes, what about it?

Mr. BENNETT: I said more than 50 per cent. That is, their capacity is 50 per cent greater than the present requirements.

Mr. COOTE: The next question I wish to bring to the attention of the Prime Minister is in connection with the independent service stations throughout Canada who have been securing their supply of gasoline from the United States. In many points they are operating in competition with service stations owned by the four large companies which he named which have refineries in Canada. Have we any assurance that they will be able to buy their gasoline from these Canadian companies at usual price—

The CHAIRMAN: Order. I am afraid that the amendment moved by the hon. member for West Elgin (Mr. Hepburn) cannot be moved in committee of ways and means. It can be moved before the house or in committee on the bill. In committee of ways and means no amendment can be made which will change the revenue of the government. I refer to paragraph 552 of the

Parliamentary Rules and Forms. Therefore in my opinion this amendment is at the present stage out of order.

Mr. STEWART (Edmonton): I call to your attention, Mr. Chairman, the fact that the government claim they are not going to collect the money.

Mr. BROWN: This whole proceeding is a farce. This is the committee of ways and means in which the revenue is to be raised; yet revenue is the last thing in the minds of the government.

Mr. MACKENZIE KING: The Prime Minister has said over and over again that the tariff is not a tax; he has said that this is not revenue and that this is not a tax. That being the case I submit that the ruling of the chairman would not apply.

The CHAIRMAN: I am quite sure the remarks of the hon. leader of the opposition are correct, but in the opinion of the chair the amendment affects the revenue.

Mr. MACKENZIE KING: I agree with the chair, but I do not agree with the Prime Minister.

Mr. ELLIOTT: Mr. Chairman, are you referring to section 556?

Mr. CAHAN: Section 552.

Mr. ELLIOTT: The second portion of section 556, while I admit that it is a little involved, seems to me to be calculated to cover just this case. It reads:

> So long as an existing tax is not increased, any modification of the proposed reduction may be introduced in the committee on the bill, and is regarded as a question, not for increasing the charge upon the people but for determining to what extent such charge shall be reduced.

I submit the interpretation of the whole of that section is that in committee one can move for a reduction.

Mr. CAHAN: In committee on the bill.

Mr. RHODES: The very crux of the section my hon. friend has just read refers to the committee on the bill. At the moment we are not in committee on the bill; we are in committee of ways and means, discussing the resolution.

The CHAIRMAN: That is my ruling.

Mr. COOTE: Mr. Chairman, if you have disposed of the point of order, there is one other point I would like to mention. We have sometimes been told that cooperative trading associations have not been able to buy gasoline from certain Canadian refineries and have had to import their supplies. This might be a good time for the Prime Minister to get some assurance from those companies that they will sell just as freely and at the same price to local cooperative trading associations as they do to the local stations with which those cooperative companies have to compete. The general price of gasoline should also be thoroughly investigated. One thing that is handicapping our farmers at the present time is the price of fuel for their tractors. On account of the situation now facing the farmers, every effort should be made to see that gasoline is furnished to them at prices just as low as it is possible to produce it in Canada.

Item agreed to.

Customs tariff—272. Natural casinghead, compression or absorption gasoline, lighter than ·6690 specific gravity at 60 degrees temperature, when imported by distillers of petroleum for blending with other gasolines distilled in Canada: British preferential tariff, free; intermediate tariff, free; general tariff, free.

Item agreed to.

Customs tariff—286. Earthenware and stoneware, viz: demi-johns, churns or crocks: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. MACKENZIE KING: Will the Prime Minister give us what assurance he has as to the prices not being affected as a result of this change, and by whom they have been given?

Mr. BENNETT: One of these items, as perhaps the leader of the opposition will recall, was under discussion in connection with one of the western industries. I do not recall that any undertaking was sought, the production being but small and the change in duty being 5 per cent on the general tariff, 2½ per cent on the intermediate, and 5 per cent on the British preference. In the next item, No. 288, there is an increase of 5 per cent in the general, 2½ per cent in the intermediate and 5 per cent in the British preference, the imports not being heavy with respect to brown ware but with respect to coloured ware being nearly $500,000. It was thought desirable to protect the industry in that way. I think I have among my papers a memorandum which I shall presently read, with respect to item 288, but there is nothing in respect to item 286.

Item agreed to.

Customs tariff—288. Earthenware and stoneware, brown or coloured and Rockingham ware; "C.C." or cream-coloured ware, decorated, printed or sponged; and all earthenware,

n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Mr. MACKENZIE KING: These particular commodities enter largely into what may properly be described as the necessities of humble households. I understand my hon. friend to say that he has no assurances at all as to the duties not being permitted to affect the prices in regard to the first of these, that is, item 286, and in regard to the second, item 288, he is looking for something.

Mr. BENNETT: None for the first. It is a small matter. My memory is that there was for the second, and I looked for it at six o'clock, but so far I have not been able to find it.

Item agreed to.

Customs tariff—296b. Magnesite, caustic, calcined, or plastic magnesia: British preferential tariff, 20 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Mr. BENNETT: This item represents something of which the country has reason to be proud. The research bureau carried on certain investigations, and as a result of their experiments and investigations this industry promises to be of considerable importance to the country. It is located in the province of Quebec, largely in the county of Argenteuil. This duty is considered necessary in order to give them an opportunity to become properly established.

Mr. HEAPS: Has the Prime Minister the amount of the imports?

Mr. BENNETT: The imports are not traceable. The duty is 25 per cent.

Mr. RALSTON: How many will be employed in the magnesite industry?

Mr. BENNETT: I am not able to say, because as I indicated a moment ago, this industry is in its infancy, but it promises to become a substantial industry employing at least more than 100 people. I am unable to give definite information. This industry is largely due to the efforts of the research bureau and the great promise of success that attended their efforts.

Item agreed to.

Customs tariff—296c. Magnesite, dead burned or sintered: British preferential tariff, 20 per cent; intermediate tariff, 25 per cent; general tariff, 25 per cent.

Item agreed to.

Customs tariff—318. Common and colourless window glass:

(a) in sheets not exceeding 80 square inches in area, per pound: British preferential tariff, 1¼ cents; intermediate tariff, 1¾ cents; general tariff, 1¾ cents.

(b) in sheets exceeding 80 square inches but not exceeding 120 square inches in area, per pound: British preferential tariff, 2¼ cents; intermediate tariff, 3 cents; general tariff, 3 cents.

(c) in sheets exceeding 120 square inches in area, per pound: British preferential tariff, 3½ cents; intermediate tariff, 4½ cents; general tariff, 4½ cents.

Mr. ELLIOTT: Might I ask the Prime Minister what undertakings he has from the manufacturers that this will not increase the price of common and colourless window glass?

Mr. BENNETT: This industry to which particular reference is now being made is located in the city of Hamilton. Most hon. gentlemen who have visited that community will have seen the factory closed down during the last two or three years. It was closed down by reason of the free entry into Canada of Belgian glass. Not long since I was passing by that factory and pressed that something should be done. On the 30th day of August, Mr. John W. Hobbs of the Canadian Libbey-Owens Sheet Glass Company, Limited, signed an undertaking which I shall read. The duties which the departmental officials, after we had gone into the matter, thought might be sufficient once more to ensure this plant resuming operations and employing, as it once did, some 300 hands, were indicated, and the following appears in the communication dated August 30:

> If our application is granted, we would immediately take steps to bring the works into operation, and also as soon as the demand in the three prairie provinces would absorb the output of one unit, we purpose to erect such a western plant, utilizing Alberta waste gas.
>
> The duties above proposed are the minimum duties under which we could hope to operate and meet the competition of "The Mutualitie."

That is the name of the Belgian firm.

> When established, and when we secure the major portion of the market, as we believe we would, our production costs would be lowered, and the lowering of production costs we guarantee to pass on to the consumer, and in order that the government may at all times be aware as to how we are implementing this pledge, we will welcome investigation of the company's affairs by government auditors, anticipate a reduction in duties if undue profit is at any time shown. Under the proposed duties we would not anticipate any profit in our early operations, but we expect that when our operations become settled and we have secured the goodwill of our customers, we will be able to properly serve the consumers and at the same time secure a legitimate return on our investment.
>
> (Signed) John W. Hobbs,
> Canadian Libbey-Owens Sheet Glass Company, Limited.

Mr. VENIOT: What duties does he suggest?

Mr. BENNETT: The duty was suggested after the discussion we had, namely, 1½ cents a pound for glass in sheets not exceeding 80

square inches in area; 2¾ cents a pound for sheets exceeding 80 square inches and up to 120 square inches; and 4 cents a pound for sheets exceeding 120 square inches. The question as to the rate of duty becomes unimportant if the price is not to be increased because the essential thing is the resumption of the activities of the company at that plant. Secondly, there is to be no increased price. That is the undertaking of the gentleman who signed that document. The company which he represents is possessed of ample resources and his reputation as a business man is so well known as to leave no doubt of his implementing his promise.

Mr. STEWART (Edmonton): Does my hon. friend mean that the present price of glass in Canada will not be affected? I understand the plant has not been operating.

Mr. BENNETT: I read again:

If our application is granted, we would immediately take steps to bring the works into operation and also as soon as the demand in the three prairie provinces would absorb the output of one unit we purpose to erect such a western plant, utilizing Alberta waste gas.

The duties above proposed are the minimum duties under which we could hope to operate and meet the competition of "The Mutualitie." When established and when we secure the major portion of the market, as we believe we would, our production costs would be lowered, and the lowering of production costs we guarantee to pass on to the consumer, and in order that the government may at all times be aware as to how we are implementing this pledge, we will welcome investigation of the company's affairs by government auditors, anticipating a reduction in duties if undue profit is at any time shown. Under the proposed duties, we would not anticipate any profit in our early operations, but we expect that when our operations become settled, and we have secured the goodwill of our customers, we will be able to properly serve the consumers, and at the same time secure a legitimate return on our investment.

(Signed) John W. Hobbs.

Mr. ELLIOTT: May I ask my hon. friend what are the duties proposed by the gentleman to whom he referred?

Mr. BENNETT: They are in the schedule.

Mr. ELLIOTT: I know the gentleman in question, and something of his concern, and I know that he is a reputable gentleman. I was not able to catch the duties which he proposed.

Mr. BENNETT: The duties that are in the schedule.

Mr. ELLIOTT: The duties that are in the schedule now?

Mr. BENNETT: Yes.

[Mr. Bennett.]

Mr. YOUNG: The Prime Minister read four cents for one size of glass and the duty in the schedule is 4½ cents.

Mr. ELLIOTT: I did not understand the Prime Minister to refer to any duty as high as 4½ cents.

Mr. BENNETT: No, 4 cents.

Mr. ELLIOTT: The Prime Minister will notice that in the schedule it is 4½ cents.

Mr. BENNETT: That was changed to 4½ cents after subsequent discussions.

Mr. ELLIOTT: So that it is now higher than was asked by the gentleman who made the request?

Mr. BENNETT: Higher than was mentioned in their letter, but not higher than they thought in the end would be required. Perhaps the committee is aware of the circumstances under which that plant was closed. It was closed by Belgian competition, and the price of glass after it was closed became much higher than it had been.

Mr. BROWN: I understand that this plant is not operating now. How long will it take them to get into operation?

Mr. BENNETT: I should think within a very short time. They are now working to that end.

Mr. BROWN: But these duties go into effect immediately.

Mr. BELL (Hamilton): This plant is in my constituency and I know the conditions in regard to this particular industry. I have investigated it with extreme care and am in a position to assure the committee positively that in ten days from this time there will be from 100 to 150 men working in that plant, and in a very short time thereafter upwards of 500 men.

Mr. YOUNG: I understand that when this company's business was under investigation before the tariff board, it was brought out that the plant is obsolete. I would ask the Prime Minister if part of the advantage to be derived from these duties will be used to modernize the plant so that glass can be made there profitably. Where does this company propose to get its sand?

Mr. BELL (Hamilton): They have plenty of sand right there.

Mr. YOUNG: Not for making glass. Do they not bring in the sand from Belgium?

Mr. BELL (Hamilton): No.

Mr. BROWN: Will the company be in a position to supply the needs of Canada for glass within the ten days?

Mr. BELL (Hamilton): I have given the number of men which it proposes to employ shortly. Of course it could not supply the entire needs of Canada with 150 men when it expects to be employing 500 men later.

Mr. BROWN: I understand that this company will not be able to supply the needs of Canada for glass within ten days. In the meantime, then, until this company is able to supply our needs, we shall have to pay the duty on glass from Belgium.

Mr. BELL (Hamilton): For about three weeks you might.

Mr. YOUNG: Glass under this item is divided into three sizes, (a), (b) and (c). The duty on sheets not exceeding 80 square inches is 1¾ cents per pound, and the duty on the larger sheets exceeding 120 square inches is 4½ cents per pound. The difference is 2¾ cents per pound. I want to ask the Prime Minister if it costs 2¾ cents more to make a pound of glass ten by twelve than to make a pound of glass ten by eight.

Mr. BENNETT: I am not in a position to answer.

Mr. YOUNG: We ought to have that information.

Mr. HANSON (York-Sunbury): Just for information I should like to ask the Prime Minister if there is any provision in the customs regulations which will protect importers who have goods of this character on order from Belgium. I understand that the practice is to make fall deliveries and spring deliveries, and that the orders for fall delivery have already been given and that the goods are now in transit, or will be in the course of a few weeks. These are bona fide transactions, and it seems to me that importers will have to take deliveries. They ought not to be penalized by this duty on such shipments. I would like to know if there is anything in the regulations which will protect transactions of that kind.

Mr. YOUNG: I would like my question answered first, please.

Mr. HANSON (York-Sunbury): You have taken up about four days already.

Mr. YOUNG: Yes, and I will take four days more if necessary. This gentleman who is going to manufacture glass is asking 1¾ cents a pound duty for glass not exceeding 80 square inches and 4½ cents a pound for glass exceeding 120 square inches. I want to know, and we have a right to know, if it costs 2¾ cents a pound more to make the 120 square inch than the 80 square inch glass.

Mr. BENNETT: I cannot answer the question.

Mr. YOUNG: We have a right to know.

Mr. BENNETT: I know of no reason that you have a right to know. I have no knowledge.

Mr. HANSON (York-Sunbury): I should like to have an answer to my question.

Mr. BENNETT: Provision will be made to meet the contingencies mentioned by the hon. gentleman

Mr. EULER: Will that apply to other commodities?

Mr. BENNETT: Yes.

Mr. STEWART (Edmonton): I do not think the hon. gentleman need be at all excited because the price will go up to the extent of the duty. The importer will be protected. It is the consumer who will pay, not the importer. I do not see that he need be worried at all. But it demonstrates what we have been trying to impress upon the committee from the very inception of these increases; that is to say, that the consumer will pay. Here we have it demonstrated beyond any doubt that to the extent the duty is increased the purchasers of glass in Canada will pay. I am not complaining about that, but I rise to point out at this time that this is exactly what is going to happen; and all these protestations on the part of hon. gentlemen opposite as to saving the consumer will go by the board.

Mr. ELLIOTT: I want to ask the Prime Minister a question with regard to the glass referred to in schedule (c), that is, the 4½ cents both intermediate and general. What does a box of glass of that kind cost now, landed in Canada, in the city of Ottawa, for instance, for one of the buildings here?

Mr. BENNETT: I have no information; I have only tariffs and imports.

Mr. ELLIOTT: It is a bit difficult to compare the two tariffs inasmuch as the old tariff is ad valorem and this is specific. But I may tell the Prime Minister, with some knowledge of the price of glass, that you cannot pay that duty and give the consumer

glass at the price at which he now gets it. Does the Prime Minister claim that that can be done?

Mr. BENNETT: Yes. There will be a loss in profit by the manufacturers in the first instance until they get the volume of trade and then they hope to sell cheaper.

Mr. ELLIOTT: The glass which is chiefly used in the buildings constructed in this country to-day comes under class 3, that is, glass over 120 square inches in area. A box of that glass costs to-day in Ottawa $5.36. That includes about 29 cents duty. That box, with the packing and the glass, weighs about 140 pounds. The packing and the box weigh about 28 pounds, the actual glass about 112. So that the duty on this 112 pounds of glass under the present tariff will be $5.40. That is the duty at 4½ cents a pound. Practically all the glass used in this country is obtained from Belgium, and the duty on this glass alone—that is, the increased duties under this legislation—is more than the duty and the present cost of the glass. These figures are capable of proof from the price indexes furnished by the Department of Trade and Commerce. They are given at page 100, and while it is somewhat difficult to tell just what it is to-day or what it was on Monday when this tariff came into effect, still there has been a reduction steadily in the price of glass since 1926.

Mr. EULER: Has my hon. friend figured what the new specific duty will amount to on an ad valorem basis?

Mr. ELLIOTT: I can do that.

Mr. EULER: But has he done it?

Mr. ELLIOTT: No. As I say, you buy this glass in boxes. The weight is 140 pounds, the glass itself weighing 112½ pounds. It is only fair to say that there is a slight variation—it varies from a little over 100 to 120 pounds—in the actual weight of the glass you get. But you buy the box of glass in any of the stores at Ottawa to-day at $5.36 including the 29 cents duty. May I at this point ask the Prime Minister whether the 4½ cents per pound is reckoned on the weight of the glass alone, or has it reference to the box and packing also?

Mr. BENNETT: It is net weight.

Mr. ELLIOTT: I take it it is net weight; that is the way it is reckoned in the United States. They charge on the net weight, which is the fair way. Taking 120 pounds at 4½ cents per pound, that will be $5.40.

An hon. MEMBER: It will be $5.04.

Mr. ELLIOTT: No, not according to the methods of calculation which were followed when I was at school. That is $5.40 in duty. That is the outlay of the man who buys that glass. He expects the same profit on that duty as he does on any of the rest of his outlay. Add 25 per cent to that and you get practically $1.35 more, which makes it $6.75. That is what the duty amounts to to-day—substantially $6.75. I do not want to pin myself down to a cent so we will say $6. That is what the duty will cost the consumer under this schedule. That is nearly a dollar a box more than the price of the glass and box and duty at the present time. I wish to call the attention of the Prime Minister to this as a terrible example of what is likely to happen as a result of making the tariff in the way this tariff is being made.

In former times there seemed to be an impression with regard to tariffs that we should have a tariff on everything coming into the country. I think the Prime Minister will be one of the first to agree with me that the conditions under which an article is produced and all the attending circumstances enter very largely into the decision as to what the tariff should be. You cannot now say that 10 per cent or 20 per cent or 30 per cent is right. It may not be enough or it may be too much. All the circumstances have to be taken into consideration, as they were by the tariff advisory board. And in this connection I want to commend the work that board has done. I think the Prime Minister and other members of his government will find before they go very far that they will run into other errors similar to this, which is so palpable that the mistake must be apparent to everyone. After all glass is one of the things in common use if you are going to have windows in your houses or in your buildings. The price is very great; it affects every person engaged in every occupation in this country, and I do say to the Prime Minister that meritorious as may be the idea of building up business in Canada, how can he say that you can give this article to the consumer without an increase in price, when it is quite apparent—

Mr. EULER: He does not say that.

Mr. ELLIOTT: Yes, he does; he has said that already with regard to all the articles included herein.

Mr. EULER: He does not say that with regard to glass.

Mr. ELLIOTT: Was my hon. friend in when the undertakings were read?

Mr. EULER: Yes.

Mr. ELLIOTT: That is the point I want to make. This is an example of the fallacy of this kind of quickly made tariff without any consideration of the circumstances and the effects upon the public. The price of glass to the consumer in Canada doubles and in some cases trebles the moment this change goes into effect.

I had not thought it advisable to take part in the previous part of the discussion on these clauses because it does seem to me that when you have the concrete example before you is the better time to discuss matters of this kind. But this is said to be something which will help unemployment. Does my hon. friend know that if all the men referred to by the hon. member for West Hamilton were engaged to-morrow and paid the highest wages possible, the amount the consumer will pay in comparison to what he now pays would be enough to pay the wages of those men for years to come? That is absolutely correct. This is another example of relieving unemployment by making it more difficult for the labourer and for everyone else who has to have a house with glass in it, in which to live; it makes his living much more expensive I submit to my hon. friend the Prime Minister that he should reconsider very carefully a schedule of this kind. It is another argument why we should not try at a special session of this kind to go on with intricate analyses of the conditions under which the production of any of these articles depend. This revision should be postponed until it could receive the attention and consideration which this house ought to give it.

This is taxing daylight; you must have glass in your houses, and for many other purposes. It is all of a piece with the increases in taxation which are made in regard to many other things that are used by people who to-day are having just as difficult a time as they ever had, and perhops the most difficult time in their history. At the present time I am not going to refer to agricultural implements, but no one is having a harder time to-day than the man who has to buy agricultural implements. There is a great increase in the taxes there, and I submit that this is imposing at the present time too heavy a duty upon the people of this country, and one which they ought not to be asked to bear under present conditions.

Mr. EULER: Perhaps I should apologize to my hon. friend the ex-Minister of Public Works for having interrupted him, but I think we have not taken the same meaning out of the statement of the Minister of Finance. In the case of other commodities the minister has, I think, the assurance of the various manufacturers or industries that they will not take advantage of the tariff by increasing prices. I think my hon. friend who has just spoken took it that in this particular the same undertaking had been given. I did not so understand it; I did not understand that the manufacturers of glass agreed that present prices would not be increased. In a sense that is quite reasonable, because they do not make glass now and there is no established price, but I should be glad to know whether they are undertaking that the price at which they will sell glass will be no higher than the price which is now being received for glass imported from Belgium.

Just before I sit down I think the committee should know that the rate of duty, if it is placed on an ad valorem basis, is as high as 100 per cent. Hon. gentlemen in the house know that I am usually regarded as more or less—perhaps rather less—of a protectionist I am in favour of the development of industry, but I will admit—and I say it very frankly even to my manufacturing friends—that when we get as high as a rate of 100 per cent ad valorem duty we are going pretty far. It is just one other reason in support of what I said yesterday, that the changes in these proposals are so far-reaching, so difficult for us to understand in their various ramifications and in the effect of one business upon another, that we should not proceed with them too hurriedly.

Mr. BELL (Hamilton): In the meantime the workless are walking the streets.

Mr. EULER: I will say to my hon. friend from West Hamilton that I have every sympathy for him; I know he is anxious to see his people get work, just as each of us is anxious to do the same thing in his own constituency; but there is such a thing as paying too much for your whistle. I am not saying this is such a case, but I do say that when you get tariffs as high as 100 per cent ad valorem there is a possibility that you are paying too much for your whistle, and I think my hon. friend will understand my reference because he went to school about the same time I did. I should like to get a reply from the Minister of Finance, if I can, as to whether undertakings have been given that the prices will not be increased.

Mr. BENNETT: Mr. Chairman, if ever there was an illustration that I think indicates the course Canadians should take, it is in this glass industry. At the present moment

a cartel called the Mutualities in Belgium is directing the prices of most glass in the world. It succeeded in closing out the Canadian glass industry. It closed the plant near Welland, threw out of employment many Canadians, made their homes vacant, and the industry is no more. At Hamilton, in 1923 or thereabouts, it succeeded in shutting down part of the plant located in that city, and shortly after that the plant was closed entirely. They raised the prices and now control the business in Canada. There is $1,900,000 of capital invested in the enterprise in Hamilton. The problem is a simple one, and it is not one that has been suddenly picked up and dealt with in the way suggested by the hon. member for North Waterloo. It is dealt with in the manner indicated here because we believe that we can secure the independence of the Canadian people, with regard to glass, by this method. We believe that by this method we can remove ourselves from the domination of a foreign cartel.

Now, let us see how we propose to do that. We must rehabilitate the industry, and the rehabilitation of the industry means that the industry must be put in a position to meet that competition and to sell its products to the Canadian people at the price for which this cartel has been able to sell its goods in this country. That cannot be done all at once, because as was pointed out, volume is the basis of this company's appeal and if the Canadian business is given to Canadian producers then, as they say, the prices will steadily diminish as the expansion goes on until we establish an industry which will produce glass very cheaply, especially in the province of Alberta where there is such a large quantity of waste gas.

In the United States at one time they were confronted with somewhat the same situation. The present United States specific duty on glass averages 2.73 per pound. Because of the closing down of the industries at Welland and Hamilton drastic methods are required in order to rehabilitate those factories, and we have had recourse to these methods. We believe that we will attain the object we had in mind, which object was to secure the independence of the Canadian people from the Belgian glass cartel. The figure is high but we believe it is warranted, not only for the present in order to meet unemployment by opening these factories, but because we realize that this is a very drastic method to which we have had recourse. We have asked those who benefit by it, those who are about to open up their factories and whose workmen are now engaged in the rehabilitation, to give us a statement upon which we could rely so that we could meet this committee and indicate just what the result will be. The following is the undertaking we have received:

If our application is granted, we would immediately take steps to bring the works into operation, and also as soon as the demand in the three prairie provinces would absorb the output of one unit we purpose to erect such a western plant, utilizing Alberta waste gas.

The duties above proposed are the minimum duties under which we could hope to operate and meet the competition of "The Mutualitie". When established, and when we secure the major portion of the market, as we believe we would, our production costs would be lowered, and the lowering of production costs we guarantee to pass on to the consumer, and in order that the government may at all times be aware as to how we are implementing this pledge, we will welcome investigation of the company's affairs by government auditors, anticipating a reduction in duties if undue profit is at any time shown. Under the proposed duties, we would not anticipate any profit in our early operations, but we expect that when our operations become settled, and we have secured the good will of our customers, we will be able to properly serve the consumers, and at the same time secure a legitimate return on our investment.

That is the undertaking which I read when the hon. member for North Waterloo (Mr. Euler) was absent.

Mr. EULER: I heard the hon. minister read it.

Mr. BENNETT: I did not know the hon. member was in the chamber at the time or I would not have troubled reading it again. Here is the plain issue to be considered by the committee: shall we develop this industry or shall we not? Shall a Belgian cartel direct what Canadians shall pay for glass, or shall we, with the undertaking of substantial and well known Canadian citizens before us undertake a development with the assurance that by so doing we will ensure prices for the Canadian people and at the same time be independent of that cartel?

Mr. EULER: Mr. Chairman, if the hon. gentleman can assure the committee that ultimately we will secure glass more cheaply than we secure it now, or at least as cheaply, then I have nothing to say. I am as much in favour of establishing a glass industry in Canada as he or anyone else, but I throw out this caution: surely so far as tariffs are concerned there must be a limit beyond which we cannot go. I think it has been established that in the case of the glass industry the obligation is not given that prices shall not be increased, and I take it from what the hon. minister has said that it may be expected that the glass manufactured by this company will

for a short period at least cost the people more than it does at the present time. I am not saying that I find any particular fault with that so long as the price increase is not too extreme. As I see it, all that they obligate themselves for is that they will not make an undue profit, but I do not think the statement makes any reference to a comparison between the present price of glass and the price we will have to pay.

Mr. BELL (Hamilton): Even that is not vital; unemployment is the point.

Mr. EULER: Within reasonable limits.

Mr. HEPBURN: I would like to say a word or two with regard to the statement made by the hon. member for Hamilton (Mr. Bell). I am afraid that he is being carried away in his enthusiasm for the merits of this case. We all know that the glass industry of Canada sprang up by artificial means during the war. After the war the companies closed their plants and gave as the reason for that action the fact that they could not manufacture and sell glass in Canada at a price comparable to the glass manufactured in Belgium and imported here. Another reason given was the depreciation in currency and the different labour costs. It is now intended to exclude Belgian glass in order to put this industry in a position to sell glass at a price at which it has been stated by the company itself, it is impossible to manufacture. Let me cite a parallel case which shows how far executives will go in their enthusiastic endeavour artificially to bolster up their case. The following is a statement issued yesterday by the head of the Talbot Shoe Company in St. Thomas:

> The Talbot Shoe Company has felt keenly the effect of importation of men's shoes from England during the past few years owing to the fact that English shoes have been sold in Canada at a lower price than Canadian companies are able to put out the same product.

In other words, the company cannot manufacture at a price comparable to the selling price of British goods. Then he goes on to say:

> We think this tariff will reduce competition of English manufacturers.
> I am sure that even with increased tariff Canadian manufacturers will not increase the price of shoes on either retail or wholesale markets.

How is he going to do that when the present market is being supplied with goods at a lower price than his cost of manufacture?

Let me paint another picture for the Prime Minister. I come from southern Ontario where there is a rapidly developing tobacco industry. However, each year, not thousands but millions of dollars' worth of tobacco are lost as a result of late planting. This late planting is due to the fact that many farmers have not sufficient capital to build hothouses in order to produce the young plants by artificial means. There is no doubt in my mind that anything done to increase the cost of glass will affect this industry. I do not care what guarantee the Prime Minister has; if the company state that they cannot manufacture glass in Canada to be sold at a price comparable to the price of imported glass, obviously they must increase the price of the commodity. The result will be that the men engaged in the tobacco industry will be unable to erect hothouses, and next fall there is danger of more crop being destroyed by early frosts. I would like the Prime Minister to take this fact into consideration in his effort to bolster up this industry at the expense of the tobacco growers of southern Ontario.

Mr. HANBURY: I would like to ask the Prime Minister whether a similar increase in duty is being made in the case of window sash or windows, the main content of which is glass, or whether the American manufacturers of these articles will be able to take advantage of the increased duty on glass and flood the Canadian market with sash and windows?

Mr. BENNETT: Sash and windows are not dealt with in this measure.

Mr. HANBURY: I understand that, but glass is the main content of sash and windows and it is quite possible that with the high duties on glass the American manufacturers will be able to make this article at a price lower than that at which it can be manufactured in Canada.

Mr. BENNETT: I am advised that there have been no importations up to the present time.

Mr. HANBURY: Naturally, because they did not have the benefit of the duty, but this increased duty on glass will allow that to happen.

Mr. BENNETT: It would keep them out.

Mr. HANBURY: How could it keep them out?

Mr. BENNETT: The duty would be so high.

Mr. HANBURY: Unless there is also an increase in the duties on windows and sash they would be able to flood the market. I

have some knowledge of this business and I believe there is a possibility of conflict between the United States and Canadian producers.

There is one other point I would like to bring to the attention of the Prime Minister and that is that this glass production is to take place in Ontario. I am from Vancouver. All the glass which comes to Vancouver is imported by water, and the freight is a large portion of the ultimate cost. There will be a very serious effect on the industry in that city if we are obliged to pay the railway freight from some point in Ontario.

Mr. BENNETT: I think the hon. member for Vancouver-Burrard (Mr. Hanbury) will agree that I have endeavoured to anticipate the condition about which he speaks. The plant in Calgary will supply the Vancouver demand much more cheaply.

Mr. HANBURY: Ultimately.

Mr. BENNETT: And in the meantime water carriage is possible even from Ontario. Ships are leaving steadily in the summer time from Montreal and Hamilton with water borne freight for Vancouver. The situation mentioned by the hon. member has not been overlooked.

Mr. HANBURY: Has the shipment of sash and windows into Canada been considered?

Mr. BENNETT: I am bound to say I have not considered that phase of the question. To be perfectly frank I have to make that admission. I cannot think however that the situation to which the hon. member alludes could possibly arise although I admit he is much better able to speak on the subject than I. If such a condition could exist it would hardly arise to any extent between now and the next session of this house. At that time the tariff will be dealt with in a general manner, and if there is a condition to be remedied we will then deal with it.

Mr. HANBURY: Thank you.

Mr. HEPBURN: There is a likelihood of an increased cost in the maintenance of equipment necessary for the production of tobacco. The cost of hot houses will be increased. Would the Prime Minister consider increasing the tariff on tobacco to recompense these men for the increased cost of production?

An hon. MEMBER: Do you really want that?

Mr. BENNETT: That is not being considered at this time.

[Mr. Hanbury.]

Mr. HEPBURN: I would like an answer to the question.

An hon. MEMBER: Do you really believe that?

Mr. HEPBURN: It will cost thousands of dollars more to build the glass houses; some of them are as long as this chamber. A hail storm might totally destroy them in one single day, and the replacement cost would be very high. As a representative of the tobacco farmers of Elgin county I think I ought to have some assurance that if the cost of production is to be increased there will be a corresponding increased protection on tobacco.

Mr. COOTE: It would seem to me that if the committee allowed this item to pass it would be going backward instead of forward. It is hard to believe that we would take such a backward step. When I was at school I remember being told that in England years ago taxation became so severe that the government placed a tax on windows with the result that the houses were built with very few windows, and that they were very dark and unsanitary. This legislation would seem to be a step in that direction. The figures given to the committee by the member for West Middlesex, the ex-Minister of Public Works (Mr. Elliott) are very illuminating, and if they had not been correct I assume the Prime Minister would have corrected them. Realizing the value of sunlight I want to protest strongly against the 100 per cent increase in the price of glass. The Prime Minister stated it was a very drastic step. It seems to me that this budget is full of very drastic steps. It is the most drastic budget I have ever heard of.

Mr. YOUNG: The Prime Minister is very much concerned about the people of this country getting out from under the control of the Belgian cartel. My opinion is that the firm of Libbey-Owens is a party to that cartel. Will the Prime Minister say they are not?

Mr. BENNETT: My advice is that they are not, but that is as far as I can go. I can give no assurance.

Mr. YOUNG: My information is that they are.

Mr. BENNETT: And mine is that they are not.

Mr. MACKENZIE KING: I believe this to be an opportune time to ask my hon. friend a particular question. The Prime Minister has stated on different occasions that he purposes to have a general revision of the

tariff at the next session. May I ask him that if in the interval there will be an opportunity given to interests likely to be affected by the changes in the tariff to make their representations and to be heard? Or is it the intention that the tariff to be presented at the next session of parliament will be made as this one apparently has been made, by secret interviews between the persons about to receive the tariff protection and the Prime Minister himself?

Mr. BENNETT: It is hardly fair to use the expression, "the Prime Minister himself." He cannot do all that.

Mr. MACKENZIE KING: I did not hear the hon. gentleman.

Mr. BENNETT: The Prime Minister cannot do it all, despite the fact that my hon. friend seems to think he has monopolized the high offices of state. It was and still is the intention of the administration however to afford an opportunity to all interested parties to be here.

Mr. MACKENZIE KING: In what way?

Mr. BENNETT: If the right hon. gentleman were in my position I am sure he would say that that is a matter which would be developed as the occasion arises.

Mr. MACKENZIE KING: I do not wish my hon. friend to misunderstand my reference to the tariff being made by himself. If he looks at to-day's record he will see that repeatedly in answering questions he used the expression "they convinced me." He did not say, "they convinced my colleagues" or "they convinced the tariff board" but he said "they convinced me." I understand also that the letters which have been sent have been given to my hon. friend personally.

Mr. BENNETT: They are addressed to me.

Mr. MACKENZIE KING: Speaking on this particular item he told us that the application was for a 4 cents a pound increase in the general tariff. He also stated that after he and the applicant had talked the matter over together they decided to make it 4½ cents.

Mr. BENNETT: I did not say the "applicant," did I?

Mr. MACKENZIE KING: Perhaps my hon. friend could tell us what was the determining factor in that extra half cent?

Mr. BENNETT: I can assure my hon. friend if I used the expression that the applicant has convinced me it did not mean that Mr. Hobbs had done so. His letter asked for an increase of 4 cents and subsequently in going over the figures it was thought that 4½ cents would be required to enable the Canadian enterprise to get under way so that it would not be destroyed by the tactics which have been resorted to in days gone by and probably will be resorted to again by the Belgian cartel to prevent the industry prospering in this country. With respect to the form of opportunity which may be given I am bound to answer the right hon. gentleman as courteously as possible. I assure him the opportunity will be as ample as it is possible to secure, whether it be in one way or another. There are several methods, but all the methods have not yet been considered.

Mr. MACKENZIE KING: I am chiefly interested in knowing whether it will be a public hearing so that when parliament meets hon. members will be able to have before them some written record of the representations which have been made by the different parties.

Mr. BENNETT: Yes, it will be a public hearing.

Mr. YOUNG: Could the Prime Minister give us some information as to the percentage of the cost of making glass which is actually paid out in wages? In this case we will have a duty of over 100 per cent on glass. I would like to know how much of it will be paid out in wages to Canadian workmen.

Mr. BENNETT: I suppose the hon. gentleman realizes as the two members of the former government do that in May last the tariffs were increased in some cases 300 or 400 per cent.

Mr. YOUNG: In this case you are increasing the tariff over 1,200 per cent.

An hon. MEMBER: You said one hundred.

Mr. BENNETT: I was not aware of that.

Mr. YOUNG: That is how it figures out.

Mr. BENNETT: It depends upon who does the figuring.

Mr. YOUNG: These figures are correct; I shall pass them to you if you wish.

Mr. BENNETT: May I say that I think the hon. gentleman is in error. It is estimated by the proprietors of the plant however that about 70 per cent will be paid out in wages.

Mr. HANBURY: May I ask the Prime Minister what percentage of the total Canadian requirements can be produced by the people who make these representations?

Mr. BENNETT: The reason that that note refers to a unit in western Canada is because it is believed it should be done in that way. I think my hon. friend knows better than I that discussions have taken place on more than one occasion as to the opening up of such a glass plant in British Columbia, because certain glass sand has been found north of the main tracks of the Canadian Pacific and within a reasonable distance of Vancouver. But the view is that the opening up of additional plants should be encouraged for the very principle to which the hon. gentleman has referred. Rather than to expand one plant to take care of the consumption, it is felt that several plants should be established, because glass is a very breakable commodity in transportation.

Mr. HANBURY: I should like to inquire whether it would be possible in the interval, until those plants have been completed, to make any differentiation where they are unable to ship in competition. In other words, in Vancouver we are going to pay in the meantime an enormous increase in price without any benefit to the Canadian producer.

Mr. BENNETT: The hon. gentleman, being a business man, knows that discussions have frequently taken place as to the possibility of dividing Canada into zones for tariff purposes. But both in the United States and in Canada it has been determined that this is not feasible and that the only way in which the matter can be dealt with is through communities such as Vancouver by cheap transport, by water or by land—preferably by water because of its lower cost—and the erection of plants near large consuming communities for the production of commodities subject to breakage, such as glass, in connection with which the real cost of shipment arises, as the hon. gentleman is aware, out of the cost of packing. The matter has not been overlooked, and it is really a problem of great difficulty to determine just how it can be dealt with. I am sure the hon. gentleman from his experience in business knows this much better than I do.

Mr. HANBURY: I am quite in accord with anything that can be done to develop this industry in Canada; I should like to do anything I can to help it, but on behalf of the people of British Columbia I must protest against their having to pay this increased price until it can benefit Canadian industry, which it cannot do until the industry is capable of taking care of our requirements.

Mr. BENNETT: I think the hon. gentleman will realize that in another item of the tariff that will be considered to-night, the very principle to which he alludes is being dealt with. Were it not that this factory is already existent and requires only the addition of some new machinery for the purpose of functioning, the operation of the tariff should be postponed until that has taken place; but he will realize also, if he looks through these items, that in connection with tractors we are at the present time relying upon the United States for production, and we have provided in the tariff that a duty will be imposed when the governor in council is satisfied that this country can produce in quantities to meet our requirements. The point which the hon. gentleman takes is quite sound. Were it not for the fact that facilities are already existent; that they have been closed up for the reasons I have indicated and only require the men to go in, rehabilitate them and add new machinery, as is being done, I certainly think the postponement of the item should have been indicated in the item itself. The matter received consideration and it was because of the conditions to which I have alluded that the item is made immediately operative. I trust I have made myself clear to my hon. friend.

Mr. VENIOT: If I understand the matter aright, in order to give the people of Canada glass at a reasonable price, this firm will have to depend upon mass production?

Mr. BENNETT: Quite so.

Mr. VENIOT: In the meantime, as pointed out by the hon. member for Vancouver-Burrard, we are paying $5.36 for a case of glass weighing 120 pounds. Under this new duty we will pay $10.76.

Mr. BENNETT: No.

Mr. VENIOT: Yes, we shall. We cannot avoid it.

Mr. BENNETT: That assumes that the producer adds the duty to his competitor's productive cost. That is exactly what these gentlemen undertake not to do.

Mr. VENIOT: But these gentlemen cannot supply the demand and we have to get the glass from Belgium. While we are buying the goods from Belgium we shall have to pay $10.76 in the future for what we are now paying $5.36. Is there no remedy between now

and the time that this firm, with their mass production, can meet the requirements of Canada? That is the point. I want to see this firm established, but I do not want to see a firm established that will give employment to 300 people when, in order to give that employment, we shall be taxing 5,000,000 people in Canada. That is why I take objection to this item. If the Minister of Finance or the officials of the department could work out a scheme whereby, pending the firm's reaching the point of mass production to the extent that they can supply the Canadian demand, he can protect the consumer, I would say, go on; but unless that is done you are making the Canadian consumer, who is now paying $5.36, pay $10.76, and no customs official can get around that fact.

Mr. EULER: I am informed that the sand formerly used in the production of glass in the Hamilton plant was not Canadian sand. Is it not possible to obtain the sand in this country? It is rather an important item.

Mr. BENNETT: Large and very fine deposits of sands suitable for making glass are found, for instance, in Alberta. There are some deposits, not so good, in Saskatchewan, and some in Manitoba. So far as I know, the quality of the sand in Ontario is not as good as the quality of the sand that comes out as ballast in ships and is as cheaply obtained in that way as though it were procured in this country. I have seen it being unloaded from ships in which it came to Montreal as ballast and perhaps the hon. gentleman knows there are in that city two glass bottle factories that do a large business. There is also at Redcliff in Alberta a plant where glasses are made in very large numbers from material that we have in abundant quantity. There is no reason why we should not, with Canadian sand, manufacture glass very cheaply. My view, since the committee has been good enough to mention this matter is that within a very few years we shall be able to make glass in Alberta as cheaply as it can be made anywhere else in the world. With the waste gas and with the sand that we have in such abundant quantities, I am certain that by the use of modern machinery, Canadian window sheet glass can be made very cheaply Two things are essential: heat and sand; and we have those so cheap near one community in western Canada I am satisfied the very conditions that enable Redcliff to produce cheaply now will enable glass to be produced more cheaply still in other parts of Canada. I am not unmindful of the difficulties in connection wtih this item, and this action is being taken for the purpose of endeavouring to settle the question whether or not we are capable of developing an industry such as this. Were it not for the fact that the factory is already in existence and that within a very short time it will be put into operation, this item would be treated by the government as the tractor item is treated.

Mr. HANBURY: I should like to impress upon the Prime Minister the possibility of competition of sash and windows with glass. That is a real problem. Unquestionably there are to-day dealers in Canada and dealers in the United States who can so flood Canada with sash and windows, if my thought in this is correct, that there would be no business for the plant that the government is going to subsidize, for six or eight months to come. I would suggest that the Prime Minister give serious consideration to that point, and if my thought on it is correct, it might be well to delay this increased duty until that situation has been taken care of.

Mr. BENNETT: I find it a little difficult to follow the whole of what my hon. friend has said. When an article is composed of two or more commodities, manufactured or not, my understanding is that the higher rate of duty governs, so that the window sash with glass in it—I take it that what my hon. friend means is a glass window—would take the higher duty. I cannot see how it would flood this market.

Mr. HANBURY: If that is the understanding, the Prime Minister is correct.

Mr. MALCOLM: There are more difficulties in the way of rehabilitating this plant than some people are aware of. There is a much better chance to make glass profitably in Alberta than in this area. When this plant was started, it was to manufacture glass under a different process from the glass that we are now importing, namely the Libbey-Owens ribbon process. The company brought the sand from Illinois, made their gas from American coal, and were not able to compete with the cylinder-made glass from Belgium and Great Britain or from Indiana. This plant would have to use American sand in the meantime and make its gas from American coal.

Mr. BELL (Hamilton): No.

Mr. MALCOLM: If my hon. friend assures me that there is enough gas to be obtained at the right price, I am glad of that assurance. At the time this item was up before, I was closely associated with men in the glass business, and it was a really difficult problem to give this plant protection without imposing

a real load on the people of Canada who had to buy glass. From Hamilton to western Canada the freight was greater than the duty. The situation is different in Alberta, and I am inclined to agree with what the Prime Minister says in that regard. There we have sand and natural gas at a very low cost. If glass plants were to be established throughout the Dominion giving reasonable transportation costs, this glass item might reasonably be considered by the committee and some protection be given. But other parts of Canada must be considered. In this country we have a cold climate, and we must have sunlight. I think the Prime Minister is making a mistake when he does not deal with the supply of glass for the whole Dominion. I am not objecting to this plant being assisted at all, but it does not seem to me fair to other parts of Canada.

Mr. YOUNG: How much glass is consumed in Canada in a year?

Mr. BENNETT: Practically all Canadian production of window glass has now ceased. The imports from Belgium last year were $1,665,000.

Mr. MALCOLM: What were the American imports?

Mr. BENNETT: There are no imports from the United States that are traceable. From the United Kingdom there came a certain kind of glass that is valued at $86,000, a mere nothing compared with the whole.

Mr. HEPBURN: The Prime Minister has stated that there is not sufficient of the requisite raw material in southern Ontario to enable this new plant at Hamilton to operate. As we are serving every selfish interest, why not extend protection to the raw materials? You are bolstering up manufactured products; why not bolster up raw materials so that these people may be able to use an inferior grade of sand from southern Ontario? One proposition is about as sound economically as the other.

Mr. YOUNG: A moment ago the Prime Minister questioned the accuracy of my figures when I said that he was increasing the duty 1,200 per cent. Here are my figures, which speak for themselves: The present duty on a box of 112 pounds of 18 ounce single window glass is 35 cents a box. Under the new rate the duty will amount to $4.65. That figures out to an increase of 1,203 per cent. On the heavier glass, the increase is not quite so bad—965 per cent. At a time when thousands of men in this country, carpenters and builders, are out of employment because people cannot afford to build houses, the first action of this government is to increase the cost of doors, and the second is to increase the cost of windows. Subsequent action will increase the cost of lumber and of building materials. I ask the Prime Minister, how is he going to increase employment in that way? Is he going to say to carpenters, glaziers and every man in the building trades: You had no employment because the people could not afford to build houses; we are now going to make it still more difficult for them to build houses? The Prime Minister asks us to put this legislation through. We ask him for information. He says that he cannot give it, that we must put this legislation through or he will not go to the conference. I ask him this question: Is this going to be part of the price which the people of Canada are to pay for sending him to the conference?

Mr. COOTE: I do not want to be unreasonable about establishing industries in Canada, but I wish every member would seriously consider whether we can afford to establish industries in Canada which require for their establishment a duty on the imported article greater than the total value of the article we are now using.

Mr. BENNETT: I would like to say one word in conclusion. There is no time in which this experiment can be made equal to the present. Winter is coming on. Building is not active, and will not be. As every member knows, it is the season in which the company can operate. The session of next spring will demonstrate the result.

Mr. EULER: It is an experiment?

Mr. BENNETT: I said that from the start.

Mr. DUPUIS: I would advise the Prime Minister to rush this section through, Mr. Chairman, because so many stones are being thrown through his windows that within a short time there will be no glass left.

Mr. SPEAKMAN: The object sought by this duty is a worthy one, that of providing immediate employment to some 150 men, increasing to 500 in the future, and providing support for them and their dependents. The prospect of establishing a great industry in Canada that will ultimately supply the entire Canadian market is alluring, but the price we have to pay for it is tremendous. It amounts to a little more than double the present cost of glass. That is the immediate

cost. We are informed as to the future that with this increased duty the firm will not be able to show any profit for some time; that is, they will be obliged to take advantage of the full amount of the duty to sell glass at double the price for some time into the indefinite future until the business expands to a very great degree. They assure us that with this protection they cannot show a profit for some time; so it is obvious that they intend to add the full amount of the duty to the price of the glass. It does seem to me, Mr. Chairman, that in view of general conditions the Prime Minister is right when he says that this is a very drastic experiment.

Mr. HEAPS: I understood the Prime Minister to say that no glass was being manufactured in Canada.

Mr. BENNETT: Window glass is what I was asked about, and I said, no substantial quantity.

Mr. HEAPS: I have before me the year book for 1930, which gives some very interesting figures on this question. It is claimed that there is in Canada monopoly in regard to this commodity and that they can charge any price they want on that account. I find according to this year book that in 1926 there was imported 38,694,185 square feet of window glass. In 1929 this had increased to 44,350,528 square feet. Although there had been a considerable increase in the quantity of glass imported over this four-year period, whereas the value of the glass in 1926 is given as $1,334,068 the value in 1929 was $1,168,734. I therefore do not understand the argument that the monopoly here has resulted in a higher charge to the consumer.

Item agreed to on division.

Customs tariff—357. Britannia metal, nickel silver, Nevada and German silver, manufactures of, not plated, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 35 per cent; general tariff, 40 per cent.

Mr. BENNETT: With respect to this item, an undertaking has been given. The Canadian Jewellers' Association, writing on September 5, 1930, with reference to jewellery of any material or parts thereof for the adornment of the person, state that the manufacturers are able to give an assurance that the increase in tariff will not be used to secure an increase in prices, as competition will take care of prices, and command of the home market is all that is desired. In 1927 sterling silverware and silver plated hollow-ware and flatware employed 998 persons. At the present time 700 are employed part time. Importations of sterling silverware and plated ware amounted in 1929 to $1,649,000. Canadian wages represented 62·5 of the finished cost and British wages 22·8. Item 357 is changed from 17½, 27½ and 30 per cent to 25, 35 and 40 per cent. The imports last year of nickel (German) silver amounted to $615,000, of which $553,000 came from the United States. The rates under item 362 are being changed from 22½, 30 and 35 per cent to 30, 37½ and 45 per cent. Various imports of gold and silver came in: $2,900,000 under one head, of which $2,300,000 came from the United States; under another classification $1,400,000, of which $1,078,000 came from the United States; of $87,300, under another head, $85,000 came from the United States. The promise given by the manufacturers in connection with silverware and silver products was in these words:

> Furthermore, we guarantee that our prices to the consumer will not be increased. On the contrary, with increased production, there would be a reduction in price.

This is signed by Roden Brothers, Limited; Canadian Silversmiths, Limited; Henry Birks & Sons, Limited; International Silver Company of Canada, Limited; McGlashan, Clarke Company, Limited; Benedict-Proctor Manufacturing Company, Limited.

If these tariffs succeed, as we hope they will, not only will additional employment be given and Canadian manufacturers be able to take care of the home market but also, we earnestly and confidently believe, a market will be afforded for our silver now selling, as is known to all members of the committee, at the lowest price in the history of the metal.

Item agreed to.

Customs tariff—362. Articles consisting wholly or in part of sterling or other silverware, nickel-plated ware, gilt or electric-plated ware, n.o.p., manufactures of gold and silver, n.o.p.: British preferential tariff, 30 per cent; intermediate tariff, 37½ per cent; general tariff, 45 per cent.

Item agreed to.

Customs tariff—367. Watch cases, and parts thereof, finished or unfinished: British preferential tariff, 20 per cent; intermediate tariff, 45 per cent; general tariff, 45 per cent.

Mr. GARDINER: Why are the intermediate and general rates the same?

Mr. BENNETT: The importations last year amounted to $393,000, of which $273,000 came from the United States and $104,000 from Switzerland. The two tariffs were therefore made the same. Assurance was given with respect to these items. This is one of the cases in which advantage was never taken in full of the tariff. The late Mr. McNaught was in charge of operations of the watch case

company in Toronto, and it was a well known fact in connection with this industry, as with respect to the rubber industry, that advantage was never taken of the tariff.

Mr. RALSTON: Is there any real increase in employment?

Mr. BENNETT: Yes.

Mr. RALSTON: Any substantial number of skilled workers?

Mr. BENNETT: The estimate is about a hundred extra workmen. I have a memorandum which I will read to my hon. friend in a moment.

Item agreed to.

Customs tariff—377. Ingots of iron or steel, n.o.p.: British preferential tariff, $1.50; intermediate tariff, $3; general tariff, $3.

Mr. MACKENZIE KING: What is the undertaking with respect to this item?

Mr. BENNETT: The undertakings in this matter were verbal; there is nothing signed with respect to it. The old duty was $1.50, $2.50 and $3, and the only change is 50 cents in the intermediate tariff.

Mr. STEWART (Edmonton): Why the 50 cents in the intermediate?

Mr. BENNETT: Prior to the 1st of May the rate was $1.50, $2.25 and $2.50. So that the new rate is 50 cents higher than the rate of the 1st of May and 75 cents higher than the rate previous to that. The change is to meet continental European competition.

Mr. STEWART (Edmonton): The intermediate?

Mr. BENNETT: Yes.

Mr. HEAPS: The steel schedules received a good deal of attention from the house a few months ago, and I intend for a few moments to discuss this item inasmuch as my remarks with respect to it will apply to several other items.

A large increase in duty was given to the steel industry in May. At that time we were told by those in authority that the increased duties they were receiving would go a long way towards putting that industry in good shape, if indeed they would not do so entirely. Now after a few months of that tariff, after the very large increase given in the month of May, another large increase is asked for in September. At the last session many of us in this part of the house very strenuously objected to some of the steel corporations receiving this increased tariff protection in view of the conditions that prevailed so far as labour was concerned. For a short time this afternoon the question of hours and labour conditions was discussed with regard to these two industries. Last May we were told that if the industry were given a chance, in a very short time it would do something towards rectifying the very bad conditions which prevailed in their plants. From what has been said already in this house the Prime Minister evidently has been in consultation with the people who are receiving the advantage of these tariff adjustments. In the first place I should like to know if the Prime Minister, in giving these additional benefits to the steel industry, had any conversation with representatives of that industry respecting the hours of labour and the labour conditions prevailing in that industry. That is my first question to the Prime Minister. Do I understand from him that he did not discuss with these gentlemen the labour conditions prevailing in some of these plants?

Mr. BENNETT: May I answer my hon. friend? Personally I saw a representative of only one of the three companies, and that happened to be the company operating in Hamilton.

Mr. HEAPS: I believe, if my memory serves me aright, that the plant in Hamilton is now working on the eight-hour shift. The other plants are still working the twelve and thirteen-hour shifts, I believe; the plants at Sault Ste. Marie and Sydney are still working these double shifts, and I do think it would have been right and proper for the Prime Minister, in view of the discussions which have taken place in this house, to have taken the stand that no additional tariff protection should be given to these industries until they had given a definite assurance that something would be done with regard to labour conditions. I do not know whether the tariff protection which these industries received last May has been of any real benefit to them; I am not in a position to say, because I have not given close attention to the activities of the steel industry in Canada since the house prorogued. But from the communications I have received from the men employed in these industries, I gather that they are almost as far away from obtaining better conditions of labour to-day as they were prior to the presentation of the budget last May.

I cannot protest too vigorously against the granting of concessions to these industries when they are violating, every day of the week and every week of the year, the treaty

of Versailles, to which the Prime Minister says we all have been consenting parties and the terms of which we in this Dominion should at least try to observe. I see to-night in his place—and I am pleased to see him—the hon. gentleman who was formerly the premier of the province of Nova Scotia. I very well remember that when this matter was before the house last year each party tried to put the blame on the provincial government, saying it was a matter for the government of Nova Scotia to deal with in the province. If my memory serves me aright, the then premier of Nova Scotia said that the federal parliament could put whatever conditions it pleased upon any protective duties which it granted an industry. That is, the buck was being passed between the federal government and the provincial government, and personally I think we have no moral right to give this additional tariff protection to an industry which is working its employees some 72 hours to 102 hours per week until something of a definite character is before the house looking to the relief of these conditions. At the present time we have nothing.

In the item under discussion, as well as in subsequent items, we have increases in duty amounting in some cases to 125 per cent; that is, in some of these cases the tariff has gone up under the British preference from $2 to $4.25. We are giving tremendous increases in the duties against importations into the Dominion of Canada, but in spite of all that parliament is doing for the steel industry, that industry is not doing a thing as far as the employees are concerned. Only last week, on September 4, the employees of one of the plants met and petitioned the Prime Minister to put into effect the eight-hour day. I know this parliament is not empowered to pass legislation of that character, which comes under the control of the provincial governments, but I do not think we should give them any protection until we have something definite from the corporations to the effect that they intend at least to operate that industry under humane conditions.

The Prime Minister has said he has had no conversations with representatives of these plants. Perhaps he might tell the committee if, since the additional tariff protection was granted to that industry in May last, he can say whether the company to-day is in a better position to undertake these changes than it was on May 1 last.

Mr. BENNETT: I am sure the committee will recall that last year, having made a statement regarding this matter, I came back to the committee and said that having heard representations from those charged with the responsibility of the management of the other two great properties in Canada, I thought they were entitled to have an opportunity to carry out their promise, or at least their suggestion, that they would endeavour in the year that would intervene to see what could be done in connection with the matter of hours. The company had just then been reorganized; it will be recalled that the Prime Minister stated he took that view, and I rose in my place and agreed with him that they were entitled to that opportunity.

The items we are now considering are items which deal with products which they do not produce in any large quantities, and we are merely increasing the intermediate tariffs to place them on an equality with the preferential and general tariffs. That is so with regard to the two items we have just considered, because the importations in both instances are from the United States, Belgium and Germany. It is believed by reason of administrative practice, knowledge and experience that these advances of 50 cents per ton on the intermediate tariff will have the effect of placing the intermediate, the preferential and the general tariff on the same basis that it was intended they should be with relation to one another early this year.

Mr. RHODES: Mr. Chairman, I shall take up the time of the committee but for a moment, having regard to the lateness of the hour and the stage of the session, but an observation of my hon. friend from North Winnipeg with respect to myself calls for at least one word in reply.

I may say at once to my hon. friend that notwithstanding the vehemence of his utterances I do not yield to him in my desire to see the labouring men secure fair treatment in the matter of hours or conditions of labour. The situation in the province of Nova Scotia has been by no means satisfactory. It is one thing to discuss this matter and another to know the real conditions and difficulties confronting the industry. The Prime Minister has pointed out that the steel industry in Nova Scotia has been passing through very difficult times and it is not going too far to say that it was questionable at one period whether or not it could survive. I know as a matter of fact that the management of the industries were quite as keen to see the eight-hour day established as I was or as is the hon. member for North Winnipeg (Mr. Heaps). As a matter of fact, the goal aimed at by the industry was the eight-hour day, and it was to be attained as rapidly as conditions in the industry would permit. I know that arrangements are in process of

fulfilment whereby the management is to take voluntary action to establish the eight-hour day. When I had the honour of being the premier of the province I discussed this matter on many occasions with the management of the British Empire Steel Corporation, and my successor in office has continued these negotiations. Within the last few weeks he has publicly stated—it is a matter of record—that if the eight-hour day is not established voluntarily by the management of the steel industry in the province of Nova Scotia it will be established by a statute to be passed at the next session of the Nova Scotia legislature.

Mr. MACKENZIE KING: My hon. friend has referred to some of his utterances on the question of the eight-hour day. My recollection is that recently he said that the federal authorities if they wished to do so could enforce the eight-hour day in the steel industry. I may be wrong in that and I would like to know his views on the matter.

Mr. RHODES: My right hon. friend need not at this hour attempt to involve me in a constitutional discussion. On another occasion I shall be most happy to enter into a discussion as to the jurisdiction of parliament in the matter of the eight-hour day. The utterance to which my hon. friend has reference was this: If parliament gave a grant to the industry it was competent for parliament to attach a condition to that grant.

Mr. MACKENZIE KING: Seeing that my hon. friend represents the province of Nova Scotia in a special way, does he not think that we ought to attach as a condition to this grant, because it is a grant, the eight-hour day stipulation?

Mr. RHODES: We should not discuss this question because it involves the question of the jurisdiction of this parliament. Let me say to my right hon. friend that I was not dealing with the tariff when I made reference to the capacity of parliament to attach to a grant any condition it chose. As a matter of fact, the eight-hour day is being established in the steel industry in the province of Nova Scotia, and we have the further assurance of the premier that the necessary legislation will be enacted.

Mr. MACKENZIE KING: My hon. friend is clearly trying to dodge the whole question; would he give me a direct answer? He knows the constitutional aspect, so we need not argue it. Does he believe that this parliament has the right to fix an eight-hour day to apply to the miners and steel workers of Nova Scotia?

Mr. RHODES: In calling me a dodger my right hon. friend is paying me a compliment. He is an authority on the subject because I know of no one in Canada who is more proficient in the art of dodging. As a matter of fact I do not feel called upon to give a categorical answer to my right hon. friend, because an answer is not called for. At another time and upon another occasion I shall be very happy to discuss this matter at length.

Mr. MACKENZIE KING: The hon. gentleman has dodged the issue four times.

Mr. MACDOUGALL: What was the stand taken by the leader of the opposition (Mr. Mackenzie King) when the Dunning budget was being presented at the last parliament and when he fought against an amendment to give protection to the steel industry?

Mr. HEENAN: Mr. Chairman, the discussion so far upon this point has shown the importance of having a uniform law throughout the whole of Canada. I was pleased indeed to see the announcement of the Premier of Nova Scotia to the effect that he is prepared to introduce at the next session legislation to provide for an eight hour day in that province.

For the information of the committee I would say that it is nothing new to receive promises from different industries as to the establishment of an eight hour day, but those promises are always qualified by the words "when we are in position to do so." When I had the honour to be Minister of Labour I received many promises extending back over three years, but to the present time the Steel Company of Canada has been the only company to put the eight hour day into force, and that applies only to one portion of their plant at Hamilton. Even though the province of Nova Scotia should enact this legislation at the next session, we would still have the province of Ontario without similar legislation and there would be unequal competition between the two provinces. The province of British Columbia has enacted eight hour legislation. There is no doubt but that we have the power to enforce the eight hour day in the steel industry, and I think the late premier of the province, now Minister of Fisheries (Mr. Rhodes) has acquiesced in that conclusion. During the last session we had the hon. member for Inverness (Mr. Macdougall) saying these words:

"Give your workingmen the eight-hour day and we will give you the concessions promised in our budget."

And again:

An opportunity is thus offered to get away from the constitutional objection, and all parties in the house can unite to do something for those men who have been unfairly treated for so many years.

Similar statements were made by the present Minister of Trade and Commerce (Mr. Stevens) and other members on that side of the house. The Prime Minister advocated this action at the last session, and I would suggest that he add a provision that the eight hour day should be put into force within six months. I would not go so far as to say that it should go into effect next month, but I think the Prime Minister could well say to these industries that if they are to be given this protection they must inaugurate the eight hour day within six months.

Mr. BENNETT: Having regard to the statements made by both parties during the last session, no action could be taken at this time without its being a breach of faith.

Item agreed to.

Customs tariff—377a. Blooms, cogged ingots, slabs, billets, n.o.p., sheet bars, of iron or steel, by whatever process made, n.o.p., per ton: British preferential tariff, $2.50; intermediate tariff, $4.50; general tariff, $4.50.

Mr. HEAPS: Mr. Chairman, perhaps the Prime Minister would answer a question which would serve for many items: Has he had any assurance from the manufacturers of these goods that there will be no increase in the price of the commodities?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Will the hon. gentleman read them??

Mr. BENNETT: I am not certain as to whether they were given in writing or given verbally by the representatives who spoke to me. The commissioner is of the opinion that I handed the letter to him and that it was sent back to me. However, it is certainly not among my papers, but I will look for it between now and Monday and should it be found, I will present it to the committee.

Mr. RALSTON: I wish to ask the Prime Minister if he is in a position to estimate or to make a statement as to whether there will be any increased employment in Sydney? We are dealing with the steel tariff items ranging from numbers 377 to 396, and I am under the impression that very few of these items have been changed to any great extent.

Mr. BENNETT: Wire rods.

Mr. RALSTON: Is there any estimate as to whether there will be any increased employment in Sydney?

Mr. BENNETT: I cannot give an estimate. Depending upon circumstances they would not give a statement, but at least it is believed that a loss will be prevented which otherwise might have taken place. I may say to my hon. friend that Sydney asked for these changes.

Mr. RALSTON: Wire rods are increased only 50 cents in the intermediate tariff.

Mr. BENNETT: That is all there is in connection with any of them. There is 50 cents added to the intermediate tariff.

Item agreed to.

Customs tariff—378. Bars and rods, of iron or steel; billets of iron or steel, weighing less than sixty pounds per lineal yard:—
(a) Not further processed than hot rolled, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $7; general tariff, $7.

Mr. BENNETT: There is an increase of $1 in the intermediate tariff.

Item agreed to.

Customs tariff—379. Bars or rods, of iron or steel, including billets weighing less than 60 pounds per lineal yard, hot rolled, as hereunder defined under regulations prescribed by the minister:—
(d) Rods, in the coil, not over ·375 inch in diameter when imported by manufacturers of wire for use exclusively in the manufacture of wire, in their own factories. per ton: British preferential tariff, $2.25; intermediate tariff, $5; general tariff, $5.

Mr. MACKENZIE KING: That shows a difference of 50 cents in the intermediate tariff. Why was it not a dollar, as it was in the previous item?

Mr. BENNETT: All this is done having regard to the character of the competition by continental countries as well as by the United States, and as my hon. friend knows, the intermediate tariff refers only to continental countries. I think that is the only fair way to put it, and it is not necessary to increase the amount beyond 50 cents. It gives more uniformity in competitive rates.

Mr. MACKENZIE KING: Why is it fifty cents instead of one dollar?

Mr. BENNETT: Because of the character of the competition.

Item agreed to.

Customs tariff—380. Plates of iron or steel, hot or cold rolled:—
(a) Not more than 40 inches in width, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $6; general tariff, $7.

Mr. MACKENZIE KING: There is a big difference in the British preference?

Mr. BENNETT: This is the first one in which there is a difference in the British preference.

Mr. MACKENZIE KING: The rate against Britain is more than double the previous rate.

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: Why is that? In item 380 the British preferential tariff is more than double the amount it was under the previous tariff. It is raised from $2 to $4.25. Why is it necessary to have such an increase in the rate, which means an equivalent decrease in the British preference?

Mr. BENNETT: It is necessary to put them on the same basis of competition as results through the operation of the other tariff. This could have been delayed, but I say to my right hon. friend, and I think every member of this house will agree that it is undesirable to establish a condition which is bound to be ruinous to an existing industry. This places it on an equality with other items of the tariff with respect to competition.

Mr. MACKENZIE KING: Were any of these plates brought in from the United States previously?

Mr. BENNETT: Yes. Under the old rate which obtained prior to May 1, the amount of $1,300,000 worth came in.

Mr. RALSTON: These are manufactured in central Canada by the Steel Company of Canada?

Mr. BENNETT: No, by the Dominion Foundries and Steel Limited.

Mr. RALSTON: Of Hamilton?

Item agreed to.

Customs tariff—388a. Iron or steel shapes or sections, as hereunder defined, not punched, drilled or further manufactured than hot rolled weighing not less than 35 pounds per lineal yard, viz.: I-beams, up to and including 6 inches in depth, but not to include H sections; channels, up to and including 7 inches in depth; angles, up to and including 6 inches by 6 inches; zees, up to and including 6 inches in depth of web, British preferential tariff, $4; intermediate tariff, $6; general tariff, $6.

Mr. BENNETT: This shows an increase of only 50 cents in the intermediate tariff.

Mr. STEWART (Edmonton): May I ask the minister a question covering all the iron and steel schedule? My hon. friend knows that there was a very extensive inquiry made, and upon the basis of that inquiry these schedules were fixed. How has it been discovered so soon that they need additional protection?

Mr. BENNETT: The hon. gentleman will realize that in most items there has been no change. It has been found by experience, however, which after all is the best teacher, that an adjustment had become necessary, and it will be observed that the change in the intermediate tariff has amounted to only 50 cents or sometimes a dollar. The adjustments are not very large in point of money, but they amount to a considerable sum in point of volume of production.

Mr. STEWART (Edmonton): That may all be true, but my hon. friend will agree that $2.25 is a very considerable increase in the British preference.

Mr. BENNETT: That is on one item only.

Mr. STEWART (Edmonton): That is on a very important item. In May my understanding was that a very exhaustive inquiry had been made. It is true that some consideration at least was given to the British preference, especially on classes and kinds of steel products that the Canadian mills were not in a position to produce.

Mr. BENNETT: They are making the ones with which we are dealing.

Mr. STEWART (Edmonton): They are making practically all kinds. But in addition we were informed that the volume of Canadian trade was not sufficient to warrant putting into the mills machinery capable of manufacturing this class of steel.

Mr. BENNETT: In the items with which I am dealing they have the machines.

Mr. STEWART (Edmonton): There was an attempt to transfer that business from the United States to Great Britain. Now my hon. friend with one or two exceptions seems to be shutting out the competition by Great Britain as well. I did hope that the iron and steel schedules would be given a chance to demonstrate whether or not they were going to work out. I am willing to admit that all tariff adjustments cannot be based on any scientific measure. Here, however, the scale has been changed in connection with the most important articles in the schedules. It has not been greatly changed, I admit. The strange part of it is that although these rates were fixed after very careful inquiry, two or

three months later my hon. friend takes the responsibility of making changes upon representations of the steel companies.

Mr. BENNETT: He does, and he accepts the responsibility.

Mr. STEWART (Edmonton): I appreciate that, but surely some time might have been allowed to elapse to demonstrate whether or not the industry was suffering.

Item agreed to.

Customs tariff—388b. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, not punched, drilled or further manufactured than hot rolled, n.o.p., per ton: British preferential tariff, $4.25; intermediate tariff, $7; general tariff, $7.

Mr. BENNETT: There is an increase of one dollar in the intermediate tariff.

Mr. RALSTON: Where are the importations from?

Mr. BENNETT: They were included in imports I gave under item 388a. The importations are principally from the United States.

Item agreed to.

Customs tariff—388d. Iron or steel angles, beams, channels, columns, girders, joists, piling, tees, zees, and other shapes or sections, punched, drilled or further manufactured than hot rolled or cast, n.o.p.: British preferential tariff, 25 per cent; intermediate tariff, 35 per cent; general tariff, 40 per cent.

Mr. RALSTON: Where are these made?

Mr. BENNETT: This item, as I suppose the committee will recollect, was one in which, in the closing days of last session, the British preferential rate was increased from 10 per cent to 15 per cent by the minister in charge. It is now made 25 per cent, the intermediate being made 35 per cent as against 30 per cent formerly, and the general, 40 per cent as against 35 per cent formerly. If the hon. member for Vancouver-Burrard will look at that item he will realize just what is meant. There is a very large enterprise established in his city, at an expense of over a million dollars, and with water carriage at what it is, a rate of 15 per cent affords no possible chance of the plant operating at all. The British preferential rate is made 25 per cent to secure that operation and the intermediate and general tariffs are increased accordingly.

Mr. RALSTON: Prior to the budget of May last the British preferential tariff was 22½ per cent.

Mr. BENNETT: Quite so.

Mr. RALSTON: It was reduced to 15 per cent and now it is jumped to 25 per cent. It is more now than it was prior to the reduction last May.

Mr. COOTE: What was the amount imported from Great Britain under this item last year?

Mr. BENNETT: There were no importations from Great Britain prior to the end of the last fiscal year. No movement of importance has commenced, but there was the possibility of the establishment of a channel of trade of that character, and it was decided to meet it now, having regard to the investigation made in Vancouver and the low freight rates at which this commodity could be moved from continental Europe as well as from Great Britain. It is well understood that the ratio of land transport to water transport is as one to forty; in all computations commercial men reckon upon forty miles of water transport as being equivalent to one mile of land transport. Therefore, with the use of the Panama canal, it was a distance of about 300 miles of land carriage. If we assume it is a distance of 7,000 miles from continental Europe to the canal, this involves a distance of 175 miles of land carriage. Under these circumstances it is necessary, for the maintenance of the industry, that these rates should prevail.

Mr. COOTE: Has the minister any assurance from this concern in Vancouver that it will not increase the price?

Mr. BENNETT: The general manager of the enterprise saw me and gave such an assurance, except for the possibility of the changed cost of raw material over which, of course, he has no control. I suppose the name of the plant is well known and there is no reason why it should not be mentioned. It is the Dominion Bridge Company. The hon. member for Vancouver-Burrard acquiesces with a nod of his head. He knows what the expenses were; he saw the former Minister of Finance and the rate which originally was 10 per cent was made 15 per cent. Owing to the peculiarities of some continental and British plants that not only produce the steel itself but also have attached structural mills, in one operation loading into tramp steamers coming to Vancouver for cargo, it was found that this was unfair competition so far as this country was concerned from both continental Europe and Great Britain.

Mr. MACKENZIE KING: Was that assurance given in form that it could be made of record, or is it just a verbal assurance?

Mr. BENNETT: My memory is that it was verbal, but I think there is also a letter confirming a conversation. There was an undertaking at the time, and my recollection is that there was a letter afterwards, but I will look that up and satisfy my right hon. friend.

Item agreed to.

Customs tariff—396. Pipe, cast, of iron or steel, valued at not more than 5 cents per pound. . . per ton: British preferential tariff, $7; intermediate tariff, $12; general tariff, $14.

Mr. MACKENZIE KING: This is a very considerable increase. In the British preference it is an increase from $5 to $7, in the intermediate from $9 to $12 and in the general tariff from $10 to $14. On what basis have those increases been made?

Mr. BENNETT: Countervailing tariff items and the countervailing tariff rate is $14. The intermediate rate is fixel by the French treaty and the British preferential rate is now adjusted to the general tariff and the intermediate tariff. The rate at present, although said to be $10 under the general tariff, is, in fact, under the countervailing tariff.

Mr. MACKENZIE KING: Is the increase in the British preference likely to affect the purchase of pipe from Great Britain?

Mr. BENNETT: As a matter of fact, only $38,000 worth came in last year and prior to that date the rate had been $6. I am giving figures only up to the 31st March last, but there has been no movement of this commodity in any volume since that date. The intermediate tariff countries have apparently been affected. From the United States $120,000 worth came in.

Mr. MACKENZIE KING: We have been, as the committee will have observed, allowing these items to pass very rapidly. I want to make it quite clear that in no way are we acquiescing in these changes, and we shall expect to discuss them very fully at another session.

Mr. BENNETT: I tried to make it clear this morning that I quite appreciated my right hon. friend's position and thoroughly understood he was not asquiescing in the passing of any of the items.

Items agreed to.

Customs tariff—409a. Milking machines and attachments therefor; centrifugal machines for testing butterfat, milk or cream; complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.

[Mr. Mackenzie King.]

Mr. BENNETT: There is no change in this item except that pasteurizers are taken out.

Mr. CAMPBELL: Did I understand the Prime Minister to say that in connection with this an item was to be inserted covering repairs?

Mr. BENNETT: I said that one general item would be introduced covering repairs to all matters dealt with under these tariff items, permitting entry under existing rates prior to the 30th June, so that no question will arise. If it is thought desirable to extend the period further, that is a matter for the committee to decide.

Mr. CAMPBELL: I appreciate the action of the Prime Minister in this regard. It will be a considerable relief to many farmers who have United States machinery, to know that they may be able to get parts for repairs.

Mr. MACKENZIE KING: My hon. friend drew attention to the fact that there was dropped from this item pasteurizers for dairy purposes. The rate, as it was formerly, was free under the British preference; 10 per cent under the intermediate and 10 per cent under the general. I presume that "pasteurizers for dairying purposes" was dropped in order to make a separate item, 409p, where the rates are now fixed as British preference, free, intermediate tariff, 15 per cent, general tariff, 25 per cent. In other words, the rate under the general tariff on pasteurizers for dairying purposes has been increased from 10 to 25 per cent, an increase of 150 per cent. That will rather take away some of the advantage which the farmer will get from his better prices for butter and other products and give it to the manufacturer of these commodities.

Mr. SPENCER: What is the reason for this great increase in duty?

Item agreed to.

Customs tariff—409b. Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Mr. HEAPS: Do any of these implements come in from Great Britain?

Mr. BENNETT: No, all from the United States.

Mr. McMILLAN (Huron): What information has the government which has led to this great increase in the duty on agricultural implements?

Mr. BENNETT: I will make three statements that I think should satisfy my hon. friend; I made them the other day. There is no increase in prices. This country has manufacturing facilities sufficient to supply the entire requirements of the Canadian people, but by reason of existing conditions, that market is in some instances destroyed by unfair competition. It is proposed by these items to place the rate of 25 per cent against the importation into Canada of what might be called agricultural implements. There will be no increase in the price of such implements. I doubt not that the hon. gentleman saw the advertisement of the Cockshutt Plow Company in the daily papers this morning and yesterday, and I suppose he saw in the same press the advertisement of the Massey-Harris Company, the largest manufacturer of implements. Frankly, this aims to do one thing, to provide employment in Canada for the 73 out of every 100 workmen who are now engaged in the United States making implements for Canada. The object is to do that work in Canada, not in the United States. Out of every 100 making implements at the present time, 27 are working in Canada and the other 73 are working in the United States. We propose to have the work of that 73 done in this country. The 25 per cent duty is a frank and square and fair recognition that it will prevent the competition from the United States affecting production in this country; and on the other hand prices will not be increased.

Mr. McMILLAN (Huron): Might I ask the Prime Minister if the Massey-Harris and the Cockshutt Plow Company have asked for this?

Mr. BENNETT: It was asked for by the Massey-Harris Company, Limited, George Ballantyne, president; Sawyer-Massey, Limited, H. R. Malley, vice-president and general manager; John Goodison Thresher Company, Limited, L. V. Wright, Diretcor; L. Fleury Sons, Limited, H. W. Fleury, president; Cockshutt Plow Company Limited, E. A. Mott, general manager; Waterloo Manufacturing Company, A. T. Thorn, vice-president and general manager; Frost & Wood Company, Limited, J. E. Ruby, vice-president. In the letter which is addressed to the Minister of Finance under date of August 27, 1930, they state that the manufacturers are of the opinion that the consumers of agricultural implements will not pay a higher price, and are equally emphatic in stating that the Canadian market should be supplied from Canadian factories instead of having such goods manufactured elsewhere, and that they will not increase the price of implements to consumers providing that the cost of the materials entering into them are not increased.

Mr. MACKENZIE KING: But they give no assurance that they will not increase the price.

Mr. BENNETT: To make assurance doubly sure, let me say that assurances will be found in an advertisement in the public press, so that there might not be any doubt about it and that it might not be said to be an undertaking with respect to individuals. I hold in my hand the advertisement of the Cockshutt Plow Company, reading as follows:

> There will be no increase in the price of Cockshutt farm implements as a result of changes just announced in the tariff on implements. Cockshutt prices will continue to be based solely on production and distribution costs. Cockshutt Plow Company, Head Office and works: Brantford, Canada.

Exactly similar words appear in an advertisement of the Massey-Harris Company last evening.

Mr. YOUNG: In what paper?

Mr. BENNETT: I think it was the Globe.

Mr. McMILLAN (Huron): As regards repairs to implements manufactured in the United States, under these duties are we to pay more than formerly for repairs?

Mr. BENNETT: I have already stated that the hon. member for Mackenzie very properly brought that matter to the attention of the department this morning, and a clause is being drafted to meet that situation.

Mr. McMILLAN (Huron): There has been a considerable change, Mr. Chairman, in the state of mind of my hon. friends who now occupy the treasury benches since they obtained power. I can well remember the statements they made and reiterated when on this side of the house, to the effect that if they were in power they would laugh to scorn assurances by producers that they would not increase their prices. I have as much respect for the Massey-Harris Company as for any other company in Canada, but from my experience through life I would take no such assurances as that. While I am on my feet, let me say that since this government has assumed the reins of power the millennium has come, and we may throw into the waste basket the words of advice which Robert Burns gave to his young friend when he said:

> I'll no say, men are villains a';
> The real, harden'd wicked,
> Wha hae nae check but human law,
> Are to a few restricked;
> But, och! mankind are unco weak,
> And little to be trusted;
> If self the wavering balance shake,
> It's rarely right adjusted!

Every such warning, Mr. Chairman, has been thrown into the waste basket by the line of gentlemen now occupying the treasury benches, and however much I respect them and have confidence in them personally, I am sure that they will find out before very long that they will have to get away from the age of the millennium.

Mr. DONNELLY: I do not doubt at all the Prime Minister's statement that we have manufacturing facilities in Canada sufficient to supply the needs of all our farmers at all events in the west, because if my opinion is worth anything with regard to farming there will be very little or no farm machinery sold in western Canada for some time to come. With conditions as they exist in that part of the country, there will be practically no demand for farm implements. At the present time many of our farms are being deserted, and many farmers are leaving the farm for the cities looking for relief to carry them through until the spring.

An hon. MEMBER: It is blue ruin now.

Mr. DONNELLY: It has come since this government came into power. It is all very well for hon. gentlemen to laugh. We were getting one dollar a bushel for wheat when the election was held in July. That left twenty cents profit for the farmer, but at 80 cents a bushel we cannot farm. During the last election the Conservative candidate in my constituency went about from place to place and blamed the Liberal government for not marketing last year's wheat crop, and said that if a Conservative government came into power the farmers would get a better price for their wheat. And they not only promised that, but they guaranteed that if the Conservative government came into power there would be at least 5 cents of a rise in the price of wheat. Instead of that it has gone down 20 cents. That is the way their predictions come true. If they keep all their promises like that I can see where the western farmer will be. But what does the Prime Minister mean when he says there will be no increase in price?

Mr. BENNETT: Just what he says.

Mr. DONNELLY: Well, I want to tell him that all western Canada is looking for a reduction of 30 per cent in the prices of farm implements, and they cannot farm unless they get it. When we got 80 cents for wheat we were paying $180 for a binder, and the same binder to-day costs us $310. I repeat, they expect a reduction in prices, a reduction on this and every other piece of farm machinery which is in the same category so far as price is concerned. There will have to be a slaughter of prices. We are going to have a reduction. What we expect is this—that a reduction in prices similar to that in the United States will have to take place in Canada. Years ago in the west there was an agitation to buy American machinery, and if it is possible for American machinery to come into Canada and pay the duty we are apt to have the same agitation again. At that time we were told in the west that if we paid the duty it went into the national revenue, whereas if we bought Canadian machinery we were only paying the money to the manufacturer. The same agitation will take place again if this difference of 25 per cent is maintained between American and Canadian machinery.

Mr. MACKENZIE KING: An increase of 300 per cent.

Mr. DONNELLY: Yes. They are boosting the price to the exent of the 25 per cent duty. There is that difference between Canadian and American machines, and I warn the Prime Minister that we shall have again the agitation that took place years ago.

Mr. STEWART (Edmonton): I suppose one should not admit surprise at anything with a government such as we are sitting under at the moment, but I am really surprised at this increase. I am speaking now generally in regard to all these items. I do not intend to take up the time of the committee making a speech upon each item although I think these increases warrant it, but there are one or two things that ought to be said. A few moments ago I referred to the very careful inquiry that had been made with respect to the steel schedules. Farm machinery to-day is largely constructed of steel, and the manufacturers are receiving and have been receiving since last May the benefit of a change in the tariff covering steel entering into the manufacture of such machinery. There has been a considerable addition to what the industry enjoyed before that time. The hon. member for Willow Bunch has pointed out that farm machinery of every kind has touched the highest point in costs which we have known in Canada.

Mr. CANTLEY: Notwithstanding that you gave them free steel.

Mr. STEWART (Edmonton): My hon. friend is very anxious to interject that. Yes, notwithstanding the fact that we reduced the duty on farm machinery in 1922 and 1923. We have been paying more money for farm machinery in Canada during the recent period

than we have ever paid in the history of Canada, and we have given the manufacturers of farm machinery the benefit of the increased protection, such as it was, which was passed by parliament last May. Let me mention another significant fact. Never in the history of Canada did the stocks of farm machinery companies sell as high as they have done in the past few years. The industry certainly was not suffering. They certainly could not have been suffering on account of competition from the United States, and machinery did not come from any other point. These machine companies have been able to export machinery from Canada and sell in competition with the whole world, carrying on a considerable business.

Mr. CANTLEY: They are your friends.

Mr. STEWART (Edmonton): It does not matter whether they are my friends or not. I am engaged in agriculture and I am speaking for that class of people who like myself—outside of the indemnity I draw as a member of parliament—must earn every dollar they get out of agriculture. I am speaking for my own class, and I say that the leader of the government was not warranted in any respect in giving an increase of any kind to the manufacturers of farm machinery at this time, if he has any appreciation of what the farmers of the west are suffering to-day. Let me tell him that he can help the situation mighty little, and I resent the statements made in the last election by hon. gentlemen now sitting on the treasury benches that the government of Canada under the leadership of the Right Hon. Mr. Mackenzie King was recreant in any respect in regard to the sale of wheat. That statement cannot be proven; it cannot be substantiated in any particular; and my hon. friend will be as impotent to increase the price of wheat. Wheat is a commodity that must be sold in the markets of the world. True, he can make some trade agreement and get wheat into some foreign countries which at present are not taking the Canadian product. But he will not be able to increase the price one single iota, if he makes a dozen treaties.

Mr. MANION: I have heard the statement made in this house that somebody, now a minister in this government, said that the government would increase the price of wheat.

Mr. STEWART (Edmonton): I did not say a minister; I said hon. gentlemen on the opposite side. That is my statement, and if the hon. member will look up the statements made during the recent election he will find that that statement was made on many occasions.

Mr. MANION: I never heard it made.

Mr. GARDINER: Is it not correct to say that where placards were put out by the Conservative candidates guaranteeing an increase in the price of agricultural products those candidates were all defeated?

Mr. STEWART (Edmonton): Hon. gentlemen will have time to answer all the statements they made by which they misled the electorate in many instances and secured the position they occupy to-day; and possibly in four years the electorate will wake up to the fact that they were very much mistaken in the last election. But what I am complaining about is this. I say to my hon. friend that he will have difficulty in proving a single instance of hardship to the manufacturers of farm implements in this country to warrant his increasing the tariff on farm implements in any respect. Moreover, this government has placed a duty on implements not manufactured in Canada at all or, if they are manufactured, only in very small quantities. And as in the case of every other increase, the consumers will have to pay the difference. It will take a good deal of persuasion to make me believe for a single moment that these promises that have been made, that prices will not be increased, will be kept. As pointed out by the hon. member for Willow Bunch, farm implements will have to come down in price. The manufacturers can very well say to the Prime Minister that they will not increase the price, but you will find them charging their customers their competitors' price plus the duty. That is what they have done in the past. They have got in behind the duty and have done business behind it. That is so general and so common that I did not think anyone would raise the question. I am amused every time I hear it reiterated by gentlemen on that side of the house. They are not children; they are not babes in swaddling clothes; they ought to know better in the light of experience of the past fifteen or twenty years. We farmers know it; we have had to pay it repeatedly. I do not want to be the one to raise any question as between east and west or as between the farming population and the manufacturers, but I say that this is protection gone mad and rampant, and no language that I could enunciate would characterize the situation.

Mr. CAHAN: Nor any language that could be conceived, I suppose.

Mr. STEWART (Edmonton): No, and no language that could be conceived could do it. If the agriculturists of this country, struggling as they are to-day, have to assume a burden of this character, agriculture will be placed in the most difficult position it has occupied since I have known it, which covers a period of some forty years. When the farmers were selling wheat at $1 and $1.25 they were able to pay the enhanced prices charged for farm machinery, but they will not be able to pay those prices under the conditions which will be superimposed upon them by the addition of the duties now proposed by this government.

Take threshing machines; no one will pretend that the Canadian manufacturers are anything like able to supply the demand for threshing machines in western Canada. They are not able to supply the demand for the new combine harvesters and threshers; only last year complaint was made by an hon. member in the far corner of the house that unfair discrimination existed with respect to the importation of these machines. We reduced the duty and brought it in line with the duty imposed upon other classes of machines in order to give the farmer a chance, but now you come along and add from 200 per cent to 300 per cent on a basic industry that is in such a position that it cannot stand even another straw being laid upon its back.

Mr. MANION: There will not be any increase in price at all; we will not lay anything on their backs.

Mr. STEWART (Edmonton): May I make it very clear to the Minister of Railways and Canals that even if farm machinery goes down in price, even if a binder goes down $100 and a farm wagon $50, prices will still be higher than they were ten years ago.

Mr. MANION: So if they go down 50 per cent we are not accomplishing anything?

Mr. STEWART (Edmonton): You are not accomplishing anything. Do not get the notion that by any action on the part of this government the prices will be reduced.

Mr. MANION: The ex-minister is getting a speech ready for next session.

Mr. STEWART (Edmonton): I am delivering a speech on this day of our Lord September 20, 1930. I want the country to know exactly what this government is doing, and I am trying to tell the country.

Mr. MANION: They know, all right.

Mr. STEWART (Edmonton): Do they? My hon. friend always gets excited when I have anything to say and makes a good many interruptions. I hope to live for the next four years; if my hon. friend still sits over there he will hear a good many speeches of this kind, because I do not propose to sit quietly by without protest and have this sort of thing perpetrated on the people whom I represent. Of course this will be done; you are the government and you are going to do it. There has not been the slightest evidence of repentance in any single proposal which has been brought forward. And how do the government do it? They do it upon the representations of one class, the manufacturing or producing class. They never heard a single word—

Mr. MANION: How about the dairy farmers?

Mr. STEWART (Edmonton): My hon. friends are doing it for the men who are to profit by it.

Mr. BELL (Hamilton): The men without jobs.

Mr. STEWART (Edmonton): And you are to give them jobs. If my hon. friend will take the trouble to look up all the items dealt with in these schedules he will find that 80 per cent of the cost of manufacturing and production does not give one day's work to one single individual. Twenty per cent of the cost goes into labour.

Mr. BELL (Hamilton): That is silly.

Mr. STEWART (Edmonton): Is it silly? I invite my hon. friend to make some investigations, and he will not be so quick to make that statement. He only needs to take the report of the Canadian Manufacturers' Association, in which he will find that statement made. Generally speaking the labour content does not exceed 25 per cent; it varies between 20 and 25 per cent, and this action is being taken under the guise of giving employment. In order to give that employment you are giving 20 to 25 per cent to the labourer and 75 to 80 per cent to the manufacturer and producer. That is the situation as far as labour is concerned. No particular objection would have been raised had you picked out a few articles of importance, in the production of which labour would have been employed to a very considerable degree, and contented yourselves with them, but you bring down nearly two hundred items. Because the Prime Minister is going to the imperial conference a tariff revision is put through this house in two or three days which really should take at least thirty or forty days of consideration.

Mr. BENNETT: Mr. Chairman, I move that the committee rise and report progress, in order that we may proceed for another thirty or forty minutes, if I have the consent of hon. members.

Some hon. MEMBERS: Go ahead.

Progress reported.

BUSINESS OF THE HOUSE

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I move that this house shall not be adjourned at eleven o'clock to-day. I am in the hands of the house as to how long we sit. Shall we say until 11.45?

Motion agreed to.

Mr. BENNETT moved:

That on Monday, September 22nd, the house shall meet at eleven o'clock in the morning and that in addition to the usual intermission at six o'clock p.m. there shall also be an intermission from one to three o'clock.

He said: Perhaps my right hon. friend and the hon. member for Acadia would agree to this motion now.

Mr. MACKENZIE KING: Personally I am quite agreeable; so far as I am concerned and speaking for the members immediately around me no exception will be taken, but of course I cannot speak for any of the other groups.

Mr. GARDINER: Mr. Speaker, we have no objection to sitting on Monday morning at eleven o'clock, but we had thought, in view of our desire to meet the wishes of the Prime Minister, and of the fact that we have had three sittings to-day, that he would stop to-night at eleven o'clock.

Mr. BENNETT: I thought we might get in an additional thirty to forty minutes of work without being over-tired. I quite agree with my hon. friend that it is very tiresome.

Motion agreed to.

WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. LaVergne in the chair.

Mr. CANTLEY: I would like to correct a statement made by my hon. friend opposite, the late Minister of the Interior, who just sat down. He stated that in practically every manufacturing enterprise in this country the labour content was not over 25 per cent. So far as the iron and steel industry is concerned, that is entirely wrong. With the exception of a small amount expended in supplies such as oils, belting and materials of that sort, the total cost of steel production is absorbed by the labour cost. There is the labour of mining the ore, mining the limestone, mining the coal, in converting it into gas, the blast furnace operation and in the open hearth and rolling mill operations. Ninety-five per cent of the cost of producing iron or steel in this or in any other country is labour cost.

Mr. MacLEAN: Mr. Chairman, coming as I do from an agricultural province I cannot allow this item to pass without protest. I believe the farmers in my province will be shocked when they see the results of this legislation. They were led to believe that any increases which took place would not affect them. They were led to believe that assistance would be given to agriculture, and that no further burden would be placed upon them. Our potato industry is our largest farming operation, and much of the machinery used therein is imported from the United States. The duty on these implements has been increased from 7½ and 10 per cent up to 25 per cent, and I do not see how that can fail to increase their cost.

Mr. BENNETT: We distinctly say that the price will not be increased.

Mr. MacLEAN: The implements manufactured by the John Deere Manufacturing Company, which seem to be best suited to the needs of the potato growers, will have to pay a duty of 25 per cent. The farmers find that they receive better service from these machines than from the machines of any other manufacturer, and notwithstanding the duty which has been placed upon them they will continue to use them. It will be of no use for us to go back and try to make them believe the story we have heard. We may be a little green down there, but I do not think we will fall for a doctrine of that kind. During the election campaign we were told by our good Conservative friends that they would force the United States to take down their duty of 75 cents per hundred pounds on potatoes, and that we would obtain free entry into that country. That was heralded abroad both in the literature spread throughout the country and in the daily press. Instead of doing something along that line something which we knew, although promised, would be impossible, we are asked to vote an increase of the duty on the machines coming in from the United States. It is necessary to handle these crops very carefully, and as I say the machines manufactured by this company seem to be best adapted for that

purpose. It is quite possible that after some time the manufacturers in Canada will develop a machine that will give equal service, but at the present time the majority of the machines used are imported. Not only has the duty been raised on the machines necessary to this industry, but an increase has been put on fertilizers. I desire to protest very strongly against this legislation. I fail to see how it can benefit the farmers of Prince Edward Island.

Mr. YOUNG: I understood the Prime Minister to say when he was introducing this legislation that he had at that time in his possession undertakings from the manufacturers that they would not increase prices. He has told us to-night that the best security he has had from the implement manufacturers is in the form of an advertisement which appeared in the newspapers.

Mr. BENNETT: I read the letter.

Mr. YOUNG: And he has said that the strongest guarantee was this advertisement. Did the hon. gentleman know beforehand that that advertisement would appear?

Mr. BENNETT: I shall say yes.

Mr. YOUNG: What puzzles me is this: it is not customary for the manufacturers of implements to advertise in the city dailies; they generally do their advertising in the rural papers. Is it possible that they are hoping to sell binders and ploughs to the people of Ottawa, Toronto and Hamilton? What is the reason for this change of policy on the part of the implement makers, that they should so suddenly patronize the advertising columns of the city dailies? I do not know whether this sudden spending of money will have any effect on the editorial policy of these papers, nor do I know that the manufacturers hope that it will; but being far-seeing men it would be quite natural for them to think that it might have some effect. There is another way of looking at it. The other day the hon. member for Acadia (Mr. Gardiner) pointed out that some of these companies—he mentioned one in particular—had split their stock by issuing four shares for one, expecting to sell the additional shares to the public and thus make a handsome profit. The slump in the stock market made it impossible to unload those shares on to the public and large blocks of stock are still in the hands of the brokers who undertook to sell them. It is very necessary that these gentlemen should be in a position to unload that stock on to the general public. Is it possible that these advertisements appearing in the papers are published with the idea of attracting the attention of the investing public to the fact that this government is handing out something to the implement companies and that therefore the shares will become valuable? That looks to me to be the motive behind the whole thing. They are attracting the attention of the public to the fact that this government is going to make the farmers of this country pay the interest on that watered stock for the next fifteen or twenty years.

Mr. DONNELLY: I feel that many hon. members of this house do not realize the extent of the depression which exists in western Canada. There was no depression in western Canada until last summer, but it has been increasing since that time. When our wheat was selling at a fair price conditions were fairly good, and it is only this fall that we are beginning to feel the effect of this depression. The people are beginning to leave their farms and go to the cities and towns to look for work and assistance or for some place in which to spend the winter. I do not think the people in eastern Canada realize the true condition; not until next spring will the manufacturing concerns realize the lack of buying power in western Canada.

I wonder if the government realize what they are doing in increasing the duty on agricultural implements. Our western farmers are looking for something which will reduce the cost of production. In days gone by, when they were receiving 80 cents per bushel for wheat they were paying from $2 to $2.50 for a pair of work shoes, to-day they have to pay $5. So it goes on, all the way down the line. They are looking for a reduction in the price of commodities, and instead of that they are faced with an increase. And it is going to go from bad to worse. Our western farmers for example are looking either for a reduction in the cost of production or for an increase in the price of wheat. I may say openly that they are not interested in the price of Russian anthracite coal coming into Canada; they do not care whether it comes in or not. However they are interested in seeing that something is done to keep Russian wheat out of England. They want to know what this government is going to do to keep the Russian wheat out of the English market which they consider to be their market. These are two things I wish to draw to the attention of the government.

Mr. MACKENZIE KING: Is there any other increase in the tariff items before us which is at all comparable to this one on

agricultural implements in connection with which the duty is increased by 333⅓ per cent? Is there any other item in the whole schedule concerning which the rate is increased to that extent?

Mr. BENNETT: In most cases there is no increase in the rate under the British preference. In some cases there is an increase in the intermediate tariff. There is a flat increase of 25 per cent on agricultural implements, and so far as the principle which we are enunciating is concerned it would not matter whether the increase was 25 or 35 per cent. We believe that it is a duty which will ensure the competitive production of agricultural implements in Canada without any accompanying increase in price. That is the story.

Mr. MACKENZIE KING: My hon. friend has mentioned conversations with implement manufacturers. Did he call in any representatives of the agricultural interests to ask them what the effect of this increase was likely to be? Did he have any communication with farmers or with representatives of farmers' organizations as to what the effect of these particular increases in duties on agricultural implements would be?

Mr. BENNETT: I have had many conversations with representatives of the agricultural interests, and I have directed my conversation particularly to this one matter, as to whether they were concerned with tariffs if such tariffs did not increase the cost of implements. I was in western Canada where conditions such as those described by the hon. member for Willow Bunch (Mr. Donnelly) existed. I have heard various farmers say that if they could be satisfied that the increase in tariff would not increase the prices of implements they would be delighted to see Canadian industry succeed. The speech delivered tonight by the former Minister of the Interior was to the effect that no Canadian farmer should think of buying Canadian made machinery, but that he should buy in a foreign market.

Some hon. MEMBERS: No, no.

Mr. BENNETT: That is what the speech meant.

Some hon. MEMBERS: No, no.

Mr. BENNETT: I leave it to the judgment of my hon. friend from Vancouver Centre (Mr. Mackenzie), who is a lawyer, as to whether the speech meant anything else. It seemed to say, "Never buy a Canadian made article."

Mr. BROWN: The hon. member did not say that.

Mr. BENNETT: I did not say my friend from Lisgar had said it; I said the hon. member for West Edmonton (Mr. Stewart) had made the earnest plea to buy implements outside of Canada. My experience with the agrarian is that if he is satisfied that the price of the implement will not be increased by the tariff he will be content.

Mr. BROWN: The representatives of the agrarians in this house are not satisfied that the Prime Minister can fulfil that one condition.

Mr. BENNETT: Quite so; but suppose the hon. member give him a chance.

Mr. BROWN: I speak for a constituency of farmers.

Mr. SMOKE: You do not speak for anything of the kind; you are speaking for yourself.

Mr. BROWN: I speak for the majority of the farmers of my constituency.

An hon. MEMBER: And a very small majority.

Mr. BROWN: The sublime confidence of the minister in his belief that he can fulfil his promise to keep the price from increasing is indeed tragic.

Mr. YOUNG: It is comical.

Mr. BROWN: I am reminded of the book by Lew Wallace entitled The Fair God.

Mr. BENNETT: I thought you were going to refer to Ben Hur.

Mr. BROWN: This particular book deals with the conquest of Mexico by the Spaniards. The tragedy of the story was that Montezuma had such sublime faith that Cortez was the fair god of tradition that in spite of the pressure of his friends he allowed the conquest of his country by the Spaniards.

Mr. BELL (Hamilton): But Montezuma worshipped idols.

Mr. BROWN: I am afraid the Prime Minister is under such delusion. Really, Mr. Chairman, it would be amusing if it were not tragic to see the sublime faith of the Prime Minister and to listen to the statement that he can fulfil those promises which he has made. It is because we do not believe that he can fulfil such promises that we are opposed to this legislation. I do not know that we can do more than to retail what has been said by the hon. member for West Edmon-

ton. I think he has spoken for the farming population of the prairies. I am quite sure that the hon. members on the other side of the house who come from the prairies would not want to go out and fight an election on this budget.

An hon. MEMBER: We did.

Mr. BROWN: I am very certain that they are loath to speak in favour of it; I do not see many of them in the house; they are quite content to be absent. We were given to believe that something would be done to increase the price of our farm products. The Minister of Trade and Commerce (Mr. Stevens) came to my constituency and was most severe in his criticism of the late government because of their negligence in regard to the sale of wheat. By implication he proposed something; he did not say what should have been done—no, he did not say what; he did say however that something should have been done. They took care however not to say what that "something" was. I think by this time the farmers of the prairie provinces will realize that something has been put over them on both grounds, namely that my hon. friends have no power to increase the price of the wheat, and that the government has no power to fulfil its promises in regard to the price of agricultural implements.

Mr. YOUNG: With regard to the Prime Minister's assurance to the farmers that if they permitted him to increase the tariff he would see that the price of implements did not go up, he might as well have gone to them and said, "Would you object to my blotting out the sun provided I assured you it will still continue to shine?" Of course if the sun continued to shine they would not object, but everybody knows the Prime Minister could do no such thing. At page 338 of Hansard of this session we have a chart produced by the leader of the opposition, and in that chart the trend of prices is shown from August, 1929, to August, 1930.

Mr. HANSON (York-Sunbury): Is that the chart of 1919?

Mr. YOUNG: This chart shows that the price of Canadian grain has dropped 37½ per cent. That was the figure at the end of August, and grain has been going down ever since. During the same period the price of iron and steel products manufactured in Canada has dropped 2.77 per cent. The Prime Minister stated yesterday that the price of grain has continued to drop to such a point that he is alarmed that the pool officials are considering a reduction of the initial payment on this year's crop.

Mr. BENNETT: The hon. gentleman saw the cause of that in this morning's paper.

Mr. YOUNG: In connection with products which have dropped over 2 or 3 per cent during the past year, things which the farmer has to buy, the Prime Minister states that he will guarantee that they do not go up any higher. However the price of the thing with which the farmer has to buy those articles, the grain he grows, has dropped 37 per cent, and I will venture to say it is now 45 per cent lower and will probably be lower than that. The spread between what the farmer has to sell and what he has to buy is getting wider every day. What does the Prime Minister propose to do about it? He could not prevent the prices of farm products from going as low as they liked, but he saw to it that the prices of the things the farmer had to buy did not come down. He promised to keep the prices of those things stationary.

Mr. MANION: He did not do anything of the sort.

Mr. YOUNG: He promised that the price would not fall and he would put on a duty to prevent it from falling. Does he think for one moment he can satisfy the farmers in that way? He is going to take more bushels out of the farmer to pay for an implement than ever were taken before. There is no escaping from that conclusion.

Mr. MACKENZIE KING: I believe my hon. friend is quite sincere in his belief that by this action he is going to help the agricultural implement manufacturers. May I say to him that I am afraid it is going to have precisely the opposite effect even so far as the agricultural implement manufacturers are concerned. I remember very well the discussions we had in the house some years ago when we amended the tariff with respect to agricultural implements. At that time the representations that came to the government even from the implement manufacturers themselves, were to the effect that what they most dreaded was anything in the nature of agrarian unrest in western Canada or in the rural parts of our country anywhere. I think the manufacturers of agricultural implements had come to the conclusion about that time that their own interests would be best served by the extent to which the interests of the farmers of western Canada were well served, well served in their own minds and in reality.

I cannot believe an increase in the duty on agricultural implements to the extent of 33⅓ per cent is going to do other than create great unrest among the agricultural communities in this country. I believe to the extent to which unrest develops in the agricultural portions of Canada, the manufacturers of agricultural implements are going to be the first to be seriously affected as a consequence. My hon. friend has in mind the development of a home market. The development of a home market is an eminently wise and desirable thing provided that we understand what a home market is. I am afraid my hon. friend has too much in mind the idea that the home market, so far as the purchase of agricultural implements is concerned, means the market of Canada as represented by the people living in this country and the goods that are bought and sold here. May I say to him what I said the other day. A home market is not a locality, a place. It is a fund of purchasing power and so far as the home market for Canadian implement manufacturers is concerned, that home market does not consist in Canada or in the people that are in Canada; it consists in very large part in what the farmers of western Canada receive beyond the boundaries of Canada in the way of purchasing power from the export of their commodities abroad.

If I might put the matter in a simple way: the hon. member for Hants-Kings in a speech in the house a few days ago told of a community in his constituency where they were shipping apples to the old country. He said that some 80 per cent of the business of that community was done through the export of apples. Let us assume for a moment that there was a general store in that community, and the men who were shipping their apples to the old world came in and made their purchases from day to day at this general store, purchasing first one article and then another. The merchant doing a good business would tell a friend who would drop in to see him, that he had a very good market. That this was his home market, this group of men that were around about him. They were all purchasing; his business was going on well because he had this home market. Let us assume for a moment that for some reason this export trade suddenly stopped, due let me say, to some embargo across the water, and the men in that particular locality were no longer able to ship their apples overseas. What would happen? Instead of coming in and making purchases first of one article and then of another, they would cut their purchases to one-half the amount they had been formerly. Then they would in time stop their cash purchases to any extent and finally ask for credit. The merchant would be compelled in a short time to recognize that what he thought was a home market was not the community at his own door, but those purchasers overseas who were buying the exported commodities, or the fund of purchasing power which came to his community from that source. What is true with respect to this little community is a picture of the truth with respect to Canada at large. The home market so far as the implement manufacturers are concerned is not what may take place entirely within the confines of our country in the way either of manufacture or purchase; it is the purchasing power that comes to those who have to purchase agricultural implements. It is the purchasing power that will come to the farmers of this country in large part through what they export in the way of surplus products from Canada to other lands. When my hon. friend causes the farming community of this country to believe that in addition to all the hardships which they have to-day, they have to look forward in the future to paying more for their agricultural implements, because they will never believe this price maintenance business he is talking about, he is helping to destroy the home market for Canadian implement manufacturers. If the farmers of Canada know their business—and I believe they do—they will come to the city of Ottawa in battalions between now and the time we have the general session; they will make their representations to my hon. friend, not in secret or to him alone, but they will do as I have seen done on the floor of this house before; they will come here and demand to be heard in such a way that the people of Canada from one end to the other will know what their representations are. My hon. friend will be well advised to reconsider what he is doing to-day when he singles out the agriculturists of this country to impose upon them in the way of a duty on agricultural implements an increase in the existing tariff of 33⅓ per cent.

Mr. BENNETT: The right hon. gentleman seems once more to be finding an opportunity for his evangelical skill. He is going to bring the farmers up now in battalions. I thought the use of the word "battalion" was almost banned in this country.

Mr. MACKENZIE KING: My hon. friend has a monopoly of the evangelical side of things.

Mr. BENNETT: No; my right hon. friend seems to be somewhat jealous that anyone

should have invaded his prerogative in that regard. My right hon. friend thought there was no such thing as a champion on a moral issue unless he led it. That day has passed.

Mr. YOUNG: The hon. member does not call this a moral issue?

Mr. BENNETT: I did not suggest that in the eyes of my hon. friend it was. May I say that after nine years of Liberal rule we have the greatest disturbance and unrest we have had in western Canada in thirty years.

Mr. MACKENZIE KING: It has come about in the last six weeks.

Mr. BENNETT: I fancy the Canadian people, after hearing that statement, will not place much value on the ex-Prime Minister's views. He wants the Canadian people to believe that present conditions have come about during the last six weeks. This state of affairs has perhaps reached its climax in the last six weeks.

Mr. DONNELLY: It has just started.

Mr. BENNETT: There is something in what the hon. member says. For nine years the Liberal party, led by my right hon. friend opposite, has induced the agrarian population of western Canada to believe something they now know is not true. Annoyed and alarmed at the condition that now prevails, with a broken party behind him, becoming on the one hand a farmers' party mustering its twenty-three votes, threatening disruption and ruin to the old Liberal party, just as is the case in England because of the same conditions, the same form of leadership, here one view and there another, a promise here and something else there—

Mr. YOUNG: There is only one view over there and that is my hon. friend's own.

Mr. BENNETT: It is odd how the hon. gentleman has developed the habit of self-analysis. Realizing this condition—the lowering of tariffs, increasing prices, the creation of monopolies controlled from abroad, a monopoly in Belgium, another somewhere else, the economic penetration of our country, our industrial life thwarted and foreign communities controlling it so that we are entirely dependent upon them—the right hon. gentleman comes here in the closing hours and says: There is going to be great unrest in this country. Let us blame it on the new government and try to get away from the just retribution for our own acts. He conjures up battalions that are going to come here and demand something, hoping, hoping, hoping, as all these gentlemen are, that these provisions will not succeed. They do not want to buy Canadian goods. Listen to that speech to-night—it is unpatriotic to buy anything but American binders. Then hon. gentlemen opposite say: We are going to capitalize the unrest that we have ourselves created, and we will blame it upon the new government that has been in power only six weeks.

The hon. member for Lisgar talks of stories; in that respect he is an authority. The great Doctor Chalmers once preached a sermon on the expulsive power of a new affection. The right hon. gentleman and those associated with him are apparently realizing now for the first time just what their policies have done, just what conditions they have created, and how great the unrest is. Certainly they were derelict in their duty last year; of course they could not make prices, but there was an occasion which they could have seized to do something which would have been of great value to this country, as every thoughtful man who had to do with business realized; but that did not happen. Now they have a very simple idea: Let us capitalize unrest and blame the other fellow for it. In the—shall I say?—feeling of deep resentment which they have against the Canadian people for having displaced them, which becomes more apparent as the days go by, and which apparently arises from the idea that it was impossible for anybody else to govern this country—why, only a few weeks ago the people were made to believe that there could not be an imperial conference without the right hon. gentleman opposite, and question succeeded question—"Who, Who, Who? I, I, I."

Mr. MACKENZIE KING: May I point out to my hon. friend that he has not yet told us who is going to the imperial conference besides himself?

Mr. BENNETT: I could far more easily say who was not, but I have refrained from doing it. In due course, if I am permitted to go, this house will be informed as to who will accompany me. But I will say this, that the Canadian people will be satisfied that man for man they are quite the equal of those who were mentioned. Had the right hon. gentleman and those associated with him been the heaven-born geniuses that they led us to believe they were, there certainly could not have been that spirit of unrest in Canada of which the hon. member for Willow Bunch spoke. They would simply have waved it away with a few passes.

Mr. DONNELLY: I said depression, not unrest.

Mr. BENNETT: The depression would have vanished as the dew before the morning sun if they had been the men they said they were. It seems to me that hon. gentlemen should understand exactly what we are endeavouring to do. If we fail, then we lose.

An hon. MEMBER: Perish in the attempt.

Mr. BENNETT: Exactly, and that is something which the right hon. gentleman is unable to understand; for never yet in his whole political career has he been willing to stake it upon an affirmative view. If apology and circumlocution are the earmarks of statecraft, the right hon. gentleman certainly has that attribute. Hon. members opposite may or may not think as I do, that it is desirable to have clear-cut opinions and convictions, based upon a just and proper understanding, the play and interplay of political forces, and to risk all, office, place and power, everything that goes to give a man a position in the life of the country, in carrying them out. If some scoff at the idea of one perishing in the attempt, all I have to say is this: We are going to make this effort. We are going to endeavour to induce our fellow-Canadians, without increasing the prices they pay for the implements of production, to buy in Canada the products of Canadians so that the purchasing power created by their effort will remain in this country to add to its wealth and make it what it should be. Nine hundred million dollars of the purchasing power of the people of this country goes to other lands to buy commodities. We should keep at home as much of that as we possibly can to increase the happiness and prosperity of the whole Canadian people. What is more, I have not the slightest doubt in the world that if the Canadian people are afforded the opportunity, as they will be, to make that effort, the results will be success. I know how disappointing it is to my friends opposite, with one or two exceptions. I know how difficult it is for them to conceive the idea that it is possible through internal production on the part of a country which has already placed its industrial life on an export basis, to be able to meet the entire requirements of its own people.

Mr. HANBURY: At the expense of export business.

Mr. BENNETT: Not at all. Our ploughs are being sold abroad; they are the best ploughs in the Argentine; they are sold in the United States. We now propose to see that the market at home is given to the best product the world knows. The reason the tariff becomes essential is to prevent disturbance of business which comes from throwing open your market to small quantities of goods that destroy the home market for the rest of the year. I need hardly say to members who know the business of this country that it does not take a large quantity of distress goods thrown on the market to destroy it; it is the mere throwing of them on the market at all that does it. A gentleman speaking before a commission in Great Britain or the United States not long ago made that perfectly clear. He said that a small quantity of goods, limited in amount, but put on the market at the proper time, would destroy the just and proper price that should obtain in the home market.

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

Mr. BENNETT: I have about concluded. I think my most bitter opponent will admit that I have been patient during the last few days, and I shall endeavour to continue to be so and with courtesy to all, to fulfil the duties of the position which for the moment I occupy. But I hold firmly, sincerely the conviction that in the method we are following lies the achievement of success for the Canadian people in their national life. We cannot make a country by agriculture alone, or by industry alone. The two are interrelated, and until such time as we relate one to the other by the closest possible ties, we shall not bring about that national sentiment which is so desirable. There should in that sense be no east and west. I wonder if the hon. gentleman, when he speaks of measuring the amount of credit that has been given to the west, in which I have lived so many years —I was more familiar at one time than I am now with the amount of credit extended in connection with agricultural implements in western Canada—realizes how great that credit is. It amounted to such a staggering sum that I was amazed. It is true that these sums will be paid back in time through the productivity of our soil. I wonder if hon. gentlemen have taken the trouble to ascertain the millions of dollars of fortune and enterprise and assets of western Canada that were pledged to banks and other institutions to enable that credit to be given.

Mr. YOUNG: It was a business proposition.

Mr. BENNETT: It was a business proposition! Whenever you face that situation the

answer is, it is a business proposition. But when it suits the purpose of my hon. friend he tries to arouse antipathy and antagonism and prejudice against people living in eastern Canada. I deprecate that.

Mr. YOUNG: I rise to a question of privilege.

Some hon. MEMBERS: Sit down.

Mr. BENNETT: There is no privilege.

Mr. YOUNG: Yes, there is.

Some hon. MEMBERS: Sit down.

Mr. YOUNG: The hon. gentleman said I was trying to arouse antagonism.

Mr. STEVENS: You are doing nothing else.

Mr. BENNETT: That is not privilege; that is merely interference with my observations. I appeal to the house as a new house to avoid that. I have lived as long in western Canada as most hon. gentlemen here and perhaps I am more familiar with the credit operations of those who have produced implements of production and sold them in the west than any other hon. gentleman in this house—and I say that in no spirit of egotism. I know, by reason of my profession and the position I occupied as a solicitor for many enterprises, during the years from 1900 to 1920, of the extent and character of the credit which was given by these institutions to enable those upon the soil to make it produce. And it has been highly profitable alike to the producer and the manufacturer, for in the one instance he has received his money, and in the other instance the producer has received the results of his toil. But we are one country and one people endeavouring to accomplish one purpose, and the policies which we outline here to-day are taken because we believe it is in the interests of Canada that our people should buy Canadian products if we do not raise the prices. We have the facilities to produce more than enough to meet our requirements, and in men, machinery and materials we are the equal of any people in the world. I prefer therefore if I can, by any policies at my command, to direct into these channels the productivity of the Canadian people, the agrarian population. That is my effort; that is all. That is the effort of the government. That is all we are trying to do, and I have at least one supporter in that regard in the former Minister of Trade and Commerce who, from his large business experience, during the last session of parliament told the committee very frankly —and many of his friends disliked it—that, if you have operations that ensure to you the home market, competition will secure the price level.

Mr. YOUNG: I do not believe that.

Mr. BENNETT: I know they do not believe it.

Mr. McMILLAN (Huron): And if the hon. gentleman were in the live stock business—

Some hon. MEMBERS: Oh, oh.

Mr. McMILLAN (Huron): If the hon. gentleman were in the live stock business—

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: The hon. member may not interrupt without the consent of the speaker.

Mr. BENNETT: I have never been as close a student of Burns as I should like to be, because I sometimes find it somewhat difficult to understand the language; but I have a Geddie's Burns in which every Scotch term is interpreted in the margin, and I can recall somewhere these words:

> Oh wad some Power the giftie gie us
> To see oursels as ithers see us!

I leave those words with the hon. gentleman. We are endeavouring in these items to which attention has been directed to apply the principle which my hon. friend the former Minister of Trade and Commerce enunciated at the last session and which every thoughtful business man believes to be sound, although I realize that there are many who sit beside him who prefer that we should not succeed along these lines. Now, Mr. Chairman, it is practically twelve o'clock.

An hon. MEMBER: Continue.

Mr. BENNETT: No, I will move that the committee rise and report progress.

Mr. MACKENZIE KING: It is now about midnight, we were to conclude at 11.30. Seeing that my hon. friend is about to leave for the conference it would be a pity were we to break up without the doxology.

Mr. BENNETT: Perhaps gloria in excelsis might be more appropriate.

Progress reported

On motion of Mr. Bennett the house adjourned at 11.55 p.m.

Monday, September 22, 1930

The house met at eleven o'clock.

PARLIAMENTARY RESTAURANT

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it will be within the memory of hon. members in this house that an agreement was made with the Canadian National Railways in connection with the parliamentary restaurant. The particulars are set out at page 529 of the Journals for the year 1929. I am advised that it is regarded as necessary that action should be taken so that preparations might be made for the session of 1931. Therefore I move, seconded by Mr. Guthrie:

That it be resolved that the agreement made by the joint committee of the Senate and House of Commons on the restaurant, with the Canadian National Railways, approved by this house on the 31st May 1929, to take over the management of the parliamentary restaurant and cafeteria for the period of one year for the sum of fifteen thousand dollars be discontinued, and that the management of the said restaurant and cafeteria be again assumed by the joint committee of the Senate and House of Commons on the restaurant.

This motion is to make possible the making of a fresh bargain and remove any possible difficulties in connection with negotiations. I would have spoken to my right hon. friend about it this morning but I did not have the opportunity to do so.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HANTS AND KINGS COUNTIES, CONSTRUCTION FOREMEN

Mr. ILSLEY:

1. What are the names of all the foremen of repair and construction jobs on wharves and other public works in the counties of Hants and Kings who have been dismissed or laid off before the completion of their jobs since the present government took office?

2. What are the names of all the workmen on repair and construction jobs on wharves and other public works in the counties of Hants and Kings who have been dismissed or laid off before the completion of their jobs since the present government took office?

3. Why and when have such foremen and workmen been dismissed or laid off respectively, and on whose recommendation was this done?

[Mr. Bennett.]

Mr. STEWART (Leeds):

1. D. B. Weaver, Kingsport, wharf repairs.

2. Norris Webb, Kingsport, wharf repairs; Percy Porter, Kingsport, wharf repairs; Miner Benjamin, Kingsport, wharf repairs.

3. Foreman laid off on August 14, on the recommendation of A. deW. Foster because of undue partizanship. Workmen ceased work on August 18, 1930, as work stopped.

CANADIAN NATIONAL RAILWAYS—RIVIÈRE DU LOUP STATION

Mr. POULIOT:

1. On what date did the House of Commons vote an item including an amount for the construction of a new station of the Canadian National Railways at Rivière du Loup?

2. On what date were tenders called for the construction of this station?

3. On what date were these tenders published for the first time and in what newspapers?

4. What are the names and addresses of each tenderer?

5. What was the price submitted by each tenderer?

6. What tender was accepted, on what date and on whose recommendation?

7. Will this work be carried out immediately?

Mr. MANION:

1. May 30, 1930.

2. July 25, 1930.

3. Moncton: Times and Transcript, July 25, 1930; Montreal: Gazette, Star, Herald, La Patrie, La Presse, Le Devoir, and Le Canada, July 30, 1930; Quebec, L'Evenement, L'Acteur Catholique, Le Soleil and the Chronicle Telegraph, July 30, 1930; Rivière du Loup: Le St. Laurent (weekly paper of August 4, 1930).

4. A. Deslauriers, Limitee, Quebec, P.Q.; Dumont & Damours, Rivière du Loup, P.Q.; E. G. M. Cape & Company, Montreal, P.Q.; Ernest Dionne, Rimouski, P.Q.; Jos. Collin, Rivière du Loup, P.Q.; Maurice Leduc, Donnacona, P.Q.; Newton Construction Co., Ltd., Sherbrooke, P.Q.; Stewart Construction Co., Ltd., Sherbrooke, P.Q. The Foundation Company of Canada, Limited, Montreal, P.Q.

5. Not in the interest of the public nor of the railway to divulge information of this character.

6-7. No tender accepted. Matter under consideration.

CANADIAN NATIONAL RAILWAYS—SHEDIAC—PUGWASH BRANCH LINE

Mr. VENIOT:

Is it the intention of the government to expend any portion of the $20,000,000 voted by parliament for the relief of unemployment, in the construction of a railway line from Shediac, New Brunswick, to Pugwash, Nova Scotia, a survey of which was recently made?

Mr. MANION: On April 28th last, in dealing with a question by Mr. Price, M.P., Mr. Dunning, as acting Minister of Railways and Canals, replied to the following effect: "No survey has been made. The possibilities of such a project have, however, been examined by the railway management whose studies indicate that there would be no justification for the construction of such a line."

The railway authorities state that no survey has since been made, and that this matter stands in exactly the same position, so far as the railway is concerned.

CANADIAN NATIONAL RAILWAYS—TRACADIE—NEWCASTLE BRANCH LINE

Mr. VENIOT:

Is it the intention of the government to expend any portion of the $20,000,000 voted by parliament for the relief of unemployment, in the construction of a railway line from Tracadie to Newcastle, New Brunswick?

Mr. MANION: While consideration was given the possibility of the construction of this railway by the late government and Canadian National Railways, the studies made were not sufficiently encouraging to warrant favourable consideration, and the matter stands in that position. Any proposal to build the line would, of course, require parliamentary approval.

CANADIAN NATIONAL RAILWAYS—ST-JOHN AND QUEBEC RAILWAY EXTENSION

Mr. VENIOT:

1. Has any survey been made of the extension of the St. John and Quebec railway from Centreville to Grand Falls, New Brunswick?

2. If so, has any report been made on such survey, and is it favourable to the extension?

3. Is it the intention of the government to expend any part of the $20,000,000 voted by parliament for the relief of unemployment in the construction of the said railway extension?

Mr. MANION:

1. While a reconnaissance survey has been made by the railway authorities, no decision has been reached in the matter of the possible extension of this road. In any event, authority of parliament would require to be secured before the Canadian National Railways, which acquired the St. John and Quebec Railway under the 1929 legislation, could build the forty miles of line involved in proposed extension.

QUEBEC, MONTREAL AND SOUTHERN RAILWAY

Mr. DUBOIS:

1. On what date did the government purchase the Quebec Montreal and Southern Railway?

2. On what date was the Bécancour bridge carried away by the ice?

3. Is it the intention of the Government to carry out the order of the Board of Railway Commissioners, dated June 25, 1930, in connection with the construction of the Bécancour bridge?

4. If so, when will said construction begin?

Mr. MANION:

1. The Quebec, Montreal and Southern Railway was acquired, not by the government but by the Canadian National Railway Company, under agreement dated August 7, 1929, and approved by order in council P.C. 1444, of August 7, 1929. Any order issued by the Board of Railway Commissioners with respect to the Bécancour bridge, or any other matter affecting the railway, will have the customary attention by the railway management.

JESUS DES MILLES-ÎLES, QUE., WHARF

Mr. PARENT:

Is it the intention of the government to expend any of the $20,000,000 voted by Parliament to relieve unemployment, for the construction of an extension of the protection wharf on the north shore of the river Jesus des Milles-Iles, in the city of Terrebonne?

Mr. STEWART (Leeds): No definite disposition of the $20,000,000 voted by parliament to relieve unemployment has been decided upon.

HONOURABLE RODOLPHE LEMIEUX

Mr. BARRETTE:

1. On what date was the Honourable Rodolphe Lemieux appointed to the Senate?

2. On what date did he resign as Speaker of the House of Commons?

3. During the period between the time of his appointment to the Senate and resignation as Speaker, did he receive any salary or expenses? If so, to what amount?

4. During the same period, were his servants in receipt of salary? If so, what amount was paid to each?

Mr. BENNETT:

1. June 3rd, 1930.

2. He did not resign, but acted as Speaker until Sept. 8th, 1930, when he was sworn as a Senator.

3. Yes;

Salary	$1,491 67
Allowance in lieu of residence	795 83
Servants (including chauffeur)	1,758 25
Motor service	342 22
Chauffeur's uniform	73 00
Telephone calls	54 50
Telegrams	72 20
Photo prints	60
	$4,688 27

4. Yes; they were: A. Harvey, steward at Mr. Lemieux's private residence, 97 days at $4 per day, $388; W. Portuguese, servant at Mr. Lemieux's private residence, 97 days at $4 per day, $388; A. Bouchard, cook at Mr. Lemieux's private residence, 97 days at $50 per month, $159.60; A. Bouchard, servant at Mr. Lemieux's private residence, 97 days at $65 per month, $206.91; E. Cyr (charwoman), 90 days at $50 per month, $146; Madame D. Barbès (Secretary), 94 days at $7.50 per day, $705; Madame Y. Kipp (Assistant Secretary), 97 days at $5.50 per day, $533.50; W. H. Jones (Messenger), 18 days at $4.79 per day, $86.22.

Madame Barbès received the full $600 secretarial allowance in addition to the above figures.

SKINNERS POINT, P.E.I., BOAT HARBOUR

Mr. MacLEAN:

1. In view of the fact that money was voted last session for the building of a boat harbour at Skinners Point, Prince Edward Island, will the government proceed with the work this season or next?

2. Will the repairs to the railway wharf at Summerside, Prince Edward Island, be proceeded with this season?

Mr. STEWART (Leeds):

1. Matter under consideration.

2. Contract awarded. Work will probably commence after early fall shipments of potatoes if weather conditions remain favourable.

QUESTIONS CONCERNING INTENTIONS OF GOVERNMENT

Mr. BENNETT: The observations made by the right hon. the Prime Minister of last year in connection with asking questions concerning the intention of the government has a singular application to many of the questions on the order paper. I then agreed with the observations of the right hon. gentleman and I see no reason at this time to change my opinion.

UNOPPOSED MOTIONS FOR PAPERS

CONSTRUCTION OF HIGHWAYS

Mr. HEENAN:

For a copy of all correspondence and documents of all kinds exchanged between any member of the government of Ontario and any member of the federal government of Canada with respect to: (1) The construction of a highway through Northern Ontario; (2) construction of a trans-Canada highway; (3) The request for cooperation between the two governments in the construction of said highways.

POST OFFICE AT BLACK LAKE, QUEBEC

Mr. ROBERGE:

For a copy of all telegrams, correspondence, plans and tenders, regarding the construction of a post office at Black Lake, Megantic county, Quebec, since July the 28th last, 1930, to date.

DUMPING DUTIES

RETURN SHOWING REFUNDS DURING THE PAST TWELVE MONTHS

Mr. E. J. YOUNG (Weyburn):

For a return showing the number of cases in which dumping duty has been refunded after being collected, during the past twelve months, with particulars in each case.

Hon. E. B. RYCKMAN (Minister of National Revenue): I hope my hon. friend will not press this motion, for two reasons. The first is that no statistics are kept concerning cases in which dumping duty has been refunded. To give the desired information would necessitate analyzing each of the refunds claimed, and there are a great many of them which have been paid during the past twelve months. Secondly, it is contrary to the practice of the Department of National Revenue to give information to disclose the business of individual concerns.

Mr. YOUNG: I have been seeking this information for a long time, and although it would no doubt inconvenience the department to a considerable extent I think the country has a right to have the information. I have learned that the dumping act has been and is being used as a means of systematically persecuting importers to this country. The other day the minister admitted, and I think he repeated this morning, that there are many cases in which the dumping duty is wrongfully collected and then later refunded. Even at the expense of considerable trouble to the

department I think the house and country are entitled to this information, and I insist upon it.

The house divided on the motion (Mr. Young) which was negatived on the following division:

YEAS

Messrs:

Blair,
Bothwell,
Bouchard,
Boucher,
Bradette,
Brown,
Buckley,
Butcher,
Carmichael,
Cayley,
Chevrier,
Coote,
Denis,
Desrochers,
Donnelly,
Dubois,
Dumaine,
Dupuis,
Elliott,
Fafard,
Fraser (Northumberland, O.),
Gardiner,
Garland (Bow River),
Goulet,
Hall,
Hanbury,
Heaps,
Heenan,
Hepburn,
Ilsley,
Irvine,
Kennedy (Peace River),
King, Mackenzie,
Lapointe,
Lucas,
Luchkovich,
MacLean,
Macphail (Miss),
McIntosh,
McPhee,
Marcil,
Mercier (St. Henri),
Motherwell,
Munn,
Perras,
Power,
Ralston,
Roberge,
St-Père,
Sanderson,
Speakman,
Spencer,
Stewart (Edmonton West),
Taylor,
Totzke,
Verville,
Weir (Macdonald),
Young.—58.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Beaubier,
Belec,
Bell (Hamilton West),
Bell (St. John-Albert),
Bennett,
Beynon,
Black (Halifax),
Boyes,
Burns,
Chaplin,
Charters,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Duranleau,
Edwards,
Embury,
Ernst,
Esling,
Fortin,
Garland (Carleton),
Gobeil,
Gordon,
Hackett,
Hay,
Johnstone,
Jones,
Larue,
LaVergne,
Loucks,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdougall,
MacMillan (Saskatoon),
MacNicol,
McGibbon,
McGillis,
McGregor,
McLure,
Maloney,
Moore (Chateauguay-Huntingdon),
Murphy,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Perley (Sir George),
Pettit,
Plunkett,
Porteous,
Price,
Quinn,
Rennie,
Rhodes,
Robinson,
Robers,
Ryckman,
Ryerson,
Sauvé,
Senn,
Shaver,
Short,
Simpson (Simcoe North),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stewart (Leeds),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Turnbull,
Weese,
Weir (Melfort),
White (Mount Royal),
Wright.—96.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Simpson (Algoma West),
Barrette,
Bowman,
Bowen,
Bell (St. Antoine),
Cahan,
Cantley,
Casselman,
Cotnam,
Dupré,
Geary,
Gagnon,
Harris,
Hanson (York-Sunbury),
Kennedy (Winnipeg South Centre),
Lennox,
Laurin,
Lawson,
Matthew,
Mullins,
MacLaren,
Manion,
Stevens,
Tummon,
Rowe,
White (London),
Cormier,
Bury,
Wilson (Wentworth),
Fraser (Cariboo),
Gott,
Guthrie,
Lafléche,
McDade,
Morand,
Pickel,
Ross,
Smith (Cumberland),
Stewart (Lethbridge),
Willis,
Casgrain,
Robitaille,
Hanson (Skeena),
McKenzie (Assiniboia),
Raymond,
Rinfret,
Cardin,
Howard,
Hurtubise,
Mackenzie (Vancouver Centre),
Mercier (Laurier-Outremont),
Boulanger,
Jacobs,
Veniot,
Dubuc,
Pouliot,
Fontaine,
Gray,
Moore (Ontario),
Howden,
Fiset (Sir Eugene),
Euler,
Malcolm,
St-Père,
Lacroix,
Gershaw,
Duff,
Ferland,
Fournier,
McMillan (Huron South),
Rutherford,
Reid,
Rhéaume,
Parent,
Seguin,
Thauvette,
Urquhart,
Vallance,
Deslauriers,
Girouard.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Quebec West (Mr. Dupré). Had I voted I would have voted for the motion.

Mr. MANION: I was paired with the hon. member for North Waterloo (Mr. Euler). Had I voted I would have voted against the motion.

Mr. RINFRET: I was paired with the hon. member for St. Lawrence-St. George (Mr. Cahan). Had I voted I would have voted for the motion.

Mr. McMILLAN (Huron): I was paired with the hon. member for Cariboo (Mr. Fraser). Had I voted I would have voted for the motion.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted against the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted against the motion.

Mr. WHITE (London): I was paired with the hon. member for Medicine Hat (Mr. Gershaw). Had I voted I would have voted against the motion.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted against the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the motion.

Mr. GOTT: I was paired with the hon. member for Kent, Ontario (Mr. Rutherford). Had I voted I would have voted against the motion.

Mr. HURTUBISE (Translation): I was paired with the hon. member for North Renfrew (Mr. Cotnam). Had I voted I would have voted for the motion.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Thauvette). Had I voted I would have voted against the motion.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted for the motion.

Mr. SPEAKER: It is not in accordance with parliamentary practice for hon. members to move about the chamber while a vote is being recorded. It would be a pity to depart from that practice now.

VANCOUVER HARBOUR COMMISSION

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the Minister of Marine whether the resignations of the Vancouver Board of Harbour Commissioners have been requested or received?

Hon. ALFRED DURANLEAU (Minister of Marine): I could not answer offhand whether the resignations have been received or not.

Mr. MACKENZIE (Vancouver): Is the minister in a position to-day to announce the appointments of the new commissioners?

Mr. DURANLEAU: I could not inform the house to-day as to any appointments. I am not sure whether we have received the resignations of the commissioners or not. I will inform the house if possible.

UNEMPLOYMENT RELIEF

APPROPRIATION OF TWENTY MILLION DOLLARS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Is the Prime Minister in a position to inform the house what proportion of the $20,000,000 which we have voted for unemployment relief will be devoted to propaganda, as indicated by him the other day, for the purpose of encouraging buying Canadian products in Canada?

Hon. R. B. BENNETT (Prime Minister): That question has not been considered.

PRICE OF GASOLINE

On the orders of the day:

Mr. A. M. CARMICHAEL (Kindersley): I have a telegram from Kindersley, Saskatchewan, dated September 21, which reads:

> Car of gasoline received to-day from Regal Oil Company, Calgary, with two and a half cents per gallon rise in price taking full advantage of duty. Kindly bring this to the attention of house.
>
> Kindersley Cooperative Association,
> Per T. M. McTaggart.

In view of the fact that section 18 of the Customs Act covers such a situation as this, I would ask what action the government will take in this case.

Hon. R. B. BENNETT (Prime Minister): The Regal Oil Company operates a small refinery at Calgary and the very purpose of this legislation was to afford an opportunity to the purchaser to acquire his product from other companies in the event of any company seeking to take advantage of the provisions

of the tariff. I will have the matter investigated, and if the circumstances warrant, the statute which has not yet passed into law, will be made effective.

BUSINESS OF THE HOUSE

ARRANGEMENTS TO FACILITATE PROROGATION OF PARLIAMENT

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): This would appear to be an appropriate time to arrive at some definite understanding as to the hour at which the proceedings of the house are to be closed if the Prime Minister (Mr. Bennett) is to get away to the imperial conference. As I have indicated, those of us who are of the official opposition have decided that we will do whatever we can to facilitate my hon. friend getting away at the time that may be necessary, and we wish to arrange our program accordingly. We recognize that it is wholly impossible to discuss the many tariff items that are before us at the present time. We could not do that intelligently inside of a month. That being the case, I cannot see that any good purpose is to be served by a mere pretence of discussion and I think we might just as well arrange openly the plan as to the time at which the sittings of the house are to be brought to a close. I can speak, of course, only for the official opposition; I cannot control hon. members generally; but if my hon. friend will tell us what the hour is at which he thinks it will be necessary for him to leave, and in accordance with that the hour at which it will be necessary to conclude proceedings, not merely in this house, but also in the Senate, because of course this bill has to go to the other house as well, we might be able to make some arrangement immediately that will suit the convenience of everyone.

Hon. R. B. BENNETT (Prime Minister): I am sure every member of the government and its supporters appreciate to the full the very courteous statement made by the leader of the opposition. I will avail myself of this opportunity to thank him and his supporters for that statement. So far as I have been able to ascertain, we should conclude our consideration of the measure if possible a little before one o'clock. The right hon. gentleman knows how difficult it has been in times past to be able to speak with any degree of certainty about matters of this kind. I recall one unfortunate occasion on which we remained very late and then were not able to conclude the business. I suppose it is an indication of the soundness of what the hon. member for South Huron (Mr. McMillan) would say was contained in the verse:

> The best-laid schemes o'mice an' men
> Gang aft agley.

I quite appreciate the position taken by the right hon. gentleman. There is not ample time now to discuss all these items. But they fall into a few classes. There is the agricultural implement class and the exception to it with respect to repair parts. There are the textile items which are really but one item divided into many for the purpose of administration. I should not think that we would curtail discussion with respect to the general principle which has been followed. However much my right hon. friend and his associates may conclude we are in error, a discussion as to the general principle that is applied, will cover every item that is in the schedules. There is the fact that the duty rates are merely the adjustment of a fixed principle to these particular items. I neglected to say that there is also another item, that of boots and shoes. I was of the opinion that if we concluded our business this morning we might be able to prorogue this afternoon prior to four o'clock. The ship upon which I propose to sail, if I go, the Empress of Australia, sails to-morrow morning about twelve o'clock, and if I was able to complete the business that must be completed this evening I could by catching the boat train arrive there in time to sail. I again thank the right hon. gentleman for making the statement that he has.

Mr. MACKENZIE KING: My remarks were made with a view to reaching some conclusion and facilitating the business of the house this morning. I should like to hear what other hon. members on this side have to say. I have expressed our point of view, and I should like to hear theirs.

Mr. ROBERT GARDINER (Acadia): So far as the members in this corner of the house are concerned, we, of course, regret that we have not the opportunity of having a full and free discussion of all the items that are included in the schedule. Under the circumstances, however, we shall try to accommodate the Prime Minister in order that he may sail to-morrow, but I assure you, Mr. Speaker, that when the tariff revision comes before the house next session, we shall make make up for what we do not say now.

Mr. BENNETT: Perhaps, Mr. Speaker, you will permit me to express on behalf of the government and its supporters our appreciation of the attitude taken by the hon.

member for Acadia (Mr. Gardiner) and those associated with him. This might be a convenient place for me to say what I was going to say later. Speaking for the government, I feel that I should thank this house for its courtesy and kindness in dealing with these proposals and the measures that have been submitted to it for its consideration. I am not unmindful, having so lately been in opposition, of how difficult it must be to accommodate one's mind—shall I say?—to the passage of some of these measures. I said very frankly to the right hon. gentleman and to the hon. member for Acadia the other day that I quite understood that the attitude which they have taken does not in any sense indicate their acquiescence in the proposals which have been submitted; but rather from the tenor of their observations and the vigor with which they have expressed them, it is perfectly clear that they are opposed to them in their entirety. It is also equally clear that there has been a very frank recognition on the part of those who sit opposite that, in time, with the majority which the government has, it could place these proposals upon the statute books. The recognition of that fact, as the right hon. gentleman and some other hon. members said the other day, is a perfectly clear statement of the situation under our democratic institutions. I cannot but think that the opposition to these measures has amply and clearly indicated what its views are. We shall endeavour not to be unmindful of the courteous attitude taken by the right hon. gentleman and his supporters and by the hon. gentleman from Acadia and his supporters in dealing with the situation that has arisen. It is altogether abnormal. The circumstances are very peculiar, and the fact that the conference meets at the time it does has added greatly to the difficulties of hon. gentlemen opposite. If it has added to ours, it has also added to theirs, and I appreciate their attitude. On behalf of myself and my colleagues and supporters, I desire publicly to thank hon. gentlemen opposite for their courtesy and the spirit of toleration—shall I say?—and fair play with which they have met the proposals which we have submitted.

ST. JOHN GATE, QUEBEC

On the orders of the day:

Mr. ARMAND LaVERGNE (Montmagny): I have been requested by citizens of Quebec to call the attention of the Minister of National Defence (Mr. Sutherland) to the fact that in the work of reconstructing the old St. John gate in Quebec, which was demolished by the late government, the old French inscription has not been replaced. I have been asked to draw that fact to the attention of the minister.

PRIVILEGE—MR. NICHOLSON

Mr. G. B. NICHOLSON (East Algoma): On a question of privilege I desire to correct the statement that was made by the hon. member for Nipissing (Mr. Hurtubise) on the 11th inst. After reading into the record certain affidavits with regard to conditions concerning the Northern Development branch of the province of Ontario, the hon. gentleman said:

> The hon. member for East Algoma (Mr. Nicholson) is present and he must know of the facts.

I was not present at the moment, and I know of no such facts. I have in my hand six affidavits absolutely contradicting in their entirety the statements presented by the hon. member, but I shall not detain the house by reading them now. At the proper time and place this matter will be dealt with and the situation made absolutely clear.

Mr. J. R. HURTUBISE (Nipissing): In answer to the hon. gentleman—

Mr. SPEAKER: Order. The hon. member for East Algoma has made his statement on a question of privilege. It is not open to debate. At a future time the matter may be referred to and may properly become a subject of debate in this house.

PRIVILEGE—MR. HURTUBISE

Mr. HURTUBISE: I rise to a question of privilege, Mr. Speaker.

Mr. SPEAKER: If the hon. member wishes to raise a question of privilege on his own account, he may do so.

Mr. HURTUBISE: Speaking on a question of privilege, Mr. Speaker, I know that in the past my hon. friend from East Algoma has made statements—

Some hon. MEMBERS: Order, order.

Mr. HURTUBISE: So far as I am concerned the statement which I have made I stand by.

ALLOWANCES TO WAR VETERANS

On the orders of the day:

Mr. A. E. MacLEAN (Prince): May I ask the Prime Minister if he can assure the house that the commission to put into effect the soldier allowance legislation of last session will be appointed.

Hon. R. B. BENNETT (Prime Minister): Although the act did not come into force until the first of September, the late government, prior to going out of office, appointed the three gentlemen who are the commissioners, in order, as the papers indicate, to prepare for the operation and administration of the act. These gentlemen are in office and are preparing for the discharge of their duties, and have been since before the first of July.

WAYS AND MEANS

CUSTOMS TARIFF AMENDMENT

The house in committee of ways and means, Mr. LaVergne in the chair.

Mr. BENNETT: Before we proceed with the items, Mr. Chairman, may I say in reply to the hon. member for Mackenzie (Mr. Campbell), who asked a question with respect to the price of gasoline, that I had my secretary telephone this morning and say that there has been no increase in the price of tank wagon gasoline by the Imperial Oil Company.

Customs tariff—409b. Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Mr. MACKENZIE KING: In view of the fact that there is not going to be opportunity to discuss any of these items, might I ask the Prime Minister if he would give to the house this morning what I think we are all most interested in receiving, a list of the assurances or other statements that he has with respect to the maintenance of prices? I wish he would read to the house the assurances that he has from different manufacturers and others that prices will be maintained at their present level.

An hon. MEMBER: All of them.

Mr. MACKENZIE KING: Yes, all of them.

Mr. BENNETT: I promised on Saturday to produce a statement by the American Watch Case Company Limited. It reads:

If your government will make this tariff increase at the coming session we guarantee not to advance our domestic prices from what they are at the present time. In this connection our books will always be open to government auditors for inspection in this regard. We enclose some figures outlining some conditions in connection with our company.

Later on the statement proceeds:

It is the belief of those interested that they will be able to employ upwards of 100 additional hands before the end of the year.

[Mr. MacLean.]

Mr. ELLIOTT: To what proportion of those articles does that undertaking apply?

Mr. BENNETT: To the whole of their business. That is a specialized business.

Mr. ELLIOTT: But what proportion of the total business carried on here is handled by that company?

Mr. BENNETT: Last year they did 42 per cent of the business, the year before 45 per cent, the year before 50 per cent, the year before 56 per cent, and the year before that 63 per cent; prior to that it would run up to 75 per cent. It was the dumping upon this market that was really responsible for the curtailment of their business in their view. The volume of business last year amounted to upwards of $300,000.

Mr. ELLIOTT: Is there any other large concern doing anything like a proportion of Canadian business?

Mr. BENNETT: It is a specialized business, and I understand they do practically the whole of it.

Mr. ELLIOTT: About 42 per cent.

Mr. BENNETT: They started with 75 per cent a few years ago. It ran down to 42 per cent last year.

Mr. ELLIOTT: But what concerns did the balance of the business?

Mr. BENNETT: The importations last year amounted to $413,000, and the domestic sales were only $301,000, the business having changed in ten years from $770,000 of sales by the domestic company with imports of $253,000 to the reversal of that condition at the present time.

The other day I mentioned the printing item. I have a communication in this connection dated August 28, 1930, signed by F. M. Kimback, chairman of the Canadian legislative committee of the United Typothetae of America, on behalf of all the commercial printers and lithographers. The closing paragraphs are as follows:

In closing we wish particularly to emphasize the fact that we are not asking for tariff changes so that we may, as printers, be in a position to advance our prices, but rather through reasonable protection to obtain a sufficient volume of printing to reduce our costs, increase the number of our employees, with the resulting benefit to ourselves and the public, and at the same time give the customs and postal departments an income to which they are entitled.

We also guarantee that if the duties are increased as asked, our prices to our customers in Canada will not be increased, but as a matter of fact as production costs are decreased our prices to customers will be reduced.

The Canada Glue Company, Limited, in a communication dated September 6, 1930, addressed to the Department of Finance states:

Provided consideration is granted to the industry, we would agree to put our factory in full operation, and would further agree that no advantage would be taken of the increased preference so long as raw material costs remain as at present.

Mr. ELLIOTT: Does my hon. friend interpret that as meaning there will be no increase in costs to the consumer?

Mr. BENNETT: He does.

Mr. ELLIOTT: It simply says that no advantage will be taken. I do not interpret that as meaning anything of the kind.

Mr. BENNETT: That "no advantage would be taken" is interpreted by me as meaning that no financial advantage will be taken, that is, there will be no increase in prices.

Mr. RALSTON: The communication states that no advantage will be taken so long as the costs of raw material remain as at present. Certainly the cost of raw material has no connection at all with their taking advantage of the tariff.

Mr. BENNETT: That is the reason I say the undertaking is a financial one. It can refer only to increased prices, because it is based on the assumption that raw material will not cost more.

Mr. RALSTON: It seems to me that the undertaking is conditional on the cost of raw material, which has not anything to do with the question whether advantage is taken of the tariff.

Mr. BENNETT: I would think it had, and certainly if I am here it will be so treated.

Mr. MALCOLM: The Prime Minister gave me his promise that he would look into the question of the class of glue not made in Canada and which must be imported, and which is a large portion of our importation.

Mr. BENNETT: I investigated the matter during the short interval I had, and I find that the vegetable glue to which the hon. gentleman refers is not produced in Canada. With the consent of the committee there will be added to the clause: "other than vegetable glue."

The next communication deals with electrical appliances and is dated August 20, 1930. The undertaking is in these words:

The suggested change will not enhance normal prices to consumers except only in so far as market fluctuations affect such raw materials as copper, brass, steel, iron, cotton, rubber, etc.

The general situation is dealt with in the last paragraph:

The electrical industry which contributes so largely to the development of natural resources in Canada is at the present time in jeopardy, and in the interests of unemployment it is essential that emergency relief be granted forthwith.

This undertaking is given by the Canadian General Electric Company Limited, Canadian Westinghouse Company Limited, English Electric Company of Canada Limited, Ferranti Electric Limited, Maloney Electric Company of Canada Limited, Packard Electric Company Limited. It is signed by the respective presidents of these companies, except in the cases of Ferranti Electric Limited and Maloney Electric Company of Canada Limited, who sign by their respective vice-presidents.

Mr. MACKENZIE KING: That is not an assurance, it is a mere expression of opinion.

Mr. BENNETT: Well, I have accepted it as an assurance.

Mr. HEAPS: The Prime Minister stated that as a result of these increases in the tariff employment would be created for approximately an additional 25,000 men. Could he give the information in detailed form?

Mr. BENNETT: I indicated to the committee that that was an estimate. One of the communications I have just read intimates that 100 additional men will be employed between now and the end of the year, and others, of course, will come into maximum production more slowly. The ultimate advantage to the consumer, we think, will be in the employment of an additional 25,000 men.

Mr. ELLIOTT: In regard to that question of employment it seems to me that, with the limited time left, the house should get a pretty clear conception of first the undertakings which have been asked for by my right hon. leader and secondly the definite undertakings that have been given by the various concerns as to the increased number of people they will undertake to employ providing these changes go into effect. Has my hon. friend any definite undertaking from any concerns as to the increased number of men they will be able to employ as a result of these changes?

Mr. BENNETT: I intimated that I have not, that I gave the best estimates that were furnished to me by the parties affected, and I certainly would not expect, nor would the hon. gentleman or anyone else, to ask anyone for an assurance that he would employ a

given number of people. What I was anxious to do was to have as many people as possible secure employment and also to ensure against increases in price.

The National Iron Corporation, by communication dated September 4, 1930, wrote as follows:

There are three companies manufacturing cast iron pipe in Canada: Canada Iron Foundries, Limited, Montreal, with plants at Three Rivers, Quebec and Fort William, Ontario; Gartshore-Thomson Pipe and Foundry Company, Limited, Hamilton, Ontario and this company.

The paragraph with respect to prices reads as follows:

It is not our intention to raise the price of cast iron pipe; in fact we are willing to give an undertaking that we will not raise the price over the average prevailing for the current year unless, of course, the cost of raw materials and labour should be advanced.

I, in pursuance of that, accepted the verbal undertaking that that was a binding undertaking.

Mr. RALSTON: My point again is this: Supposing there is a falling market, that undertaking does not apply.

Mr. BENNETT: Yes, it does. I regard that, as the right hon. leader of the opposition properly said the other day, as an indication of an enhanced price.

Mr. MACKENZIE KING: May I ask my hon. friend how he is going to guarantee that the price of raw materials will not advance?

Mr. BENNETT: He cannot do it; he did not undertake to do so. The Canada Iron Foundries, Limited, by communication dated August 27, 1930, wrote as follows:

The larger tonnage will enable us to obtain a lower cost of finished product, and the increased duties will not be passed on to the consumer. We are prepared to guarantee that the average selling price of our finished product will not be increased over the average selling price we obtain during the year 1930. In order that the government may be in a position to check selling prices, we are prepared to submit our books and full statements to the department or its representative at any time.

Mr. RALSTON: Just to put it on record, my point again is that the average selling price for 1929 or 1930 or any year has nothing to do with the matter; the test is whether or not the price will be affected by the increased duty. It is quite possible that the average price for the current year may fall considerably in the process of time. That undertaking does not bind the companies to reduce their prices accordingly; they will be fulfilling their contracts if they maintain the prices at the average level for this year.

[Mr. Bennett.]

Mr. BENNETT: I have indicated to this committee that I agree entirely with the observations of the right hon. leader of the opposition, and if there should be a great falling off of prices beside us and an effort made to maintain present prices in Canada, that would be utilizing the tariff to increase the prices and would be a violation of the undertaking.

The next item deals with refrigerators. As is known, mechanical refrigeration has been greatly improved upon during the last few years. Our importations in 1925 were only $64,119 in value, and last year they increased to $1,913,591. We have an estimate from those affected that this change in tariff will ensure the employment of some 600 people. This has become a very great industry, as is well known, through its relation to electrical development.

Mr. RALSTON: Those are household refrigerators?

Mr. BENNETT: Yes. This communication reads:

We believe that the employment situation would be aided by an increase in the tariff on refrigerators to 22½ per cent, 30 per cent and 35 per cent, and we Canadian manufacturers would guarantee, that inasmuch as this increase would seriously defend our market, enable more economic production and reasonable selling prices, no advance will be made in the sale prices of any of the lines of refrigerators which we manufacture in Canada.

The volume represented by the refrigerators imported last year would give employment to approximately 600 men in our own industry. Apart from that this would greatly benefit the employment situation in all the other Canadian industries who supply us with various materials.

That is signed on behalf of the refrigerator industry of Canada by Joseph Ruddy, convenor, who is the president of the Ruddy Manufacturing Company, Limited, and in that representation all the refrigerator interests have joined.

Mr. RALSTON: Does my hon. friend mean he has a written undertaking from the others?

Mr. BENNETT: They met together and authorized the document which I read. When in answering questions I make the statement that all those affected have joined in these guarantees, I should like the committee to understand that I make it on information furnished to me from sources which, of course, have the information.

Mr. RALSTON: As they say in the prospectuses, "from sources which we believe to be reliable."

Mr. BENNETT: Yes, to use the language of the courts.

Mr. DUPUIS: Does the Prime Minister believe these undertakings are legally binding?

Mr. BENNETT: I tried to make clear to the committee the other day that we were not taking these steps with any idea of instituting legal proceedings. Section 18 is the remedy and under that we propose to act.

Mr. ELLIOTT: Is it the intention of the Prime Minister to interpret that statement with regard to the employment of 600 additional men as an undertaking upon which he could act in case, say three months from now, he finds they are not employing that number of additional men?

Mr. BENNETT: I would not.

Mr. SANDERSON: I would like to ask the Prime Minister if he will be good enough to give the house the assurances or undertakings, if he has any, from the manufacturers of pasteurizing machines for dairy purposes and also the manufacturers of washing machines and parts.

Mr. BENNETT: I am sure the hon. member has seen the advertisement of Beatty Brothers in the newspapers, with regard to washing machines. They have made their undertaking public by that means.

Mr. SANDERSON: Has the Prime Minister any assurance from the Beatty Brothers other than the advertisement which is appearing in the press?

Mr. BENNETT: I indicated the other day that the agricultural implement producers of Canada had signed an undertaking, and I read what they had signed.

Mr. SANDERSON: That is not the washing machine manufacturers.

Mr. BENNETT: No.

Mr. SANDERSON: I am asking the Prime Minister with regard to washing machines.

Mr. BENNETT: I am going through these papers as I read them, and I will read all I have here. Having seen the public advertisement I am not sure that I did not lay aside the washing machine item rather than take the time to read it.

Mr. SANDERSON: And also the undertaking with regard to pasteurizing machines.

Mr. BENNETT: There is no written guarantee.

Mr. SANDERSON: And any verbal guarantee?

Mr. BENNETT: With respect to that I would have to inquire.

Mr. SANDERSON: Will the Prime Minister make inquiries?

Mr. BENNETT: I will.

Mr. MACKENZIE KING: With respect to these advertisements to which my hon. friend attaches so much importance, will he guarantee that they will continue from day to day without change? Unless there is a guarantee to that effect they are mere advertising and good for nothing more than for the moment.

Mr. BENNETT: The advertising was done merely for the purpose of enabling the public to understand the principles upon which we had proceeded. If there is any evidence that there has been a disregard of the principle by those who have sought its application, the provisions of the act will become available and will be applied.

Mr. MACKENZIE KING: Did my hon. friend exact from those parties concerned an undertaking that they would do some advertising in this connection, or is that act spontaneous and voluntary on their part?

Mr. BENNETT: As a matter of fact it was suggested by one of the delegations that that should be done in the public interest, and I expressed the view that I thought it would be desirable. Beyond that there has been no understanding or undertaking and I suppose that explains why in some instances it has been done and in others it has not.

Mr. COOTE: Has the government a record of the prices being charged at the present time for the articles which are to be affected by the changes in the tariff items? Otherwise it may be difficult to know whether or not advantage has been taken of the increases.

Mr. BENNETT: I assumed that having thought of that myself my hon. friend from Macleod (Mr. Coote) would do the same, and steps have already been taken to place in the files of the Department of National Revenue the information mentioned.

Mr. RALSTON: May I call my hon. friend's attention to one advertisement which appeared, and to the fact that I am afraid it does not afford or give the assurance which he has in mind. The advertisement reads as follows:

> There will be no increase in the price of Cockshutt farm implements as a result of changes just announced in the tariff on implements.
>
> The following two lines are very important:
>
> Cockshutt prices will continue to be based solely on production and distribution costs
>
> Cockshutt Plow Co., Limited.

It seems to me that that advertisement is equivocal. Should there be conflict between the prices charged and the production and distribution costs, that advertisement intimates that the production and distribution costs are to prevail regardless of the price at which the consumer could buy last year. I suggest to my hon. friend that there is not very much assurance or guarantee in an advertisement of that kind.

Mr. BENNETT: It is rather difficult to satisfy my hon. friend. That advertisement is certainly open to the construction that if the cost of materials went down, the price of implements would be reduced. It being open to that construction, my hon. friend is met with an answer to the first question proposed with regard to other items. As I said the other day, I accepted that in good faith; it has been suggested by one newspaper that my confidence is sublime, but I still have reason to believe that when business men of Canada sign their names to an undertaking, although it may be general in its terms, it is given for a specific purpose and is construed by those to whom it is given in that sense. When it is realized that the statutes of the country contain provisions to make it effective, there will be no departure.

Mr. RALSTON: The hon. Minister of National Revenue (Mr. Ryckman) has intimated that the so-called dumping act may be used for the purpose of maintaining prices at the cost of production and distribution, and it seems to me that this advertisement fits in rather well with the suggestion made by the hon. minister, although I am afraid it will be to the detriment of the consumer.

Mr. BENNETT: I only hope that my hon. friend's fears will not be realized.

Mr. RALSTON: So do I.

Mr. BENNETT: The following undertaking, addressed to the Prime Minister and other members of the cabinet, was received in connection with the boot and shoe industry:

> The purpose of the following representations is to bring to your attention the urgent need for an increase in the tariff duties on imported boots and shoes and the opportunity thereby to enlarge employment immediately in the shoe manufacturing industry and allied industries in Canada, and to assist the Canadian shoe manufacturing industry to effect a reduction of manufacturing and distribution costs per pair through increased production and to improve its service to the Canadian trade and public without any increase in selling prices.

After pointing out the conditions which now exist, the undertaking continues:

> Keen and unrestrained domestic competition amongst approximately 180 shoe factories in Canada affords abundant protection to the trade and public that the selling prices of Canadian boots and shoes will at all times be close to actual production costs in the most efficient plants. Moreover, we offer you our pledge that our members will not take any advantage of higher tariff duties to increase their prices, but on the contrary that they will pass on to the trade and the public the benefits of whatever reductions in production costs per pair may result from enlargement of the home market and the increased Canadian production.

Mr. MALCOLM: That letter explains what could be done and why it will be done.

Mr. BENNETT: Quite so.

Mr. MALCOLM: If production is increased and the costs of production and selling are decreased, internal competition will control prices. However, I would like to point out to my hon. friend the Prime Minister and to my hon. friend the Minister of National Revenue that they will find it impossible to go through the whole textile industry and take samples of all the merchandise or to say that the prices have not been raised. In the great range of commodities where style is a factor in the selling value and where styles and weights change, it cannot be done. I say to the Prime Minister that the section is all eyewash, and he might as well put it in the wastepaper basket and let the law of supply and demand and internal competition govern prices.

Mr. BENNETT: My hon. friend has now made the strongest appeal for the passing of this legislation—

Mr. MALCOLM: Not at all.

Mr. BENNETT: —that could be made.

Mr. MALCOLM: I said it was all eyewash.

Mr. BENNETT: My hon friend suggested that the law of supply and demand be allowed to operate.

Mr. MALCOLM: Quite so.

Mr. BENNETT: This tariff will permit the law of supply and demand to operate in Canada.

Mr. MALCOLM: Then put it on that basis.

Mr. BENNETT: That is what we are trying to do.

Mr. MALCOLM: I am objecting to the Prime Minister asking an intelligent body of men to believe that any government can control the prices of these commodities; I tell him that it cannot be done.

Mr. MACKENZIE KING: The corollary of what my hon. friend has just said is that this legislation is to prevent the law of sup-

ply and demand as it applies to world forces from operating so far as Canada is concerned.

Mr. BENNETT: I should think the answer would be in the negative, but about that there might be grave differences of opinion.

Mr. MACKENZIE KING: The one follows logically from the other.

Mr. BENNETT: I think not.

Mr. MACKENZIE KING: Absolutely.

Mr. BENNETT: I could demonstrate my contention by practical illustrations, but it would take up unnecessary time.

Mr. ELLIOTT: Does the undertaking just given by my hon. friend exhaust all he has received with regard to those particular commodities?

Mr. BENNETT: There were a few changes in the representations made by the boot and shoe industry in the amended application, reading as follows:

Most shoe orders for spring will be placed before January 1, so that an increase in the tariff at the special session will result immediately in relieving unemployment during the winter of 1930-31, whereas if action be deferred until the regular session the results would not be felt for almost a year.

That addition was made and a fresh copy was supplied. There are one or two corrections in the memorandum as to words only, but the essential character of the representations have not in any sense been changed.

I will now pass on to heating appliances, dealt with by item 443 which covers apparatus designed for cooking or for heating buildings, for coal or wood, for gas, for electricity, for oil and n.o.p. The undertaking which is addressed to the Minister of Finance is dated August 28, 1930, and reads as follows:

This change will immediately promote better employment conditions in this industry in Canada. In this connection some theorists may fear that increased duties as proposed would result in higher prices to the consumer. As to this we declare and guarantee that our prices to the domestic trade will not be increased by reason of the granting of the suggested duties.

These changes would in fact tend to reduce prices in Canada unless production costs of labour and material should increase. We the signers of this memorandum represent the major production of this industry in Canada.

The signatures attached take up a whole page, and they are as follows:

The Gurney Foundry Company Limited,
Beach Foundry Limited,
The Galt Stove & Furnace Company Limited,
Clare Brothers & Company Limited,
Enamel and Heating Products Limited,
Findlay Brothers Company Limited,
General Steel Wares Limited,
Enterprise Foundry Company Limited,
Moffats Limited,
Dominion Stove and Foundry Company Limited,
The James Stewart Manufacturing Company Limited,
Empire Stove and Furnace Company,
Lamarre and Company,
Warden King Limited,
Taylor Forbes Company Limited,
The Imperial Radiator Company,
Pease Foundry Company Limited.

Then follows a description opposite each name of the business in which each firm is engaged. That will appear on Hansard as I have read it.

Mr. YOUNG: In that undertaking I notice reference is made to the suggested duties. Do I understand that these people were given a definite idea of what these duties would be before the budget was brought down?

Mr. BENNETT: That gives me the opportunity to make a statement which I should have made the other day. It was suggested that these duties were arranged between the government and the various enterprises affected. They were asked to submit their cases and to submit their ideas as to what figure would meet the purposes they had in mind as indicated by the document that I have read. I need hardly say that the rates of duties were fixed after careful consideration by council of all the representations which had been made and which are in writing. As the right hon. gentleman said the other day however there was no public hearing. There were a large number of documents available, part of which I have no doubt members of this committee have read. They were taken down in shorthand and printed and will be found in the proceedings of the tariff advisory board.

Mr. YOUNG: Does the expression "suggested duties" mean duties suggested by these gentlemen to the government, and not suggested by the government to them?

Mr. BENNETT: No. They were suggested by the applicants to the government as has been going on for the last three years.

Mr. YOUNG: Not necessarily the duties in the schedule then?

Mr. BENNETT: They were suggested as has been done during the past three years in connection with the tariff board. I am sure the hon. gentleman has read with great care the proceedings of that body. They were asked and they made representations as to the duties which they demanded. That is the word my hon. friend would use but I would use the word "suggested."

Mr. EULER: Were not the promises in writing, which were made by the various manufacturers not to increase prices if the tariffs were increased, based upon the representations as to what increases were to be made? They could not possibly be bound unless the tariff was increased in accordance with their wishes.

Mr. BENNETT: That is an additional reason for section 18, the section with which my friend from North Bruce (Mr. Malcolm) was concerned. Supposing it is suggested that the rate should be 30 per cent, my hon. friend's point is that if the rate in the schedule is 25 per cent they are beyond their undertaking.

Mr. EULER: It would not be an undertaking on their part until they knew what they were going to be given?

Mr. BENNETT: Yes.

Mr. YOUNG: They promised not to increase prices if the hon. gentleman gave what they asked. But he has probably given them something else.

Mr. BENNETT: That is not a correct statement.

Mr. MACKENZIE KING: Surely the Prime Minister does not wish to indicate that the implement manufacturers asked for an increase of 333⅓ per cent on the existing duty on implements?

Mr. BENNETT: That reads well and sounds well, but what actually happened in practice was this: The rate which read 6 per cent has been increased to 25 per cent. That is what has been done, and that is the 333⅓ per cent to which my hon. friend refers. With respect to that there is no doubt, and such action has been taken after very great deliberation. A duty has been set whereby a domestic market will be assured for domestic producers and will give them an opportunity for export trade. With their capacity, their ability and their machinery I believe they will be in a position to maintain price levels which will be satisfactory to the people of this country, and that ultimately they will be able to reduce the prices as they have been reduced in other countries as was mentioned by the hon. member for Willow Bunch (Mr. Donnelly).

Mr. MACKENZIE KING: That does not answer the question. No doubt the remarks of the hon. gentleman are true; there is no doubt that the intention has been carried out. However, I ask him in view of a previous remark he made whether or not that increase of 333⅓ per cent in the duty on agricultural implements was made at the request of the implement manufacturers. I do not believe the implement manufacturers ever requested anything like it, nor do I believe they would think of making such a request. It is something that has been done entirely by my hon. friend himself.

Mr. BENNETT: My memorandum is that the suggested rate to accomplish the purpose which was contained in the memorandum which I read from the other day and has not been returned from Hansard was either 20 or 25 per cent. I cannot speak with accuracy on that point. I do know, however, that the initial duty imposed by the government of Sir John A. Macdonald, was 25 per cent. It varied, but I am advised that they asked for 25 per cent. They suggested that such a rate would accomplish the results desired.

Mr. MACKENZIE KING: It is correct then that the implement manufacturers asked for an increase of 333⅓ per cent over the existing duties, and my hon. friend gave them what they asked.

Mr. BENNETT: I think that increase referred to one item only.

Mr. MACKENZIE KING: To a large number of articles under that item.

Mr. BENNETT: Yes. I say that the result would be accomplished with that rate. When the right hon. gentleman says I gave them what they asked I think perhaps it would be more fair if he had said that I concluded that the suggestion was reasonably made and would accomplish the end at which we aimed. It is not a case of asking and receiving. On behalf of this government I accept the full responsibility for the item just as it reads; I accept what it says. I ask no quarter for criticism which may hereafter occur by reason of it.

Mr. MACKENZIE KING: I have one further question in connection with the increase in duties on agricultural implements. In some cases they are increased 100 per cent, in other cases 200 per cent, in others 300 per cent, and in some cases 333⅓ per cent. Will the hon. gentleman tell me by what process of investigation or reasoning the decision was arrived at to make these differences in the increase of rates? What hearing was given, or why were not all of them increased the same amount? What is the reason for the difference?

Mr. BENNETT: The right hon. gentleman will find there is a uniform rate applied. In arriving at that rate I need hardly say that

there was much discussion. The right hon. gentleman would be the first to say that it is not open to me to indicate what such discussion was. It was a discussion between members of the administration. The hon. gentleman knows there were no public hearings with the exception of those which already had been held by the tariff advisory board with respect to many items which are affected by the various proposals submitted to the house. There were no public hearings, but as I said the other day an opportunity will be afforded for public hearings.

Mr. ELLIOTT: In regard to the request made by agricultural implement manufacturers to have the duty increased to 25 per cent did I understand the Prime Minister to say that that was a request made in writing?

Mr. BENNETT: I read from the submission the other day, but I read only the portion which referred to prices.

Mr. ELLIOTT: Did the other portion of the document from which my hon. friend read mention the duty that they requested, namely, 25 per cent?

Mr. BENNETT: Will my hon. friend accept my memory in connection with that point?

Mr. ELLIOTT: Certainly.

Mr. BENNETT: My memory is that the letter was signed by many people. The memorial was as follows:

In the view of the undersigned the application of a duty of 25 per cent would accomplish—

And it was stated what was wanted.

—the employment of more people, increasing of work in the factories and the expansion of production so that the mills would be working to capacity.

It is somewhat similar to all the other documents of that kind from which I have read.

Mr. EULER: I would like to get some idea as to the guiding principle upon which these increases were based. The Prime Minister has stated that in the case of agricultural implements the manufacturers suggested a certain rate, namely, 25 per cent, and he decided that the request was reasonable and would accomplish the object which he desired to accomplish. I would like to ask if there were any instances in which the tariff was raised where he did not accept the suggestion of the manufacturer and fixed the rate at less than that suggested by the producers of the commodities?

Mr. BENNETT: The answer is yes.

Mr. EULER: Would he give some examples? I do not want to be too insistent, but perhaps offhand he might give some information with respect to that.

Mr. BENNETT: My memory is that in several of the textile schedules, that is so. I had in mind another item which has just escaped my memory, and there were two or three others. Possibly I may be able on another occasion to give more details.

Mr. EULER: In the majority of cases the suggestion of the manufacturers was agreed to?

Mr. BENNETT: I would not like to say that. I will put it in this way: First of all this matter was dealt with by class. Then the details followed. In the application of a principle we endeavoured not to depart from it with respect to the various items that go to make up the class, but I am not sure that the submissions did not in many instances depart from the application of the uniform principle in dealing with special items. My hon. friend having had experience in dealing with these matters, knows exactly what I mean. That is, you divide one branch of textiles into half a dozen items, and the submissions in some instances do not comply with what is believed to be a general principle to be applied to all.

Mr. EULER: I was endeavouring to find out whether in a general way the suggestions of the manufacturer were taken as being reasonable. I do not suppose the Prime Minister had an opportunity of making any investigation himself and I was wondering whether he did not accept the suggestions, trusting to the future to decide whether they were reasonable or not, and to make adjustment, if necessary.

Mr. BENNETT: In some instances that is undoubtedly true. I have said frankly to the house there have been no public hearings, but we had a great deal of information which all departments have. That was placed at the service of the government and a great deal of time was taken in discussions between the various members of the government. In certain cases committees of manufacturers met, discussed the matter and then made submissions, sometimes verbally. Then they modified them and submitted them again in writing. The hon. gentleman I am sure is familiar with the way in which business of that kind is discussed and transacted. Questions are asked, answers given, modifications made or perhaps none made because the inquirer is satisfied by the answers given.

Mr. HEPBURN: The Prime Minister has taken the responsibility of saying that there shall be no increases in price as a result of these tariffs being imposed. That being the case, it would appear that these tariffs must be prohibitory in their nature; otherwise they would have to serve as a revenue tax, and if they serve as a revenue tax, that tax must be borne by the consumer. Having in mind that the tariff must be prohibitive in order that the Prime Minister may make good his statement, I should like to know how he can reconcile his statement with that made by the secretary-treasurer of the Talbot Shoe Company of St. Thomas who says that they have suffered from the effect of importations of men's shoes from England during the past few years owing to the fact that English shoes have been sold in Canada at a lower price than that at which Canadian companies are able to put out the same product. If the Prime Minister prohibits the importation of these English shoes, the Canadian manufacturer is put into the position that he must supply the market, but according to this shoe manufacturer he must supply that market at a price lower than the cost of production or increase his prices. There is a certain anomaly there. Can the Prime Minister explain it? How can the Canadian manufacturer supply the market at a price which he now states is lower than the cost of production?

Mr. BENNETT: The question, while it may appear difficult to answer as a matter of theory, is not so as a practical matter of business. I had before me, for instance, evidence in connection with certain shoes that were imported from Northampton and the factory in which they had been produced had been visited and inspected. The machines were not as good as ours and the operatives were no more skilful nor better equipped for their task than those in some of the shoe factories in Quebec or in Ontario where the principal part of the industry is located. But the shoes were dumped on our market and the price at which they were being sold in this country was calculated to do one thing only, and that was to destroy Canadian business. But that same Canadian industry with volume could sell its shoes cheaper than the fair market price at which the products from abroad were being sold. This meets the case exactly.

Mr. HEPBURN: This refers to British shoes, not to United States shoes.

[Mr. Bennett.]

Mr. BENNETT: I said British shoes—Northampton, England.

Mr. YOUNG: I was very much interested in this new way of making tariffs. One would gather from the correspondence read by the Prime Minister that these gentlemen had been approached by the government, perhaps written to, asking them to make certain suggestions. I would like the Prime Minister to read to the house one or two of the letters that have been sent to Canadian manufacturers asking for those guarantees.

Mr. BENNETT: I explained to the committee that the memorials from which I have read were presentations of committees of the various persons affected. That is the position.

Mr. HEPBURN: At whose instance did they supply these memorials?

Mr. BENNETT: At the instance of the government.

Mr. YOUNG: What we would like to have is the communications from the government.

Mr. BENNETT: There are no communications. They did what every businessman would do. They saw that there was to be another session of parliament and what matters were to be dealt with. They made applications. I am bound to say that in the nature of things we could not deal with them all. Many of them that have been made have not been dealt with, although in my judgment they should be dealt with and will be.

Mr. YOUNG: Did all these communications come spontaneously without any inducement from the government?

Mr. BENNETT: So far as the Department of Finance and, I believe, the Department of National Revenue are concerned, they came without solicitation, if that is what the hon. gentleman means.

Mr. STEWART (Edmonton): May I be permitted to assure myself with respect to what I think was a chance remark made by the Prime Minister this morning, that when price regulation, of whatever sort is proposed by the government, is to be enacted, the difference now existing between the price of the domestic product which is affected and that of the imported product, and the duty now in effect will be taken into consideration. If that is so, then I can conceive my hon. friend will have some measure of control. Have I made myself clear?

Mr. BENNETT: I think I follow the hon. gentleman. The prices two weeks ago were prices that were fixed, first of all, on domestic

production and competition, and on external competition. Those prices, as was pointed out in this house the other day, have decreased during the last few months. We are endeavouring to secure that external competition will at least make it possible for the domestic competition to be such as will ensure the continued life of the developing and competing domestic industry.

Mr. STEWART (Edmonton): I am quite content if the investigation is based on the prices and duty charged on the date on which these tariff amendments came into effect. What I mean is that the same regulation as to price fixing will be in effect, and these enhanced tariffs will not be taken advantage of.

Mr. BENNETT: I think that is perfectly clear for the reason that in many instances what we have done is to restore the tariff to what it was before the first of May last. There is quite a number of British preference items in connection with which we have done that. The prices will be a matter of record in the department as they were on the date when these proposals were introduced on the 16th of September.

Mr. EULER: I should like to ask a question, not bearing directly on this, but of considerable importance. I brought a case to the attention of the Prime Minister the other day where contracts had already been placed.

Mr. BENNETT: I will deal with that. It is proposed to add to the bill a section to meet the difficulties that were pointed out by my hon. friend from North Waterloo, the hon. member for Mackenzie and the hon. member for York-Sunbury. It will provide that these new rates shall not apply in cases where there are bona fide contracts outstanding and the goods are delivered in Canada on or before a date fixed; I think it is the first day of December.

Mr. EULER: Probably about that date?

Mr. BENNETT: Yes. I am going to move to add that section presently when we get to the end of the resolutions, but if my hon. friend would prefer, I will read it now.

Mr. EULER: So long as we get it.

Mr. BENNETT: I will read it later, then.

Mr. YOUNG: I am not quite satisfied with the answer to my question. I would ask the Prime Minister if these guarantees were asked for. If they were, would he mind reading a copy of one of the letters requesting such a guarantee.

Mr. BENNETT: I know of no letters that were sent, but I did certainly make it abundantly clear for some weeks prior to the 28th of July that if I had to assume power I would apply a certain policy, and I will pay this tribute to those with whom I have done business since, that realizing what I had said, most of them gave their undertakings without being asked when they submitted their briefs.

Mr. SPENCER: These tariff resolutions impose high rates, most of them prohibitive rates, so that goods will not be coming into this country. That will affect the revenues of the country considerably. How does the Prime Minister propose to make up the deficit in revenue?

Mr. BENNETT: The hon. gentleman has raised a question that I had expected would be asked sooner. I am not able to answer that question with any degree of certainty, any more than the former Minister of Finance was in a position to do in May last.

Mr. HEPBURN: And you criticized him for not being able to do so.

Mr. BENNETT: I certainly did, for he was delivering a budget speech. If I deliver one, it certainly will make an estimate of the revenue.

Mr. HEPBURN: Is not this a budget?

Mr. BENNETT: It is not. A budget, as the name indicates, is an estimate of expenditures and income. I am estimating neither in this instance, and I have purposely refrained from so doing. This is a tariff change for the purpose of ensuring additional employment. That has been the guiding motive in all these items. Where a change would ensure a possible change of employment of only two or three or eight or ten, we have not, although in some instances the cases were excellent, brought them before the house at this session.

Mr. MACKENZIE KING: My hon. friend will agree that these tariff changes correspond to what in the budget brought down by the former Minister of Finance would have been regarded as the most important part of the budget.

Mr. BENNETT: No. The statement of the financial position of the country, its expected revenue and contemplated expenditures, constitute the budget. The tariff changes constitute the statements made in ways and means as indicating the method whereby the supply required may be made available for the country.

Mr. RALSTON: And the amount.

Mr. BENNETT: The financial statement contains an estimate of the amount to be derived from the sources indicated. In this

case it is now the middle of the financial year. I did seek the opinion of the expert permanent officials, and it was found that within a few days it would be quite impossible to make any estimate. But if these proposals were being submitted as part of a budget I would regard it as an obligation of the minister who submitted it to make an estimate, for unless that is done it is not a budget.

Mr. MACKENZIE KING: As my hon. friend knows, all tariff changes of any significance that have ever been made in this house have been announced to the house in the first instance by the Minister of Finance in his budget presentation. After they have been presented to the house, the house resolves itself into committee of ways and means to consider the resolutions which the finance minister has brought down as a part of his budget. In all sessions at which tariff matters are discussed, the tariff discussion overshadows everything else, and it is because of that, that hon. members have repeated in the past, and will continue to repeat, that this is to all intents and purposes the most essential part of any budget that could be presented to parliament.

Mr. NEILL: Has the Prime Minister finished his list of guarantees? If not, can he give me any information or read any guarantee with respect to item 432d, dealing with manufactures of tinplate. This affects British Columbia canneries very much. The duty has been doubled, and we shall simply have to pay that duty because of the circumstance where the factories are located. No guarantee can make any difference because the factories are located in the east and we get our tinplate in British Columbia from Great Britain at the rate of 10 per cent, which is now to be doubled, or from factories in Seattle or Portland, Oregon. At any rate, if there is a factory in eastern Canada, the freight rate would make its product out of the question for British Columbia canneries. The cannery must pay this increased rate, whatever it is, but I am asking, as a matter of form, if any guarantee has been given that prices of manufactures of tinplate will not be raised—not that it will affect us in the slightest.

Mr. BENNETT: The hon. gentleman has raised a question that would involve a long discussion with respect to tinplate. There are certain portions of one item dropped entirely because the increased duties are protection—shall I say?—given to fish. Certain items have been dropped.

Mr. NEILL: Item 432c has been dropped entirely. That gave cannery men the privilege of getting their tinplate at a low rate if they were going to use it for hermetically sealed food products. We now come under 432d. The British preferential rate is doubled and we will have to pay that double duty because we cannot get the tin-plate from the eastern manufacturers.

Mr. RALSTON: The lobster canners will have to pay the same extra duty.

Mr. NEILL: Item 432d takes the place of 432c in the old tariff which read:

> Containers manufactured from tin-plate, when imported by manufacturers of food products for use exclusively in the hermetical sealing of food products, in their own factories, under the regulations prescribed by the minister.

The rates in the old tariff were 10, 22½ and 25 per cent. That has been dropped entirely and we now come under 432d, which, as I have said, doubles the duty. I think I am correct in stating that there are no tin-plate factories in western Canada; this article pays a very heavy freight rate, and therefore, even if this fictitious promise about not raising the duty is kept, it will be impossible for us to get these things from the eastern factories, which after all are only branches of American concerns. Consequently we will have to buy from Seattle or Tacoma, or from Britain, and in the latter case we will have to pay double the duty we are now paying.

Mr. BENNETT: It is not being doubled. It was 15, 22½ and 25 per cent, it is now 20, 27½ and 30 per cent.

Mr. NEILL: It used to be 10 per cent under 432c, it is now 20 per cent; that is double the former rate. Item 432c has been eliminated.

Mr. BENNETT: Item 432d is the item now under discussion. That item prior to May 1 carried tariff rates of 15, 22½ and 25 per cent.

Mr. NEILL: The pamphlet containing the ways and means resolutions of September 16, 1930, certainly states the British preferential rate on item 432d at 20 per cent, and it was 10 per cent under 432c which has been cut out. I will send it over to my hon. friend. If tariff changes are made overnight it is not a very desirable state of affairs; it shows

haste and carelessness in dealing with these things if the same items are printed with different rates.

Mr. BENNETT: The old rates for this item were 15, 22½ and 25 per cent; that was prior to May 1.

Mr. RALSTON: No. Item 432c is also out and this is substituted. The old 432c was the important item. It covered containers used by manufacturers of hermetically sealed foods. That item enjoyed a 10 per cent rate under the British preference; that has been struck out and for it has been substituted 432d with a British preferential rate of 20 per cent.

Mr. NEILL: That is what I have been trying to tell the Prime Minister.

Mr. BENNETT: I thank the hon. gentleman for directing my attention to it. Item 432c will not be deleted.

Mr. NEILL: But item 432c is struck out.

Mr. BENNETT: But it will not be deleted, it will be left in.

Mr. NEILL: It will mean an amendment to the bill. It is deleted by resolution No. 3.

Mr. BENNETT: When resolution No. 3 is being adopted "432c" will be deleted.

Mr. NEILL: Then I have gained my point.

Mr. ELLIOTT: As I understand, all the correspondence with regard to the undertakings by manufacturers and others not to raise prices is to be put on Hansard?

Mr. BENNETT: I am sorry to say it was suggested that I should read them all. I read several as steadily as I could while I answered questions. There are a few other undertakings.

Mr. MACKENZIE KING: I would suggest, Mr. Chairman, that the committee allow the Prime Minister to read what undertakings he has and make a statement that they constitute all sent in to him. I think it is important to get that on the record. If that could be done by consent before adjournment it would enable my hon. friend to make arrangements as to procedure.

Mr. BENNETT: One of the undertakings was with respect to children's carriages, as to which some question was raised.

Mr. MACKENZIE KING: My hon. friend had better get the consent of the committee.

Mr. BENNETT: Quite so. That is item 439f. The effect of the tariff of May 1 was very detrimental to this industry, and it made an application containing these words:

> If your government can see its way clear to apply these duties we hereby guarantee that the prices which we are now obtaining from our customers in Canada will not thereby be increased, and that on the contrary as costs are lowered through greater output our prices wherever possible will be reduced. In the interests of employment in Canada as well as the conservation of capital already invested in this industry, we most earnestly urge that these changes be made during the emergency session of parliament in September.

That is signed by the respective presidents on behalf of The Heywood-Wakefield Company of Canada Limited, the Gendron Manufacturing Company Limited, Sidway Topliff Company Limited, and General Steel Wares Limited.

Mr. MACKENZIE KING: Are those the changes mentioned in the tariffs that my hon. friend has brought down?

Mr. BENNETT: Children's carriages at the moment are subject to 10, 25 and 30 per cent; the new tariff rates read 22½, 30 and 35. That is slightly less than was suggested.

Mr. RALSTON: Does my hon. friend regard an undertaking, which in terms is conditional on the tariff revision asked for in the letter, as still being binding notwithstanding the fact that that revision has not been granted, but something less has been allowed?

Mr. BENNETT: He does.

Mr. POWER: Does the leader of the government propose to print the memoranda in full in Hansard of to-day?

Mr. BENNETT: No.

Mr. POWER: Only the portions which have been read?

Mr. BENNETT: Yes. Before the committee rises, Mr. Chairman, may I make a short statement. We have discussed these items generally. If we are to conclude within a reasonable time, we must first of all adopt the resolutions and the amendments that I have suggested. There are several amendments. One is the amendment suggested by the hon. member for North Bruce (Mr. Malcolm), the other is the amendment that arises from the inclusion of 432c in the deleted sections, another is with respect to goods which are free from the operation of the new tariff changes, and another is that suggested by the hon. member for Mackenzie (Mr. Campbell)

with respect to repair parts; all of these amendments we have had to prepare between Saturday night and this morning at 11 o'clock. It might not be regarded as too great a strain on the forbearance of hon. gentlemen opposite if we met again at a quarter past two and disposed of the resolutions and the bill so that the senate could meet and dispose of the bill as quickly as possible.

Some hon. MEMBERS: Carry on now.

The CHAIRMAN: I do not think we can carry on now unless we report progress and suspend the rule in order to get permission from the house to sit after one o'clock.

Mr. STEWART (Edmonton): Most of us are in the habit of having our lunch at one o'clock, and an adjournment might give the government an opportunity to prepare their resolutions.

Mr. MACKENZIE KING: I think my hon. friend must carry out his undertaking to give us all the assurances he has. I suggest that he get those together and read them immediately after adjournment. It is important that we have those undertakings.

Mr. BENNETT: It would take quite a while to read some of them.

Mr. MACKENZIE KING: Perhaps there would be a disposition to allow my hon. friend to read them through without interruption. Or if my hon. friend would agree to put them on Hansard, with the statement that they include all the assurances he has, we are prepared to accept his word. In any case I think the house and the country are entitled to have all the undertakings my hon. friend has received, with his assurance that they constitute everything he has.

Mr. BENNETT: I am satisfied that the right hon. leader of the opposition would not, in my case, say they are all, with the possibility of discovering one or two which had been overlooked. This being the last day, if the departmental officials go through the files carefully and hand to Hansard all they have, I assure this house that all that can be discovered by their careful investigation will be placed upon Hansard to-day. I greatly appreciate the kindness of hon. gentlemen opposite, and if we come back at a quarter past two we can get the resolutions through, with the amendments, and consider the bill founded on them.

Progress reported.

[Mr. Bennett.]

CUSTOMS TARIFF AMENDMENT

LETTERS CONTAINING ASSURANCES AS TO PRICES FROM MANUFACTURERS AND OTHERS

The letters referred to by the Prime Minister, as furnished for publication, are as follows:

Re Glue:

Providing consideration is granted the industry, we would agree to put our factory in full operation, and would further agree that no advantage would be taken of the increased protection, so long as raw material costs remain as at present.

(Sgd.) J. W. Widdup,
Secretary-Treasurer,
Canada Glue Company Limited.

We will not increase the price of glue if you protect our market as long as we are able to buy the raw material at the price we are at present paying.

(Sgd.) R. C. Marquis,
F. Canac-Marquis.

On our part we will start our glue factory at once employing extra forty hands or more; and further agree not to increase the price to consumers.

W. Harris & Co., Limited,
(Sgd.) Jos. H. Harris,
Managing Director.

Re Paper Products:

In presenting this petition the paper manufacturers are not actuated by any desire to enhance unduly their own earnings. What they do desire is to be able to expand their operations and keep their mills running full time, since their success depends almost altogether on volume of output rather than upon actual selling price.

Canadian Pulp and Paper Association,
(Sgd.) Edward Beck,
Secretary.

Re Art Silk Yarns:

We submit for your consideration the fact that having canvassed the bulk of the knitting trade, we could give a definite assertion that so far as the great bulk of them is concerned at least 90 per cent are in favour of an increased tariff being granted to us.

At the present time, with the cost of yarn as imported from other countries being sold at less than our cost price, it must of necessity mean that knitters have to make twice the garments for the same turnover that they had to make three or four years ago. We say emphatically that the knitters representing at least 90 per cent of our trade are in favour of an increase in tariff for us.

Courtaulds Canada Limited.

Re Fabrics of Art Silk:

On behalf of my corporation, I definitely state and pledge that the prices of these yarns

and the fabrics produced by it will not be increased; what we want is a larger share of the Canadian market.

Canadian Celanese Limited,
(Sgd.) Emil Dreyfus,
President.

Re Narrow Fabrics:

The narrow fabrics industries undertake, if their request be granted, that they will not raise the price of their products unless, and to the extent only, that their costs are raised by additional duties on their raw materials. It is the aim of the narrow fabric industries to lower the cost of production and reduce the selling price whenever costs permit.

Canadian Manufacturers of Narrow Fabrics,
Braids, Elastics and Laces.
Belding-Corticelli Limited,
Canada Label and Webbing Co. Ltd.,
Hamilton Cotton Co. Ltd.,
Footwear Findings of Canada Ltd.,
International Braid Co. of Canada,
Textile Manufacturing Co. Ltd.

Re Hosiery:

Our attention has been called to the statement made by Mr. Young in the House to the effect that woollen hosiery manufacturers have given notice of an advance in prices owing to the increase of tariff on such items Stop As the largest manufacturers of woollen hosiery in Canada would advise no such notice has been issued by us.

Penmans Limited,
(Sgd.) H. Barret,
General Manager.

Statement made that manufacturers of wool hosiery are increasing prices not true so far as we are concerned; we have not increased any price.

A. Burritt and Co.

No increase in prices of wool or any other kind of hosiery expect rather to reduce our prices.

(Sgd.) J. J. O'Brien,

The Toronto Hosiery Co

Regarding statement made in house last night that woollen hosiery manufacturers have given notice of advance in prices Stop As one of the largest hosiery manufacturers we wish to state positively that we have not advanced any prices and are not contemplating any advance. We are adding additional employees and starting up machines that have been standing idle.

Monarch Knitting Co.,
(Sgd.) J. A. Burns,
President and Gen. Mgr.

Deny absolutely statement of Mr. Young that cashmere or wool hosiery prices have been advanced Stop We have made actual reductions in prices many wool lines and no advances in any lines.

Mercury Mills Limited,
(Sgd.) H. G. Smith,
President.

Believe report that certain manufacturers of wool hosiery have raised prices is inaccurate we as fairly large producers have made no alteration in price of this class of hosiery and have no intention of so doing.

Chipman Holton Knitting Co. Limited.

Owing to new budget on hosiery which will enable us to operate more of our equipment employ more hands and reduce our overhead we have reduced prices on standard lines silk hosiery are sending out new lines woollen hosiery offering the public best values in past fifteen years.

(Sgd.) Wm. Mitchell,
Circle Bar Knitting Co.

Re Boots and Shoes:

Keen and unrestrained domestic competition amongst approximately 190 shoe factories in Canada affords abundant protection to the trade and the public that the selling prices of Canadian boots and shoes will at all times be very close to actual production costs in the most efficient plants. Moreover, we offer you our pledge that our members will not take any advantage of higher tariff duties to increase their prices, but on the contrary that they will pass on to the trade and the public the benefits of whatever reductions in production costs per pair may result from enlargement of the home market and the increase in Canadian production.

The Shoe Manufacturers' Association
of Canada.
(Sgd.) John T. Tebbutt,
President,
The Tebbutt Shoe,
& Leather Co. Ltd.
(Sgd.) H. Tetrault,
Tetrault Shoe Mfg. Co., Ltd.
(Sgd.) J. B. Goulet,
O. Goulet & Son, Inc.
(Sgd.) F. S. Scott,
Getty & Scott, Ltd.
(Sgd.) Alfred Lambert,
Acton Shoe Co., Ltd.
& Alfred Lambert, Ltd.
(Sgd.) Oscar Dufresne,
Dufresne & Locke, Ltd.
(Sgd.) J. D. Palmer,
Hartt Boot & Shoe Co., Ltd.
(Sgd.) Allan A. Mark,
The Empress Shoe Co., Ltd.
(Sgd.) John J. McHale,
Scott & McHale, Ltd.
(Sgd.) J. E. Warrington,
The John Ritchie Co., Ltd.

Re Raincoats:

Upward revision on tariff item 619 will have no effect whatever on the selling price of the Canadian made garments, the price in Canada

being regulated by keen internal competition there being 18 Canadian factories in direct competition with each other.

Canadian Association of Garment Manufacturers,
(Sgd.) Harry Hereford,
Secretary.

Re Window Shades:

Should we get such protection, we do not intend to increase our selling prices unless our cost is increased from what it is at present.

Daly & Morin Limited,
(Sgd.) Albert Morin,
Vice-President.

Re Children's Carriages:

If your government can see its way clear to apply these duties we hereby guarantee that the prices which we are now obtaining from our customers in Canada will not thereby be increased, and that on the contrary as costs are lowered through greater output our prices wherever possible will be reduced. In the interests of employment in Canada as well as the conservation of capital already invested in this industry, we most earnestly urge that these changes be made during the emergency session of parliament in September.

(Sgd.) W. B. Croxall,
The Heywood-Wakefield Company of Canada Limited.
Gendron Manufacturing Co. Limited,
(Sgd.) V. M. Farlane,
President.
The McFarlane Manufacturing Co. Limited,
(Sgd.) Per. P. McFarlane.
Sidway Topliff Company Limited.
The General Steel Wares Limited.

Re Jewellery:

The manufacturers are able to give an assurance that the increase in tariff will not be used to secure an increase in prices, as competition will take care of prices and command of the home market is all that is desired.

Canadian Jewellers' Association Inc,
(Sgd.) Chas. F. Brooker,
Chairman.

Re Silverware:

In these circumstances, we respectfully submit that the rates of duty on the articles which we manufacture should be increased. We already have the necessary plant and equipment, and we are satisfied that if necessary increases in duty are granted, we would get sufficient additional business to give employment to 400 to 500 additional men.

Furthermore we guarantee that our prices to the consumer would not be increased. On the contrary, with increased production, there would be a reduction in price.

(Sgd.) Roden Bros. Ltd.
(Sgd.) Alfred J. Roden, Pres.
Canadian Silversmiths Ltd.
W. B. Sowrey, Pres.
C. H. Gray, Sec. Treas.
Henry Birks & Sons, Ltd., Montreal,
J. H. Birks, Vice.-pres.
McGlashan Clarke Co. Ltd.,
M. Gundy, Pres.
Benedict-Proctor Mfg. Co. Ltd.,
L. T. Proctor, Pres.
International Silver Co. of Canada Ltd.
H. Casside,
Managing Director.

Re Plated Ware:

We therefore, most earnestly support any application which the manufacturers of plated ware may submit to you for better tariff safeguards, including a provision requiring all imports to be stamped with the country of origin.

The additional output which we could produce if the changes above outlined were made would tend, if anything, to reduce our prices. We guarantee on behalf of our company that prices of our products will be increased only in event of increases in the price of our raw materials or more important elements of manufacturing cost.

Anaconda American Brass Limited.

Re Watch Cases:

If your government will make this tariff increase at the coming session, we guarantee not to advance our domestic prices from what they are at the present time. In this connection our books will always be open to the government auditors for inspection in this regard.

The American Watch Case Company,
(Sgd.) John McKnight,
President.

Re Refrigerators:

We believe that the employment situation would be aided by an increase in the tariff on refrigerators to 22½%-30%-35% and we Canadian manufacturers would guarantee, that inasmuch as this increase would serve to defend our market, enable more economic production and reasonable selling prices, no advance would be made in the sale prices of any of the lines of refrigerators which we manufacture in Canada.

(Sgd.) Jos, Ruddy,
President,
Ruddy Manufacturing Co. Limited.

Definitely, prices will not go higher but lower with development of increased business in this new field Stop Competition as before except made in Canadian factories instead of American Stop American leaders only waiting forty per cent duty to commence Canadian production.

Spowage Frigomatic Limited.

These rates of duty will not raise the prices of our product to the consumer, but due to increased volume will have a tendency to lower same.

Kelvinator of Canada, Limited.
(Sgd.) P. A. Manross,
Assistant General Manager.

Re Heating Apparatus:

This change will immediately promote better employment conditions in this industry in Canada. In this connection some theorists may fear that increased duties as proposed would

result in higher prices to the consumer. As to this we declare and guarantee that our prices to the domestic trade will not be increased by reason of the granting of the suggested duties. These changes would in fact tend to reduce prices in Canada unless production costs of labour and material should increase.

(Sgd.) The Gurney Foundry Company, Limited.
Beach Foundry Limited.
The Galt Stove & Furnace Co. Limited.
Clare Bros. & Co., Limited.
Enamel & Heating Products Limited.
Findlay Bros. Co., Limited.
General Steel Wares Limited.
Enterprise Foundry Co., Limited.
Moffats Limited.
Dominion Stove & Foundry Co. Limited.
The James Stewart Mfg. Co., Limited.
Empire Stove & Furnace Company.
Lamarre & Cie.
Warden King, Limited.
Taylor Forbes Co., Limited.
The Imperial Radiator Company.
Pease Foundry Co., Limited.

Re Hollow Ware:

Canadian plants are as well equipped as any in the world to manufacture these goods, and we guarantee that there will be no advance in prices because of an increased tariff. The main need of the Canadian fabricator is to secure the extra volume now being imported, which would enable him to reduce his cost, operate his equipment nearer to capacity, and secure the Canadian market. With these advantages there will be every possibility of a reduction rather than an increase in price, and he will be able to continue and, to a large extent, increase the number of men employed.

(Sgd.) General Steel Wares Ltd.
Duro Metalwares, Ltd.

Re Steel Plate:

It is not a matter of increasing consumers' cost. The fabricators, who use plate, already have 30-35% duty, and, with the small proportion of plate that goes into bridge construction, etc., they can easily absorb any duty that the plate makers get. Some very important ones have admitted that to me.

(Sgd.) C. W. Bell,
Counsel for C. W. Sherman,
Dominion Foundries and Steel Limited.

Re Basic Iron and Steel:

They clash with the interests of no secondary steel or other industry, so far as we have been able to ascertain. The leading secondary steel industries (agricultural implement companies and structural steel companies) have been consulted and are in full agreement with the proposals contained in the aforementioned document.

They do not clash with the interests of Canadian consumers because definite and effective guarantees are given to the government regarding prices.

(Sgd.) W. W. Goforth,
Economist and Director of Research,
Cockfield, Brown & Company Limited.

Re Cast Iron Pipe:

It is not our intention to raise the price of cast iron pipe: in fact we are willing to give an undertaking that we will not raise the price over the average prevailing for the current year, unless, of course, the cost of raw materials and labour should be advanced.

(Sgd.) Gordon F. Perry,
National Iron Corporation, Limited.

If the duty is increased to $7 British preferential, $12 intermediate, and $13 general, it will enable us to secure a larger volume of business, operating our plants steadily, giving employment to a greater number of men. The larger tonnage will enable us to obtain a lower cost of finished product, and the increased duties will not be passed on to the consumer. We are prepared to guarantee that the average selling price of our finished product will not be increased over the average selling price we obtain during the year 1930, providing cost of raw material and labour is not greater than the average cost of same during 1930. In order that the government may be in a position to check selling prices, we are prepared to submit our books and full statements to the department or its representative at any time.

(Sgd.) Charles L. Jobb,
President,
Canada Iron Foundries Limited.

Re Dairy Pasteurizers:

The production season commences about the first of October, and if the duty on pasteurizers was increased to 30 per cent pasteurizers now being imported from the United States would be manufactured in Canada from Canadian materials. To effect an increase in the duty all that is necessary is to delete the words "pasteurizers for dairying purposes" from item 409(a). This tariff increase, if granted, will not result in any increase in the price at which pasteurizers are sold.

We individually guarantee that the prices on our pasteurizers will not be increased except as respects possible increases in material costs.

(Sgd.) The De Laval Company Limited.
C. Richardson & Co. Ltd.
(Sgd.) C. E. Richardson,
Pres. & Gen. Mgr.
Walker-Wallace Limited.
(Sgd.) K. L. Wallace,
Pres. & Gen. Mgr.
J. A. Gosselin Co., Ltd.

Re Fertilizers:

Furtherance to our conversation of yesterday, we now enclose memorandum setting forth our ideas in regard to tariff on fertilizers. We have given this matter very serious consideration, and are satisfied that we can not only maintain present schedules but feel sure we can eventually reduce prices to the farmer, if granted our request.

Eastern Canada Fertilizers Assoc.,
(Sgd.) A. L. Smith,
Chairman.

Re Electric Products:

The suggested change will not enhance normal prices to consumers except only in so far as

market fluctuations affect such raw materials as copper, brass, steel, iron, cotton, rubber, etc.

(Sgd.) Canadian General Electric Co. Ltd.
Canadian Westinghouse Co. Ltd.
English Electric Co. of Canada Ltd.
Ferranti Electric Limited.
Maloney Electric Co. of Canada Limited.
Packard Electric Co. Ltd.

Re Printed Matter:

In closing we wish to particularly emphasize the fact that we are not asking for tariff changes so that we may, as printers, be in a position to advance our prices, but rather through reasonable protection to obtain a sufficient volume of printing to reduce our costs, increase the number of our employees, with the resulting benefit to ourselves and the public, and at the same time give the Customs and Postal Departments an income to which they are entitled.

We also guarantee that if the duties are increased as asked, our prices to customers in Canada will not be increased but as a matter of fact, as production costs are decreased our prices to customers will be reduced.

(Sgd.) F. M. Kimbark,
Chairman.
Canadian Legislative Committee,
United Typothetae of America.

Re Kraft Paper:

I can promise you there will be no increase in the price of Canadian paper, and provided we can get our own home market I can see no reason why we should not have a reduction in the price of paper. I am only anxious to keep Canadian mills busy and employ Canadian working people in the mills and in the woods. I can assure you the situation is serious.

(Sgd.) C. Howard Smith,
Montreal.

Re Implements:

The manufacturers are of the opinion that consumers of agricultural implements should not pay higher prices for them, and they are equally emphatic in the statement that if the Canadian market is supplied from Canadian factories, instead of being supplied in such volume by goods manufactured elsewhere, they will not increase prices of implements to consumers, provided the factors entering into manufacturing costs are not increased.

(Sgd.) Massey-Harris Company, Limited,
Per George Valentine,
Vice-Pres.
Sawyer-Massey, Limited,
Per H. R. Malley,
Vice-Pres. & General Mgr.
John Goodison Thresher Co. Ltd.,
Per L. V. Wright,
Director.
J. Fleury Sons, Limited,
Per H. W. Fleury,
Pres.
Cockshutt Plow Company, Ltd,
Per E. A. Mott,
General Manager.
Waterloo Manufacturing Co. Ltd.,
Per A. T. Thorn,
Vice-Pres. & Gen. Mgr.
Frost and Wood Company, Ltd.,
Per J. E. Ruby,
Vice-Pres.

Re Gasoline:

The adoption of these recommended revisions will not result in any increase of prices to the retail consumer because of them.

(Sgd.) The British American Oil Company Limited,
Per A. L. Ellsworth,
President.
The Canadian Oil Companies Limited,
Per F. H. Littlefield,
Vice-Pres.
Imperial Oil, Limited,
Per C. O. Stillman,
President.
McColl Frontenac Oil Company Limited,
Per J. Irwin,
President.

Re Stoneware:

It is not our intention that if a tariff should be given us to raise the price to the consumer, but we are very anxious to supply the Canadian consumer with Canadian made goods and we feel that we are entitled to an additional protection to be able to do so.

As we are the largest manufacturers of stoneware in the Dominion of Canada and shipping goods into every province in the Dominion we are willing to place on file with you price lists for each province to show you that if an added protection is given us that we will not under any consideration raise the price to the Canadian consumer.

(Sgd.) Medalta Potteries Limited,
Per W. G. Armstrong,
Manager.

BUSINESS OF THE HOUSE

Hon. R. B. BENNETT (Prime Minister): I move that when this house takes recess it stand adjourned until 2.15 p.m. this day.

Motion agreed to.

Mr. BENNETT moved that the Speaker leave the chair for the house to resolve itself into committee of ways and means. He said:

I do this as a matter of form, so that we may reconvene in committee.

Motion agreed to and the house went into committee of ways and means. Mr. LaVergne in the chair.

At one o'clock the committee took recess.

The committee resumed at 2.15 o'clock.

The CHAIRMAN: We were dealing with item 409b, which reads as follows:

Cultivators, harrows, seed-drills, horse-rakes, horse-hoes, scufflers, manure spreaders, garden seeders, weeders, and complete parts of all the foregoing: British preferential tariff, free; intermediate tariff, 15 per cent; general tariff, 25 per cent.

Item agreed to.

Items 409c, 409d, 409e. 409f, 409g, 409h, 409i, 409j, 409k, 409m, 409n and 409p agreed to.

Sir GEORGE PERLEY: Mr. Chairman, I beg to move that resolution No. 3 of September 16, 1930, be amended by inserting therein the following item, enumerations and rates of duty, to be known as tariff item 409q:

409q. Complete parts for repairs, if imported on or before the first day of July, 1931:
(i) For the implements or machinery enumerated in tariff items 409c, 409e, 409f, 409g, 409j, 409o, 409p and 439c: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 10 per cent.
(ii) For the implements or machinery enumerated in tariff item 409b: British preferential tariff, free; intermediate tariff, 7½ per cent; general tariff, 7½ per cent.
(iii) For the implements or machinery enumerated in tariff item 409d: British preferential tariff, free; intermediate tariff, 6 per cent; general tariff, 6 per cent.
(iv) For the implements or machinery enumerated in tariff items 409h and 409n: British preferential tariff, free; intermediate tariff, 10 per cent; general tariff, 15 per cent.
(v) For the implements or machinery enumerated in tariff items 409i and 409k: British preferential tariff, free; intermediate tariff, 17½ per cent; general tariff, 17½ per cent.

Amendment agreed to.

Items 415a, 415b, 415c, 424, 425, 428, 432, 432a, 432b, 432d, 439c, 439f, 442a, 443, 445, 445a, 445b, 445f, 445g, 464a, 476b and 476c agreed to.

Mr. BENNETT: An amendment is suggested to item 519 to make the rates 20, 30 and 40 per cent, which I think will be of interest to the ex-Minister of Trade and Commerce (Mr. Malcolm).

Mr. MALCOLM: Mr. Chairman, the action which the then Minister of National Revenue (Mr. Euler) took on the occasion referred to was to place a value on furniture pending investigation in order to find out if furniture from the States was being sold in Canada at a price lower than the prevailing prices in the country of origin. Under the act he had that power and no other, but I want my hon. friend to appreciate the fact that so long as a section to prevent dumping is placed in the act I think the interests of the furniture manufacturers would be amply protected.

Mr. BENNETT: That is all I want to know. Because of the statement given to the committee there will be no necessity for this amendment.

Mr. HEAPS: Has it been discovered that furniture came into the country early in the year to be sold at prices lower than the selling price in the United States?

Mr. BENNETT: The departmental investigations have proved that such was the case with regard to three states, but the investigations have not been completed.

Amendment withdrawn.

Items 522, 522a and 522c agreed to.

Customs tariff—522e. Cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons: British preferential tariff, 7½ per cent; intermediate tariff, 15 per cent; general tariff, 20 per cent.

Mr. BENNETT: I will come back to 522e. We will go on with item 523.

Items 523, 523a, 523b, 523e, 529 and 532, agreed to.

Customs tariff—533. Sails for boats and ships: British preferential tariff, 15 per cent; intermediate tariff, 22½ per cent; general tariff, 25 per cent, and per pound: British preferential tariff, 3 cents; intermediate tariff, 3½ cents; general tariff, 4 cents.

Mr. NEILL: Is this increase justified or necessary? We have already a 25 per cent duty, and it is customary to give a preference to help the fishermen in this matter.

Mr. BENNETT: I am deleting that item and leaving it at the old rate. I was misinformed; I found that it involved only $7,000.

Mr. NEILL: You are going to delete it?

Mr. BENNETT: Yes.

Mr. NEILL: Thank you.

Mr. RHODES: I move that the item be deleted.

Item withdrawn.

Items 541, 542 and 542a agreed to.

Customs tariff—542b. Linen fire hose, lined or unlined: British preferential tariff, 30 per cent; intermediate tariff, 32½ per cent; general tariff, 35 per cent.

Mr. SANDERSON: If it does not take too much time I would like to know what the importations under that item were last year.

Mr. BENNETT: They were valued at $277,000. That is for hose, including garden hose lined with rubber. There are untraceable items involving small amounts but the importation I have given is from the United States.

Mr. GARDINER: I take it that this is a new item.

Mr. BENNETT: Yes. The words "cotton seamless bags" are deleted from the item under which it originally fell and such bags now come under item 523.

Item agreed to.

Items 547, 548, 551, 551a, 552, 553, 554 and 554b agreed to.

Customs tariff — 555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufacturers, wholly or partially manufactured, composed wholly or in part of yarns of wool or hair, but of which the component of chief value is not silk nor artificial silk, n.o.p.; fabrics coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 30 per cent; intermediate tariff, 40 per cent; general tariff, 40 per cent, and per pound: British preferential tariff, 25 cents; intermediate tariff, 32½ cents; general tariff, 35 cents.

Mr. BENNETT: I wish to add a few words to item 555; the addition will not change the item to any extent but will no doubt clarify it.

Sir GEORGE PERLEY: I move that the following be substituted for the present item:

555. Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk or artificial silk, n.o.p.; fabrics coated or impregnated, composed wholly or in part of yarns of wool or hair, but not containing silk nor artificial silk, n.o.p.: British preferential tariff, 30 per cent; intermediate tariff, 40 per cent; general tariff, 40 per cent; and per pound: British preferential tariff, 25 cents; intermediate tariff, 32½ cents; general tariff, 35 cents.

Item as amended agreed to.

Mr. SPENCER: May I refer to item 553. I notice the old schedule contains the words "not to include horse blankets," and that in the new schedule those words have been deleted. What is the reason?

Mr. BENNETT: As the tariff originally stood it did not apply to horse blankets. However as there is some substantial business to be done in this country in connection with horse blankets the words have been left out. It is covered by the general term "blankets."

Mr. SPENCER: The new item refers to horse blankets?

Mr. BENNETT: Yes.

Items 558b, 558d, 560, 560a, 561, 565, 567, 567a, 568, 568a, 568b, 572, 573, 576, 611, 611a and 619 agreed to.

[Mr. Gardiner.]

Customs tariff—619a. India rubber clothing and clothing made from water proofed cotton fabrics: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent and on each article of clothing: British preferential tariff, 50 cents; intermediate tariff, 50 cents; general tariff, 50 cents.

Mr. BENNETT: I purpose to make a change in that item. It will be observed that a price per item is referred to, and there are some small items which should not be affected thereby. Therefore it applies only to India rubber clothing and clothing made from water proofed fabrics.

Sir GEORGE PERLEY: I beg to move that tariff item 619a be amended to read as follows:

619a. India rubber clothing and clothing made from water proofed cotton fabrics: British preferential tariff, 25 per cent; intermediate tariff, 30 per cent; general tariff, 35 per cent.

Provided, that on raincoats dutiable under this item the duty shall be, on each such article, not less than: British preferential tariff, 50 cents; intermediate tariff, 50 cents; general tariff, 50 cents.

Item as amended agreed to.

Items 647, 663, 779 and 779a agreed to.

Schedule agreed to.

Mr. BENNETT: The glue item which was mentioned this morning has not yet been disposed of.

Sir GEORGE PERLEY: I move that tariff item 232 be amended to read as follows:

232. Glue, liquid, powdered or sheet, n.o.p. and mucilage, casein and adhesive paste: British preferential tariff, 17½ per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent; and per pound: British preferential tariff, 2 cents; intermediate tariff, 2½ cents; general tariff, 3 cents.

And that tariff item 232b be added as follows:

232b. Vegetable glue: British preferential tariff, 17½ per cent; intermediate tariff, 25 per cent; general tariff, 27½ per cent.

Mr. BENNETT: That meets the case, I trust, that the hon. members mentioned the other day?

Mr. MALCOLM: Yes.

Item as amended agreed to.

Sir GEORGE PERLEY: I beg to move:

That resolution No. 3 of September 16, 1930, be amended by deleting therefrom any reference to items 432c and 533.

Mr. NEILL: I have not the slightest idea as to the nature of the amendment, and I

have an impression it is something in which we are interested. Will you read it again, Mr. Chairman?

The CHAIRMAN: It is moved by Sir George Perley:

That resolution No. 3 of September 16, 1930, be amended by deleting therefrom any reference to items 432c and 533.

Amendment agreed to.

Mr. ELLIOTT: Can the Prime Minister give me any idea of the increase in the duty under item 572, that is in regard to carpets, particularly as it applies to carpets of the ordinary variety? The old duty is entirely ad valorem. In addition to that a duty per square foot is added. Can my hon. friend give me any idea as to what that would be ad valorem?

Mr. BENNETT: There is a duty per square foot of ten cents, fifteen cents and twenty cents. The ad valorem duty of course depends entirely upon the value of the carpets, and without having the papers before me I could not hazard a guess as to that.

Mr. ELLIOTT: I do not want to delay the committee, so that I shall not press the point.

Mr. MACKENZIE KING: Will my hon. friend be prepared to lay upon the table of the house the documents or communications from which he has quoted, giving the alleged assurances as to the maintenance of prices?

Mr. BENNETT: They of course deal with many other things than the items to which the hon. member refers. What has been the custom in matters of this kind will be followed, but I recall that on a previous occasion a minister had some doubt whether or not these documents should be laid upon the table of the house. Whatever the practice is, I shall be very glad to follow it. I have not had time so far to look it up.

Mr. MACKENZIE KING: I think my hon. friend is fully acquainted with the practice. He knows that a document which is read in the house and upon which an argument is founded, should be laid upon the table. I should like to read from Bourinot as the authority in that regard. Bourinot at page 337 reads:

It is a parliamentary rule that when a minister of the crown quotes a public document in the house, and founds upon it an argument or assertion, that document, if called for, ought to be produced. . . . The rule respecting the production of public papers, quoted by a minister of the crown, is necessary to give the house the same information he possesses, and enable it to come to a correct conclusion on a question.

I would like to ask my hon. friend to table the documents in accordance with that practice. That would be the request I would make on behalf of the opposition.

Mr. BENNETT: It does not follow from that rule, the application of which I invoked last year, as the hon. member will remember, in connection with a paper being read from by the then Postmaster General, that the whole document must be laid on the table. The part from which one is reading must be tabled in order to satisfy the committee as to the validity of the document. I was reading merely extracts, some of which were typewritten while others were not. I will endeavour in any event to have copies of the documents made and laid on the table.

Mr. MACKENZIE KING: I do not like to let pass without comment what my hon. friend has just said about tabling only extracts. I think documents should not be read from unless the minister is prepared to give the entire document to the house.

Mr. BENNETT: If it is a public document.

Mr. MACKENZIE KING: If it is not a public document is it of no value so far as the house is concerned.

The CHAIRMAN: The document must be tabled.

Customs tariff—83. Potatoes, including sweet potatoes:—

(a) in their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, free; general tariff, 75 cents.

(b) dried, desiccated, or dehydrated, per pound: British preferential tariff, free; intermediate tariff, free; general tariff, 2¾ cents.

Mr. BENNETT: There is a word to be said in regard to this item. In the reproduction of the former item, it will be observed that sweet potatoes are mentioned. As the countervailing tariff did not apply to sweet potatoes, the item will read:

Potatoes, as hereunder defined:

(a) in their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, free; general tariff, 75 cents.

Being the countervailing duties, and the second item;

(b) dried, desiccated, or dehydrated, per pound: British preferential tariff, free; intermediate tariff, free; general tariff, 2¾ cents.

But the item as regards sweet potatoes will be:

(c) in their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, 10 cents; general tariff, 15 cents.

(d) n.o.p., per pound: British preferential tariff, free; intermediate tariff, 1¾ cents; general tariff, 2¾ cents.

This is to make the item easier of administration. It was never intended that there should be a seventy-five cent duty on sweet potatoes coming into this country. The tariff passed last session imposed that duty and as the item read, it would include sweet potatoes. This merely differentiates between the two.

The CHAIRMAN: Moved by Sir George Perley that item 83, as contained in resolution No. 3 of September 16, 1930, be amended to read:

Potatoes, as hereunder defined:
(a) in their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, free; general tariff, 75 cents.
(b) dried, desiccated, or dehydrated, per pound: British preferential tariff, free; intermediate tariff, free; general tariff, 2½ cents.
(c) sweet potatoes, in their natural state, per 100 pounds: British preferential tariff, free; intermediate tariff, 10 cents; general tariff, 15 cents.
(d) sweet potatoes, n.o.p. per pound: British preferential tariff, free; intermediate tariff, 1¾ cents; general tariff, 2¾ cents.

Amendment agreed to.

Item as amended agreed to.

4. Resolved, that schedule B to the customs tariff, being chapter forty-four of the revised statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929 and chapter thirteen of the acts of 1930, be further amended by striking thereout tariff items 1040, 1041, 1056, 1060 and 1065.

Mr. BENNETT: We now come to schedule B which deals with the deleted drawback items. It is proposed to strike out from resolution 4, item 1065. It has no application this year, because this year's operations are completed, and in the winter there will be no importations by water under it. The matter will then be disposed of. As the subsequent section permits deliveries until the first day of December, there will be no application of this item, and therefore it has been withdrawn.

Sir GEORGE PERLEY moved:

That resolution No. 4 of September 16, 1930, be amended by striking out therefrom tariff item 1065.

Mr. RALSTON: That is coal used in the manufacture of salt.

Mr. BENNETT: The hon. gentleman will see, in view of the conclusion reached to extend the exemption of the operation of the new items to contracts already existing, it will be only a matter of adding greatly to departmental activities if this item is carried as it stands, because it is proposed that goods have to be delivered by the 1st December to claim the benefit of exemption, and inasmuch as navigation is closed by that time, this is so dealt with to prevent confusion.

Mr. RALSTON: There is no eastern coal used in those plants?

Mr. BENNETT: I believe in no substantial quantity. I believe Belleville is the furthest point west reached, and there is no salt there. There is another amendment to be moved by the hon. member for Argenteuil to meet the situation mentioned by the hon. member for North Waterloo and several other hon. members. The proposed amendment reads:

Provided, that any such enactment shall not apply to goods bona fide purchased and imported, but not entered, on or before the sixteenth day of September, one thousand nine hundred and thirty, nor to goods imported and in warehouse on or before that date, provided such goods are taken out of warehouse on or before the thirtieth day of November, one thousand nine hundred and thirty, nor to goods imported, under regulations prescribed by the minister, on or before the thirtieth day of November, one thousand nine hundred and thirty, when such goods have been bona fide contracted for and purchased in the country of export prior to the aforesaid sixteenth day of September, one thousand nine hundred and thirty.

I think that is as broad as it can reasonably be made to meet the situation presented by the hon. gentleman.

Mr. EULER: I think that would be satisfactory, except that in some lines contracts are made very far ahead.

Mr. BENNETT: The amendment says, prior to the 16th of September.

Mr. EULER: But I understood that there was some termination.

Mr. BENNETT: The termination is the 30th of November. In practice it has been found absolutely essential, I am told by the officers, to have some definite date with respect to matters of this kind.

Mr. EULER: In the case I had in mind the contracts were made, I think, for six months ahead, and I am not sure that the amendment would meet the requirements.

Mr. BENNETT: I may say that another case came up in connection with machinery under contract, part of which had been delivered. It must be obvious that you could not cover cases where the delivery of the balance of a contract would not take place until some time next year. That would have to be dealt with under the provisions with respect to partly completed contracts.

In connection with fertilizers, compounded or manufactured, the item as it stands refers only to manufactured fertilizers, and not to the commodities out of which fertilizers are made. There is no change in that. The ruling of the department has been to that effect for some years. There is a large industry in the constituency represented by my hon. friend the former Minister of Justice, and they sent him a telegram with respect to the matter. There is no change there.

Mr. MALCOLM: I would point out to the minister, with respect to contracts, that if a change is made in the tariff between the spring of one year and the spring following, it presents difficulties in connection with contracts which everyone fully realizes. In connection with merchandise which is catalogued, mail order firms have gotten out their advertising for merchandise for the fall and winter catalogues, and the firms supplying them have already contracted for the raw materials. I think the Prime Minister would be well advised to give some exceptional power to the Minister of National Revenue to deal with contracts in a broad and definite way. I think that would meet the objection. On the assumption that the tariff was settled for the fall and winter period, these merchandising firms have catalogued and advertised goods at fixed prices for the life of the catalogue, and the firms making the goods have also made their contracts for the raw materials at fixed prices. Therefore the Minister of National Revenue should have the broadest powers to deal with unusual situations arising out of the tariff being increased in the middle of the year.

Mr. BENNETT: The objections of the hon. gentleman have to some extent been anticipated, but I am informed, and I fancy that my hon. friend will agree, that not to fix a date, having regard to the close of navigation, might leave it open to abuses. There is under section 91a provision for refunding duties that have been paid, a provision which in practice, with the approval of the treasury board, has been found broad enough to meet cases of that kind. For reasons mentioned by my hon. friend I took considerable time to go into the matter with care, and I quite agree with what he has said.

Mr. NEILL: This is going to create a certain amount of hardship for firms making mixed fertilizers. The proposal is to allow what is the raw material to come in free, while the manufactured article will be taxed, which is sound economics perhaps; but a great deal of what is going to be admitted as raw material is in itself a fertilizer. It is not like an ingot of steel, for instance, which could not be used for anything until manufactured. There are fertilizers, very valuable in themselves, that come in and are used by manufacturers to a very large extent in making mixed fertilizers.

Mr. BENNETT: When so used they are free. That has been the practice for some time.

Mr. LAPOINTE: Even if they are partly manufactured, they come in free?

Mr. BENNETT: When they are an ingredient in the production of fertilizer, even if they are partly manufactured when they come in, the department for some years has given them free entry. I was very careful to inquire about that.

Amendment (Sir George Perley) agreed to.

Mr. RALSTON: Would the Prime Minister consider the suggestion I made in committee in reference to gasoline used in fishing operations? I am going to ask the Prime Minister to consider adding to this resolution a new numbered section to provide for a drawback on gasoline when used by individual fishermen for their own use in the fisheries in boats bona fide owned by them. I dealt with the matter at some length the other evening, and at this late stage I do not want to take up the time of the committee if my hon. friend would indicate what his attitude is. I cannot move the amendment now myself in committee; I can do so only in the house, when opportunity is given to any hon. member to move an amendment.

Mr. BENNETT: I am sure my hon. friend will agree that there is no reason why we should contemplate any class in the community preferring a foreign product to a home product, and inasmuch as my hon. friend's suggestion is to provide for a rebate of duty paid on the importation of a foreign product which they might buy at home, we see no reason why it should be done. There is no reason why we should put a premium on sending our money anywhere else. We propose to leave it on terms of equality. There will be no increase in price. To do what my hon. friend suggests would be putting a premium on money going out of the country.

Mr. RALSTON: We are a little sceptical about there being no increase in price. The telegram which the hon. member for Kindersley read this morning indicates that we are going to have difficulty about that very matter of an increase in prices. The assurance which was read by the Prime Minister from gentle-

men representing certain oil companies was that there would be no increase to the retail consumer, and yet an hon. member of this house reads a telegram here this morning to the effect that the price of gasoline has been increased 2½ cents to the retail consumer.

Mr. ERNST: Not by a company that gave the undertaking.

Mr. RALSTON: Surely we are not going to require the fishermen to buy only from four particular companies. They still have the right to competition. I urge very strongly that there should be an exemption from duty in the case of gasoline used by individual fishermen. That has already been done in conection with engines and oil. My hon. friend has amended the provisions with regard to waterproof clothing, and I submit that this particular class, the fishermen who are such large consumers of gasoline and are engaged in a primary industry, to whom gasoline is such a great expense, particularly when they go out and come back with no catch, should have the benefit of an exemption from duty and a rebate if they use gasoline on which duty is paid. I believe that that would be an additional safeguard against a possible increase in price. My hon. friend is quite confident that there will be no increase in price, but I am sceptical.

Mr. BENNETT: I thought I made it perfectly clear to my hon. friend that I would not at any time move an amendment that would put a premium on sending money to buy in another country what you can get at home.

Mr. RALSTON: That does not put a premium on such a proceeding at all. It simply allows the fishermen to do as they wish.

Mr. BENNETT: That is a matter of opinion.

Mr. SANDERSON: This morning I asked the Prime Minister whether he had any commitments in any way from the manufacturers of pasteurizing machines and washing machines. He promised that during the recess he would find out whether there were any written or verbal promises from such manufacturers.

Mr. BENNETT: I promised to do more than that, to have all the papers gone through and put on Hansard, all the undertakings given. As this will have to be done by the officials of the department, I did not in the interval find time to get lunch, much less to see if there was any such undertaking. If there is it will be put upon Hansard with the others; if it does not appear among them it may be taken that there is none.

Mr. SANDERSON: My question was directed to the Prime Minister before the general question of putting on Hansard the undertakings came up. If I remember correctly he said that he had no letter from any manufacturer of washing machines he knew of, but he referred to an advertisement by one firm making washing machines. When I brought the question up in regard to pasteurizing machines, he said he was not sure whether he had any undertakings, but this afternoon he would answer my question. I think in all fairness to me and to the house he might state whether or not there are any undertakings in this regard.

Mr. BENNETT: I have told the hon. gentleman what surely he must already be aware of. The right hon. leader of the opposition was good enough to agree to an examination of the papers and the placing on Hansard of all such promises and undertakings, and the hon. member must know that it would necessarily cover what he was asking about. I can tell him I have looked through such papers as were available, and I did find one telegram in respect of washing machines to the effect that there would not be any increase in price.

Mr. SANDERSON: From whom did that telegram come?

Mr. BENNETT: Beatty Brothers.

Section 4 agreed to.

5. Resolved, that any enactment founded upon the foregoing resolutions shall be deemed to have come into force on the seventeenth day of September, one thousand nine hundred and thirty, and to have applied to all goods mentioned in the foregoing resolutions taken out of warehouse for consumption on and after that date.

Provided, that any such enactment shall not apply to goods imported but not entered or to goods bona fide purchased and actually in transit to Canada on or before the sixteenth day of September, one thousand nine hundred and thirty, in respect of which goods the minister may demand proof satisfactorily to himself that the same were purchased and shipped on or before that date.

Mr. ELLIOTT: I do not know whether I correctly understood my hon. friend the Prime Minister. Of course these changes apply to all purchases made after the resolutions were brought down, other than as to certain shipments.

Sir GEORGE PERLEY: Will my hon. friend allow this amendment which may cover the point that he is speaking about. I move:

That resolution No. 5 of September 16, 1930, be amended by striking out the second paragraph thereof and substituting the following therefor:

Provided, that any such enactment shall not apply to goods bona fide purchased and imported, but not entered, on or before the sixteenth day of September, one thousand nine hundred and thirty, nor to goods imported and in warehouse on or before that date, provided such goods are taken out of warehouse on or before the thirteenth day of November, one thousand nine hundred and thirty, nor to goods imported, under regulations prescribed by the minister, on or before the thirtieth day of November, one thousand nine hundred and thirty, when such goods have been bona fide contracted for and purchased in the country of export prior to the aforesaid sixteenth day of September, one thousand nine hundred and thirty.

I think that covers what my hon. friend has in mind.

Mr. ELLIOTT: Just what is the effect of my hon. friend's amendment to this proviso?

Sir GEORGE PERLEY: The effect of the amendment is that goods bona fide purchased before this enactment can be imported at any time up to the 30th of November.

Amendment agreed to.

Section as amended agreed to.

Resolutions reported, read the second time and concurred in. Mr. Bennett thereupon moved for leave to introduce Bill No. 4, to amend the customs tariff.

Motion agreed to and bill read the first time.

Mr. BENNETT moved the second reading of the bill.

Motion agreed to and bill read the second time.

Mr. BENNETT moved that the Speaker do now leave the chair for the house to resolve itself into committee of the whole on said bill.

Motion agreed to.

Mr. BROWN: Mr. Speaker before you leave the chair may I refer to a question of privilege?

Some hon. MEMBERS: Order.

Mr. SPEAKER: May I remind the hon. member for Lisgar (Mr. Brown) that the resolution is carried that the Speaker do now leave the chair. There will be an opportunity a little later on, while the Speaker is in the chair, for the hon. member to make any observations he may desire.

The house went into committee, Mr. LaVergne in the chair.

Sections 1 and 2 agreed to.

On section 3—Schedule A amended.

Mr. RALSTON: This section is the one in connection with which I want to move an amendment. I move that there be added at the end of item 271, as amended by this subsection, the words following:

Excepting gasoline to be used by individual fishermen for their own use in the fisheries in boats bona fide used by them.

In order that there may be no difficulty about this matter of rebate, and so that my hon. friend may not feel that any premium is being paid, this amendment simply provides that the provisions imposing duty do not apply in the case of gasoline used by the fishermen.

Mr. NEILL: I have just a few words to say; there is no use rehashing the situation The objection to this amendment, which I strongly support, is founded, of course, upon the theory that has been advanced so often the last few days, that an increase in the tariff does not increase the price of the commodity. I read in this morning's paper of a squirrel which had cached seventy-five golf balls under the impression that they were some new kind of nut. If hon. gentlemen opposite really believe the theory I have mentioned I would advise them to keep away from the vicinity of squirrels.

Mr. VALLANCE: Might I ask if this will be extended also to the gasoline used by farmers in their tractors?

Mr. GARDINER: The objection we raise to this amendment is that this is class legislation. It is proposed to exempt from duty gasoline used by fishermen. If the amendment had been inclusive to the extent that those who were using gasoline for commercial purposes, including farmers and others, might be exempted, we could have supported the amendment, but in view of the fact that it applies to only one class we must oppose it.

Mr. RALSTON: I have made it apply to one particular class because of the fact, as I pointed out the other night, that the tariff items themselves are consistent with this proposal. Item 440k expressly exempts engines used by fishermen, in practically the same terms as this amendment with regard to gasoline. I also pointed out a drawback item

in the tariff, item 1032, providing a drawback on the duty on oil used in the manufacture of manila rope used by the fishermen. The proposed amendment is simply consistent with those other items.

Amendment negatived on division.

Sections 4 and 5 agreed to.

Mr. POWER: It seems to me the chairman, in reading section 5, did not mention the amendment which was proposed by one hon. member.

Mr. BENNETT: I inquired especially about that, and it is being looked after.

Bill reported.

Mr. BENNETT moved the third reading of the bill.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I say, Mr. Speaker, that there were two or three amendments we should like to have moved on the third reading of this bill, one in particular in relation to agricultural implements and one in relation to fair wages and conditions applying to labour. But in view of the fact that we have undertaken not to embarrass my hon. friend at the time we are foregoing the moving of these amendments. I should like it to be understood, however, that that is the only reason the opposition is not at the present time proposing amendments.

Hon. R. B. BENNETT (Prime Minister): I think, Mr. Speaker, the right hon. gentleman is doing exactly what I would do in similar circumstances, merely indicating that by not moving amendments he is not in any sense to be taken as agreeing in any way, shape or form to any schedule in this measure.

Mr. MACKENZIE KING: And also that we are not carrying our protest as far as we would have wished under other circumstances.

Mr. BENNETT: And the fact that the protest is not being carried to a recorded vote is due to the desire of hon. gentlemen opposite to assist in the disposition of business so that Canada may be represented at the imperial conference.

Mr. RALSTON: Would my hon. friend take exactly the same attitude with regard to the amendment I just proposed, and which I intended to propose again on the third reading?

Mr. BENNETT: Certainly.

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

[Mr. Ralston.]

IMPERIAL ECONOMIC CONFERENCE

STATEMENT BY THE PRIME MINISTER AS TO CANADA'S REPRESENTATION

Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before the house rises I should like to discharge a very simple duty and indicate to the house who it is proposed shall proceed from Canada to the imperial and economic conference.

The Prime Minister will be accompanied by the Minister of Justice (Mr. Guthrie), by the Solicitor General (Mr. Dupré), by the Minister of Trade and Commerce (Mr. Stevens), and by such technical staff as is thought desirable to enable the problems which will be submitted for consideration to be adequately dealt with. This staff will include W. D. Herridge, K.C., personal assistant to the Prime Minister; the chairman of the research council, Doctor Tory; Mr. Read, counsel of the Department of External Affairs; Doctor Coats, chief statistician; Mr. Gilchrist, who is in charge of foreign trade matters in the statistical department; the chief of the general staff, General McNaughton, with a staff officer; technical officers from the Department of Fisheries, and Colonel Steel, probably the best authority on matters connected with radio.

During the last week I have communicated also with western premiers and indicated that it was thought desirable that those who might be able to speak with some authority in connection with the great wheat branch of our industry should be represented. It is thought perhaps Mr. McPhail, who represents the pools of the three prairie provinces; Doctor MacGibbon, the vice-president of the Board of Grain Commissioners; Professor Swanson, of Saskatchewan university, and Mr. John I. Macfarlane, who is not actively engaged at the moment in the grain business but who the western provinces think is better informed than any other man they could name as the representative of the business other than the pools, should proceed to London at this time. It is hardly necessary for me to say that any government, whether federal or provincial, is greatly concerned about the situation which has arisen with regard to the price of wheat The other evening I mentioned one of the circumstances which I believed was partly responsible for the great depression in the price of wheat upon the Winnipeg market. I made that statement because of information that had been given to me, and which was published in the paper the following morning. As to

whether or not that is the cause for the sudden drop in prices will be ascertained further from investigations that are being carried on by the American farm board and its officers as well as by others, and to the extent that we may be able to contribute to the ascertaining of those causes, this country will do so. I need hadly say that every human effort that can be made will be made by those of us who for the moment are the representatives of the people of this country to ensure better prices being obtained by the agrarian population for their products. When one considers this situation in the light of what it means in dollars and cents, he will realize the serious results of these falling prices. a result which involves hardly an adequate return for the actual money expended.

The gentlemen I have named, who are specialists in their lines of business, will be able to speak with some definite authority in connection with these matters, not only in London but on the continent of Europe. May I say that it will be the earnest endeavour of those of us who are entrusted with the confidence of the people to secure improved distribution facilities and by cheapening transport enable the Canadian farmer, as a producer and distributor of his product, to meet the competition which may come from any part of the world. As my hon. friends opposite would say, this will involve the cheapening of the instruments of production, and with that we heartily agree. The methods by which that end may be effected differ, but we all have that earnest purpose and desire. The means suggested by us are not those suggested by my hon. friends opposite, but we believe that by the methods we have adopted we will secure for the Canadian producer his instruments of production at prices which will be equal to those paid by other people. We know that the quality of our soil is second to none so far as productivity is concerned, and its fertility is equal to if not better than that of any other country.

So far as artificial means may be used for the purpose of stimulating production, every effort will be made to improve those conditions. The great undertaking at Trail, which has recently entered upon the production of fertilizers on a large scale, will we believe improve conditions in western Canada. I take it that almost every member of the house has knowledge of what is being done there. It is hoped that by the use of fertilizers the level of our production can be brought up to that of Germany and other parts of continental Europe, including Great Britain, and if that result can be obtained at a reasonable cost to the farmer, as we believe it can be by the utilization of the great natural resources which are being developed at Trail, we believe that great benefit will accrue to agriculture in the three western provinces.

The problem of transport is one of first importance, and in order that the western farmer may meet the competition of the world, he must have cheap instruments of production and have every possible avenue explored for the purpose of seeing to what extent science may be able to improve the conditions under which he sells and reaps his harvest. When the crop is reaped there must be cheap and effective methods of transportation, and to those ends we are directing our attention and the accomplishment of that purpose is the supreme idea which guides and governs our policies.

There remains still another problem, one of the greatest magnitude, and that is the distribution of the product after it has been harvested and after it has been transported. That problem is one which neither the wisdom nor ingenuity of man can solve if the people supply within themselves all their own requirements and are not compelled to buy elsewhere. The bonuses and bounties that have been lavished by other countries to stimulate the production and cultivation of their soil during the last few years have resulted in conditions which perhaps have not been equalled for many generations. Under these conditions we are endeavouring and will endeavour, and we trust that we will be able to report to this house that we have successfully endeavoured, to induce those who are vitally concerned in the use of our cereals to buy them because of their quality and because of the fact that they can be sold at a profit to the producer at prices equal to those paid by any other people in the world.

Knowing this country as I do and realizing and understanding some of its problems, knowing that the greatest annual contribution to our national wealth comes from agriculture, especially that branch of agriculture which produces and harvests our cereals, I shall not rest content until every effort has been made which I or those associated with me may be able to make so to improve conditions as to ensure to those who till the soil an adequate return for their effort commensurate with and, if I have my way, greater than the returns received by those who risk their capital in other ventures in this country.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Would my hon. friend be kind enough to indicate who is to be the acting Prime Minister in his absence, also the acting Minister of Finance, the acting Minister of Trade and Commerce, the acting Minister of Justice and the acting Solicitor General?

Mr. BENNETT: The acting Prime Minister will be the senior privy councillor in the government, Sir George H. Perley; the acting Minister of Trade and Commerce will be the Minister of Railways and Canals, Hon. R. J. Manion; the acting Minister of Justice will be Hon. W. A. Gordon, Minister of Immigration and Colonization; the acting Minister of Finance will be Hon. E. B. Ryckman, the Minister of National Revenue, and the duties of the Solicitor General (Mr. Dupré) will be discharged by the department, as I understand that it is not customary to make any provision in that regard.

Mr. MACKENZIE KING: Mr. Speaker, as my hon. friend and his colleagues are about to leave for the imperial conference, I would like to express on behalf of those of us who are of the opposition our best wishes for the advancement of Canadian interests in common with those of other parts of the empire as a consequence of their participation in the conference. My hon. friend has just drawn attention to the distinction to be made between the aims which we have in common and the methods by which they may be accomplished. We on this side may differ very strongly with respect to some of the methods which we understand he proposes to adopt in relation to matters of inter-imperial and international importance, but as to the aim which he and his colleagues have in view, that of advancing the interests of Canada, we are in complete accord. I say to my hon. friend in all sincerity that we are conscious of the great burdens as well as the great responsibilities which have fallen upon his shoulders. Those of us who have attended previous conferences appreciate to what extent the responsibilities and burdens of an imperial conference are going to add to those he is already carrying, but I trust that he may be able to bear those burdens with health and strength and return from the conference personally refreshed by the opportunities of exchange of thought which such gatherings afford, and, as I have said already, be in a position to announce to parliament when it reassembles that as a result of Canada's representation at the conference the interests of our country in common with those of the empire as a whole have been considerably advanced.

Mr. ROBERT GARDINER (Acadia): May I take this opportunity to support the remarks of the right hon. the leader of the opposition. We in this corner of the house hope the Prime Minister and his colleagues will be successful in their mission to the conference. I am sure, now that this contentious legislation has passed through the house, hon. members, and indeed the people of Canada, will wish success to the Prime Minister and his colleagues.

Mr. BENNETT: Perhaps this morning I anticipated what I might usefully say now. With great sincerity however, I would like to say to the right hon. leader of the opposition (Mr. Mackenzie King) and the hon. member for Acadia (Mr. Gardiner) that I very greatly appreciate their good wishes. I am not one who for a single moment underestimates the responsibilities which must be borne and the burdens involved in making the journey to which reference has been made. I am sure I envy my friends their wider experience and greater knowledge of the operations of such conferences. After all however, one can do one's best for the country he happens to represent. I assure this house that to the extent of our ability we will endeavour to interpret the genius, the hopes, the aspirations and the ambitions of the Canadian people amongst those with whom we may do business. I am sure that has been the effort of those who have preceded us and it will be the effort of those who follow us. I appreciate very greatly the generous observations of the right hon. the leader of the opposition. I am sure I am stating what is in the minds of many men when I say that next to a battle lost there is nothing quite as sad as a battle won. To my mind the saddest thing is a battle won. There are disappointments of hopes, there are changed conditions, there are other outlooks, and I am sure that I have endeavoured in my own way to regard many of these matters in the light of the point of view of others. I appreciate to the full the generous attitude the right hon. gentleman has shown towards problems with which we had to deal and I desire to say how much his action has been appreciated. I wish to thank him for the generous expression of good will he has given on behalf of himself and his party and I hope we may be able in some small way to live up to their hopes and expectations and do credit to our country with advantage to our people.

MESSAGE FROM THE GOVERNOR GENERAL'S SECRETARY

PROROGATION OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the house that I have received the following message:

Ottawa, September 20, 1930.

Sir:

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate Chamber on Monday, September 22, at 4.30 p.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, Sir,

Your obedient servant,

E. C. Mieville,

Secretary to the Governor General.

At 3.35 the sitting was suspended until 4.25 p.m. this day.

The house resumed at 4.25 o'clock.

PROROGATION OF PARLIAMENT

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

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

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

In the Senate chamber, His Excellency the Governor General was pleased to give, in His Majesty's name, royal assent to the following bills:

BILLS ASSENTED TO

An Act to amend the Customs Act.

An Act to amend the Customs Tariff.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name His Excellency the Governor General doth assent to these Bills.

Then the honourable the Speaker of the House of Commons addressed His Excellency the Governor General as follows:

May it please Your Excellency:

The Commons of Canada have voted moneys required to enable the government to defray expenses in respect to the relief of unemployment.

In the name of the Commons I present to Your Excellency the following bill:—

An Act for the Granting of Aid for the Relief of Unemployment.

To which bill I humbly request Your Excellency's assent.

To this bill the Clerk of the Senate, by command of His Excellency the Governor General, did thereupon say:

In His Majesty's name, His Excellency the Governor General thanks his loyal subjects, accepts their benevolence, and assents to this bill.

After which His Excellency the Governor General was pleased to close the first session of the seventeenth parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

I thank you for the prompt consideration which you have given to the measures submitted to you, and which are deemed necessary for the relief of unemployment in the Dominion. It is my fervent hope and confident belief that these measures will prove effective in accomplishing the purposes for which they have been enacted.

Honourable Members of the Senate:

Members of the House of Commons:

In relieving you from the duties to which you were summoned, I commend to the Divine protection the people of this Dominion.

This concluded the first session of the seventeenth parliament.

[Mr. Bennett]

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FIRST (SPECIAL) SESSION—SEVENTEENTH PARLIAMENT

SEPTEMBER 8-22, 1930

Abbreviations:—1r., 2r., 3r.,=First, second, third reading. Admn.=Administration. Amdt.=Amendment. Com.=Committee. Div.=Division. Govt.=Government. M.=Motion. Neg.=Negatived. Qu.=Question. Ref.=Referred. Res.=Resolution.

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